

CITY OF LEESBURG, FL COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDING SEPT. 30, 2014



CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014



Prepared by Department of Finance



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CITY OF LEESBURG, FLORIDA

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MISSION STATEMENT

"Dedicated to Our Community, Committed to Service Excellence"

March 30, 2015

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, 2014. 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, 2014, 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, 2014 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.

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 a one year 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 20,500. 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. It has been 5.5 years since the recovery began. The average economic growth has been 2.3%. Unemployment is just under six percent. On the National level, there is still a perception of a slow rebound due to lagging income growth. Most domestic sectors are growing again. Non-farm employment growth increased 241,000 per month in 2014, up from 194,000 jobs per month in 2013. Job growth has been firmer and more broadly based with more gains in high-paying sectors.

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.

Economic challenges and diminishing property values have a significant impact on the City's taxable property income since the recession began in FY 2008. FY2013 was the first year there was no decline in the City's property tax value. The prior years' decreases in the City's taxable value, coupled with property tax reform, have 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 increase slightly over the next year, but the rate of increase is not anticipated to be accelerating anytime soon.

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 department consistently evaluates the costs of outsourcing specific activities. There is a plan to convert certain overhead utility lines within the City to underground in 30 years to avoid future safety code compliance issues associated with poles, weather related damage and to provide other savings. As part of the Smart Grid Grant, numerous electric systems and hardware were replaced and updated. These improvements will aide in the data gathering necessary to identify areas in which future upgrades may be necessary due to growth and changing load characteristics. In addition, a revision to the 10 year Capital Improvement Plan is underway which will identify system replacements, upgrades, and improvements necessary to maintain a state of the art system well into the future.
- **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. Since April of 2006, natural gas is being required in all new subdivisions within the city limits. Implementation of this policy will significantly reduce future capital outlay.
- **Water & Wastewater** – Future utility expansion will be based on the Utility Master Plan and assessed as development requires utility expansion. At the present time there is no funding source in water or wastewater for future utility expansion. The water utility is looking into long term solutions for increased water consumption driven by population growth. The Florida aquifer has limited resources and is not expected to keep pace with development. The Central Florida Water Initiative and other similar efforts will take a leading role in developing future water use policies.
- **Communications** – The utility has expanded their business marketing to customers for fiber optic cable and internet services. Because of expanded internet rates, and the offering of broadband communications services, the city continues to extend fiber optic connections to customers.
- **Solid Waste** – The Solid Waste Division recently executed a long term disposal agreement with Covanta Lake II, Inc. a waste to energy facility that produces electricity by burning municipal solid waste. The 5 year agreement includes an option to extend the contract for three additional 5 year terms. The negotiated disposal fee is considerably less than the fee recently paid to Lake County and represents a significant savings in operating expenses for the duration of the contract. The reduction in operating costs may provide an opportunity to reduce fees for service. The utility will continue to replace semi-automated residential side loading trucks with larger, fully automated trucks. The utility is strong enough to transfer cash reserves to fund the Phase I of the Venetian Gardens Master Plan.
- **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, 2013. This is the twenty-fourth consecutive year (fiscal years ended 1990-2013) 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 2013-14. This was the sixteenth 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,



William Spinelli, CPA
Finance Director

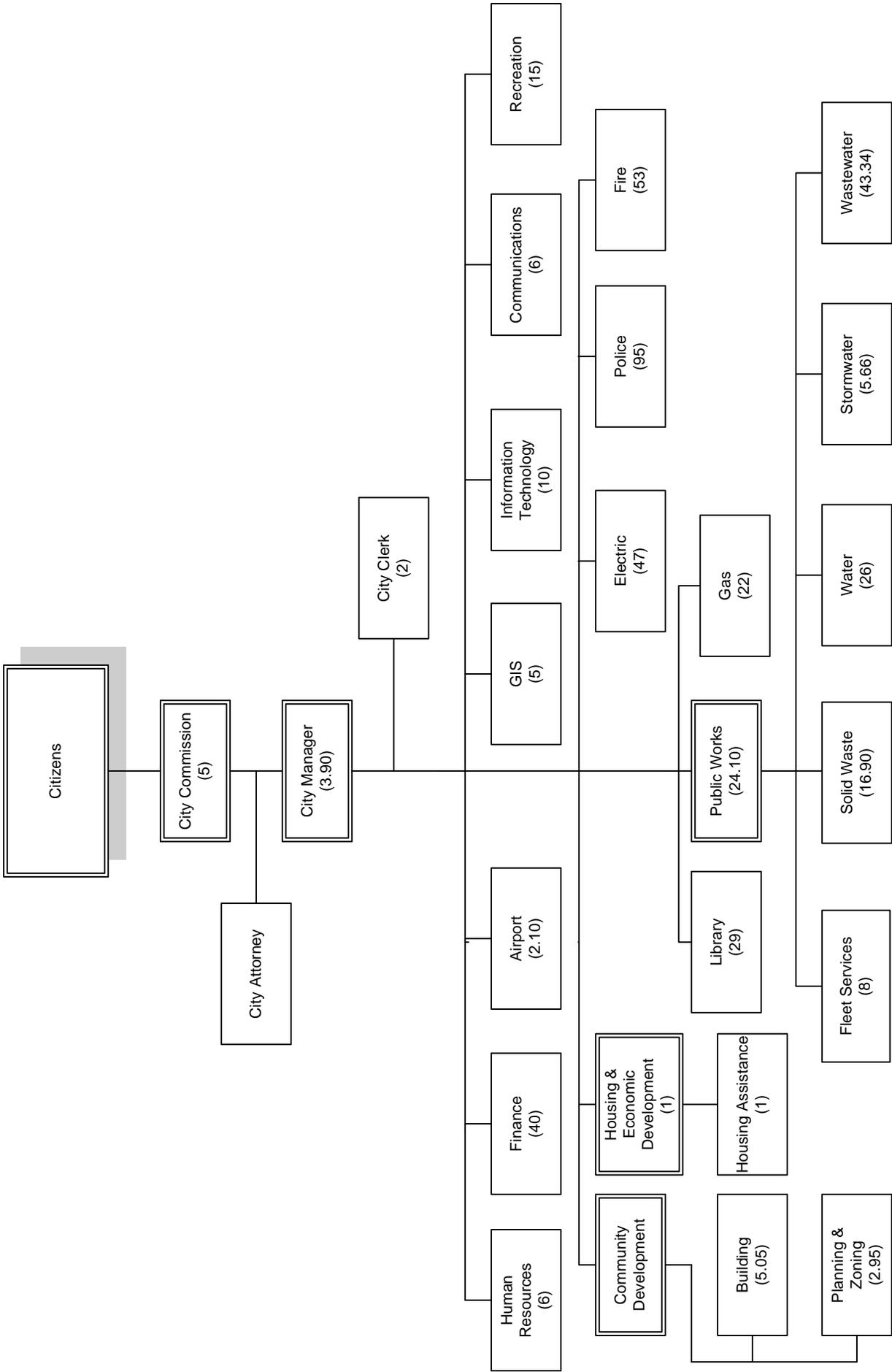
**CITY OF LEESBURG, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2014**

CITY COMMISSION

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

Al Minner City Manager	William Spinelli, CPA Director of Finance	Fred A. Morrison McLin & Burnsed P.A. City Attorney
Michael Rankin Deputy City Manager	Betty Richardson City Clerk	Moore Stephens Lovell, P.A. City Auditors

Jakki Cunningham Perry	Human Services Director
Tino Anthony	Information Technology Director
Robert Hicks	Police Chief
David Johnson	Fire Chief
William O. Wiley Jr.	Community Development Director
Kenneth L. Thomas	Housing & Economic Development Director
Lucy B. Gangone	Library Director
Patrick Foster	Director of Electric
Jack G. Rogers Jr.	Director of Gas
DC Maudlin	Director of Public Works





Government Finance Officers Association

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Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

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, 2014, 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, 2014, 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 30, 2015, 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 30, 2015



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**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

The City of Leesburg (the City), Florida's management's discussion and analysis presents an overview of the City's financial activities for the fiscal year ended September 30, 2014. 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 2014 by \$232 million (net position). Of this amount, \$50.6 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 \$5.3 million or 2.36%. Net position for governmental activities increased by \$3.5 million or 6.1%, while business-type net position increased by \$1.9 million, or 1.09%.
- As of September 30, 2014, the City's governmental funds reported combined ending fund balances of \$22.3 million, a slight increase of \$711 thousand in comparison with the reported amount of \$21.6 million in the prior year.
- On September 30, 2014, unassigned fund balance for the general fund was \$10.7 million, or 45.2% of total general fund expenditures and transfers out of \$23.7 million.
- Governmental funds' fund balance increased by \$710,597, which represented an improvement over the prior year net decrease of \$662,612. The increase was mainly attributed to an increase of \$308,568 in charges for services revenue coupled with a \$311,992 increase in intergovernmental revenues. The internal service funds change in net position increased by \$1.4 million. This increase is primarily attributable to an \$1.2 million increase in the Fleet Maintenance Fund. The Risk Management Fund, was added as an internal service fund increasing the ending net position by \$159,839. 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 \$2.7 million from the previous year. The electric fund suffered a decrease in change in net position of \$3.8 million, while the gas fund improved its change in net position by \$972 thousand.
- The City's total financed debt as of September 30, 2014, decreased by \$4.1 million to \$134 million. New debt was issued in 2014 to benefit from lower interest rates. The 2004 Electric System Revenue Bonds were refinanced with the 2014 Electric System Refunding Revenue Note.

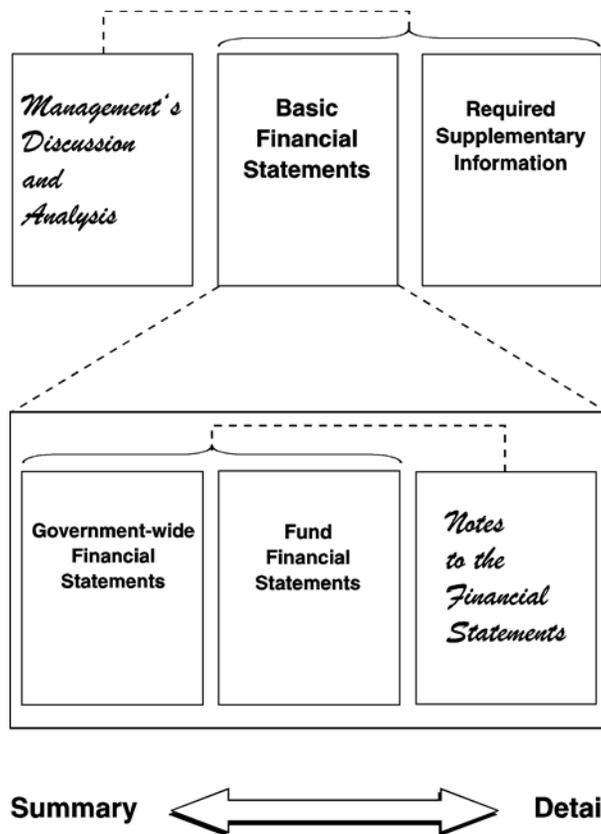
Overview of the Financial Statements

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 and deferred outflows, less liabilities, with the difference 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 2014. 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, risk management, 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.

**CITY OF LEESBURG, FLORIDA
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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, risk management, 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.

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.

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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 \$232 million at the close of the fiscal year ended September 30, 2014.

At the end of fiscal year 2014, the City is able to report positive balances in all three categories of net position for 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's Net Position

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 36,846,187	\$ 33,702,883	\$ 102,542,664	\$ 97,538,120	\$ 139,388,851	\$ 131,241,003
Capital assets (net)	77,118,390	77,814,418	199,347,511	196,277,140	276,465,901	274,091,558
Total assets	113,964,577	111,517,301	301,890,175	293,815,260	415,854,752	405,332,561
Deferred Outflow of Resources	948,573	996,002	1,846,435	1,490,428	2,795,008	2,486,430
Liabilities						
Current and other liabilities	8,288,733	7,322,386	27,107,142	18,689,101	35,395,875	26,011,487
Long term liabilities	45,998,798	48,064,279	105,195,760	107,033,335	151,194,558	155,097,614
Total liabilities	54,287,531	55,386,665	132,302,902	125,722,436	186,590,433	181,109,101
Net Position						
Net Investment in capital assets	46,464,509	45,611,934	116,147,661	115,138,968	162,612,170	160,750,902
Restricted	3,833,845	3,785,234	14,966,539	9,816,240	18,800,384	13,601,474
Unrestricted	10,327,265	7,729,470	40,319,508	44,628,044	50,646,773	52,357,514
Total net position	\$ 60,625,619	\$ 57,126,638	\$ 171,433,708	\$ 169,583,252	\$ 232,059,327	\$ 226,709,890

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 \$162.6 million, or 39.1% of all assets, which total \$415.9 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.

**CITY OF LEESBURG, FLORIDA
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A portion of the City's net position, \$18.8 million, or 8.1% 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 \$50,646,773 may be used to meet the City's ongoing obligations to citizens and creditors, and provide funding for various projects.

Statement of Activities

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

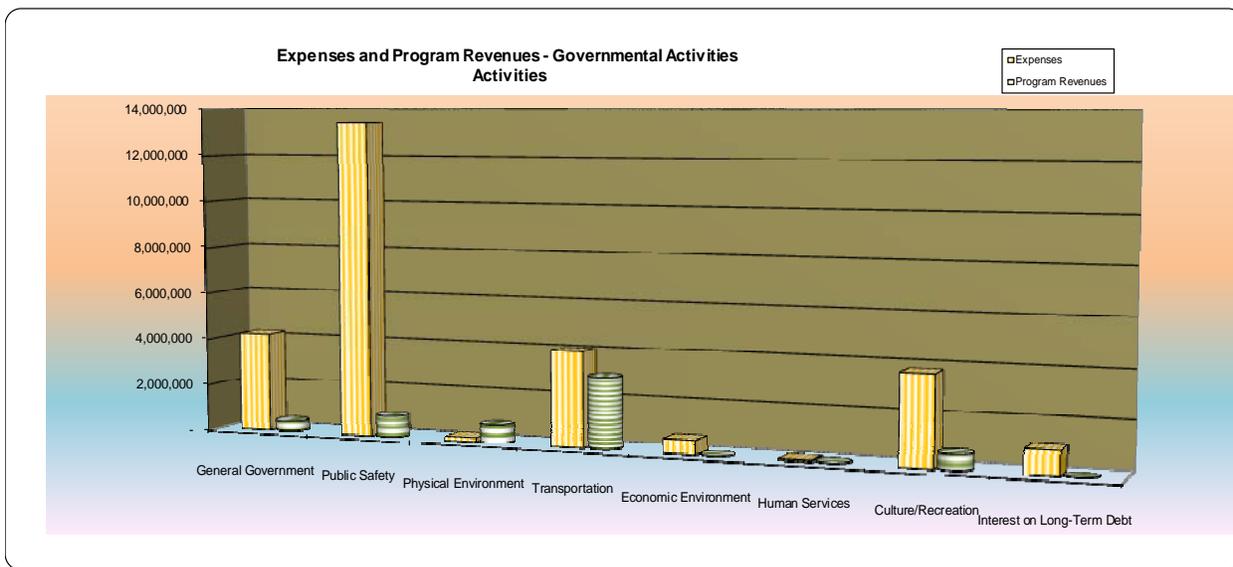
	City of Leesburg's Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for Services	\$ 3,174,779	\$ 2,479,471	\$ 92,013,588	\$ 93,582,078	\$ 95,188,367	\$ 96,061,549
Operating Grants and Contributions	369,821	764,401	3,605	111,360	373,426	875,761
Capital Grants and Contributions	2,168,876	1,786,112	2,742,221	2,743,174	4,911,097	4,529,286
General Revenues						
Taxes						
Property Taxes	4,685,546	4,684,694	-	-	4,685,546	4,684,694
Sales Taxes	1,740,150	1,629,454	-	-	1,740,150	1,629,454
Utility Service Taxes	3,255,534	3,195,794	-	-	3,255,534	3,195,794
Communication Service Taxes	1,058,798	1,155,595	-	-	1,058,798	1,155,595
Other Taxes	991,612	981,209	-	-	991,612	981,209
State-shared Revenues, Unrestricted	1,786,037	1,658,741	-	-	1,786,037	1,658,741
County-shared Revenues, Unrestricted	418,531	412,342	-	-	418,531	412,342
Investment Income	105,996	91,653	566,516	1,030,643	672,512	1,122,296
Miscellaneous	179,925	217,330	18,216	11,954	198,141	229,284
Total Revenues	<u>19,935,605</u>	<u>19,056,796</u>	<u>95,344,146</u>	<u>97,479,209</u>	<u>115,279,751</u>	<u>116,536,005</u>
Expenses						
General Government	4,207,463	2,783,141	-	-	4,207,463	2,783,141
Public Safety	13,436,493	12,533,637	-	-	13,436,493	12,533,637
Physical Environment	164,599	96,957	-	-	164,599	96,957
Transportation	4,026,402	3,452,836	-	-	4,026,402	3,452,836
Economic Environment	601,599	617,173	-	-	601,599	617,173
Human Services	62,313	89,462	-	-	62,313	89,462
Culture/Recreation	3,787,423	4,000,195	-	-	3,787,423	4,000,195
Interest on Long-Term Debt	1,014,659	2,055,215	-	-	1,014,659	2,055,215
Electric	-	-	57,032,000	54,765,248	57,032,000	54,765,248
Gas	-	-	5,820,355	6,950,627	5,820,355	6,950,627
Water	-	-	6,087,119	6,270,374	6,087,119	6,270,374
Wastewater	-	-	8,255,645	8,516,232	8,255,645	8,516,232
Stormwater	-	-	930,551	988,175	930,551	988,175
Solid Waste	-	-	3,105,018	3,137,439	3,105,018	3,137,439
Communications	-	-	1,398,675	1,235,660	1,398,675	1,235,660
Total Expenses	<u>27,300,951</u>	<u>25,628,616</u>	<u>82,629,363</u>	<u>81,863,755</u>	<u>109,930,314</u>	<u>107,492,371</u>
Change in Net Position Before Transfers	(7,365,346)	(6,571,820)	12,714,783	15,615,454	5,349,437	9,043,634
Transfers	10,864,327	11,072,770	(10,864,327)	(11,072,770)	-	-
Change in Net Position	3,498,981	4,500,950	1,850,456	4,542,684	5,349,437	9,043,634
Restatement	-	-	-	(1,679,372)	-	(1,679,372)
Net Position - Beginning	57,126,638	52,625,688	169,583,252	166,719,940	226,709,890	219,345,628
Net Position - Ending	<u>\$ 60,625,619</u>	<u>\$ 57,126,638</u>	<u>\$ 171,433,708</u>	<u>\$ 169,583,252</u>	<u>\$ 232,059,327</u>	<u>\$ 226,709,890</u>

**CITY OF LEESBURG, FLORIDA
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Governmental Activities

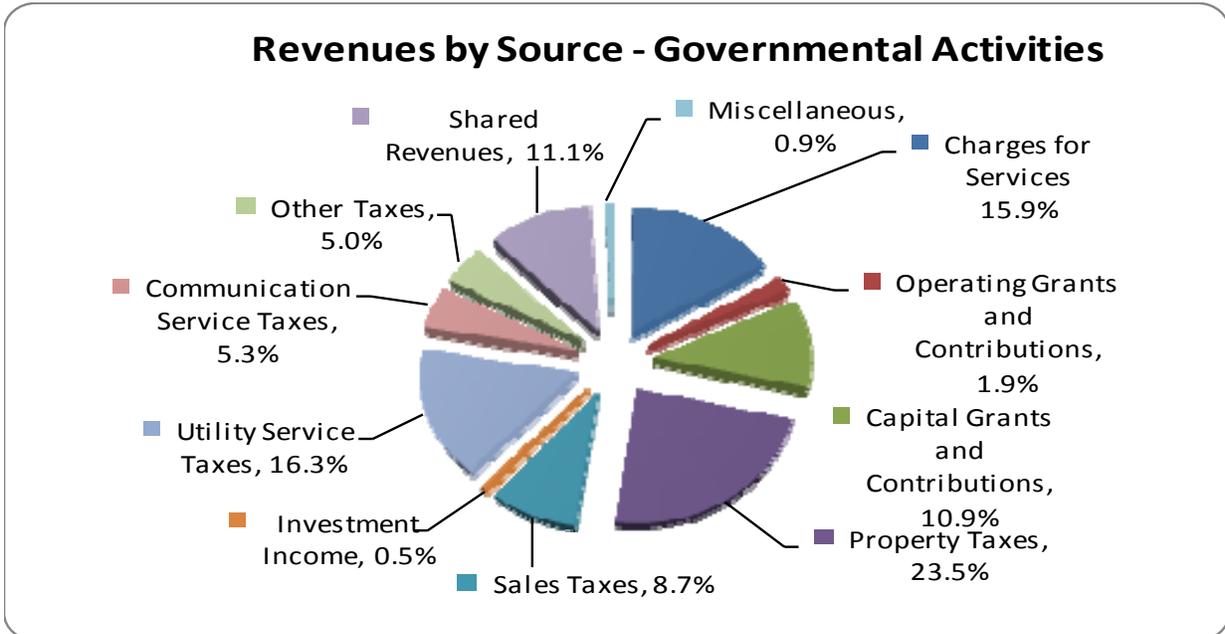
Governmental activities for the current fiscal year increased the City's net position by \$3.5 million or by 6.1%. Overall program revenues increased by \$683,000. Revenue increases in charges for services of \$695,000 and capital grants of \$383,000 respectively, offset a reduction of \$395,000 in operating grants. Overall expenses increased by \$1,672,000. Expense increases occurred in general government, public safety, physical environment, and transportation of \$1.4 million, \$903,000, \$68,000 and \$574,000 respectively. The receipt of revenue from property taxes increased slightly, reflecting an economy that is showing signs of recovery.

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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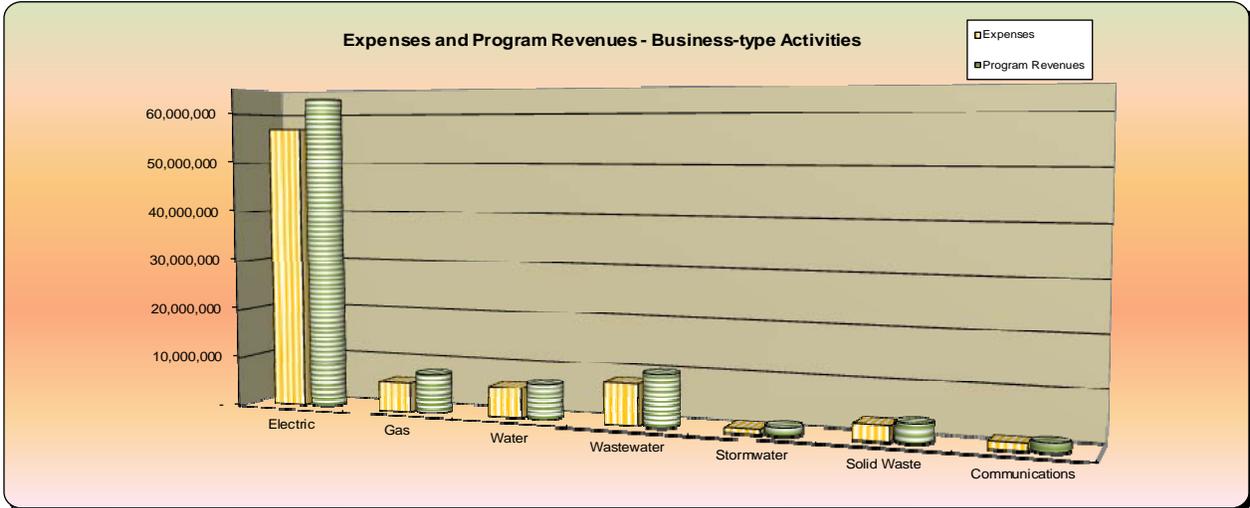
Activities of the City's four internal service funds are considered governmental rather than business-type activities. The City's general employee health insurance fund net position decreased by \$181,000, or 6% even though the City continues to experience cost savings resulting from increased use of 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 increased by \$189,197. Inter-fund transfers were \$44,000, or \$524,000 less than the previous year. Operating expenses also decreased by \$192,000. The City established a Risk Management Fund in 2014, which charges the various departments an insurance fee for all costs related to General Liability, Excess Liability, Property/Casualty, Auto Physical Damage, Public Official and Employment Practices Liability. The Risk Management Fund charges City departments based on factors such as number of vehicles, value of assets, and operating budget. The Fleet Maintenance fund tracks activities associated with providing vehicles and equipment services throughout the City's operation. Net operating income for the Fleet Maintenance Fund was \$963,000, which is a decrease of \$310,000 from the previous year.

Business-type Activities - Business-type activities for the current fiscal year increased the City's net position by \$1.9 million. Net operating revenues of \$14.2 million were reduced by transfers primarily to the governmental-type funds of \$10.9 million.

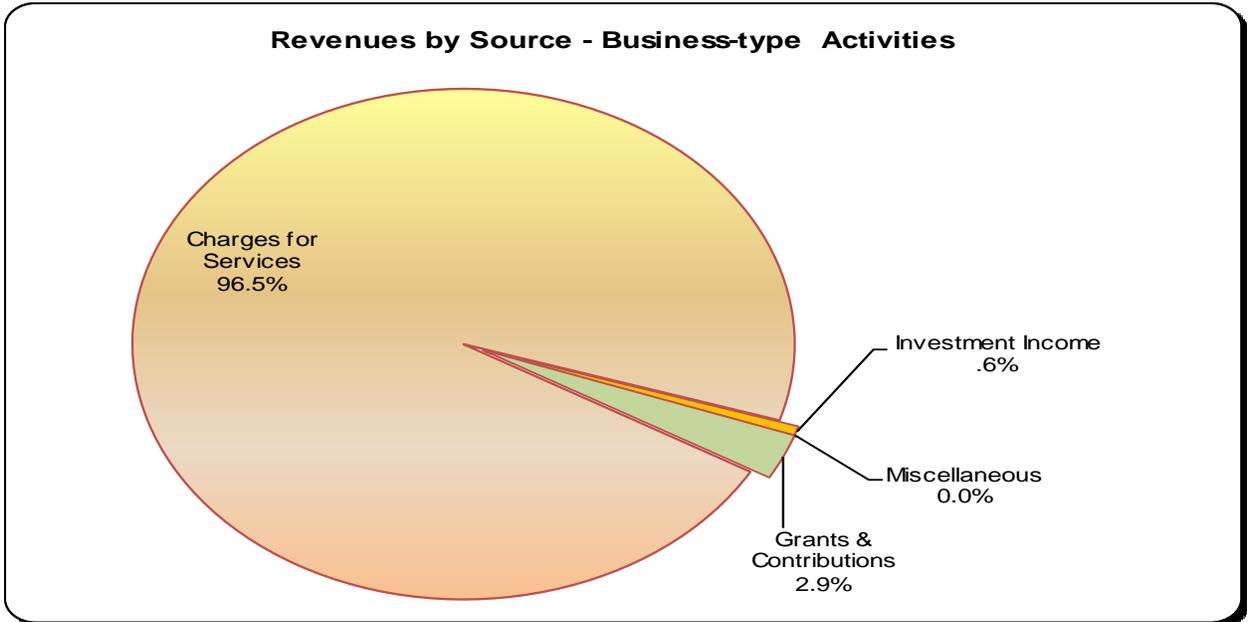
The GASB has issued Statement 65, Items Previously Reported as Assets and Liabilities, which clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB 65 requires certain items which were previously reported as assets and liabilities to be reported as deferred outflows of resources, deferred inflows of resources, or as revenues and expenses.

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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.



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



**CITY OF LEESBURG, FLORIDA
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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 2014, the City's governmental funds reported combined ending fund balances of \$22.3 million, an increase of \$711 thousand from the prior year. Unassigned fund balance of the governmental funds increased \$2.3 million to \$10.6 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 2014, the fund balance of the general fund was \$12 million. This fund balance is comprised of non-spendable funds totaling \$50,000, restricted funds of \$1 million, committed funds of \$2,900, assigned funds of \$235,000, and unassigned funds of \$10.7 million. This unassigned balance is an increase of \$2.1 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.

The Greater Leesburg CRA experienced a reduction of \$22,000 in expenditures, while revenues remained the same. An \$72,000 increase in the Carver/Montclair CRA revenues was erased by an \$291,000 increase in expenditures. Capital outlay expenditures increased by \$296,000, while economic environment expenditures decrease by \$5,000. The U.S. Hwy 441 & 27 CRA experienced a year-to-year \$281,000 reduction in revenues stemming from interest earnings and a prior year \$198,000 FDOT reimbursement for work performed. The effect of these reduced revenues were only partially offset by a transfers to other funds reduction of \$99,000 from the prior year, coupled with expenditure reductions of \$22,000. These activities in the three CRAs combined to result in a change in net position reduction of \$357,000 in the CRA Fund.

The change in fund balance for the Capital Projects Fund increased by \$75,000, primarily reflecting an increase of \$74,000 in intergovernmental revenues. Increased expenditures of \$336,000 were offset by corresponding interfund transfers.

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 decreased by \$4.3 million, or 9.7%.

**CITY OF LEESBURG, FLORIDA
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Unrestricted Net Position			
<u>Fund</u>	<u>2014</u>	<u>2013</u>	<u>Change</u>
Electric	\$ 12,106,922	\$ 18,439,751	\$ (6,332,829)
Gas	9,161,968	9,117,589	44,379
Water	7,195,200	7,142,202	52,998
Wastewater	5,326,798	3,871,153	1,455,645
Stormwater	3,166,132	2,849,680	316,452
Solid Waste	2,038,593	1,865,393	173,200
Communications	1,323,895	1,342,276	(18,381)
Total	\$ 40,319,508	\$ 44,628,044	\$ (4,308,536)

The \$3.8 million reduction in change in net position in the Electric Fund was primarily related to a customer refund expense of \$3.1 million. Reductions of \$1.6 million in operating revenues were mainly offset by a reduction in net non-operating costs of \$394,000 from the prior year coupled with an increase in 2014 capital contributions of \$337,000. Unrestricted net position in the Electric Fund decreased by \$6.3 million from the 2013 amount. This decrease primarily resulted from the restriction of \$4.6 million for an on-going construction project and the accrual of \$3 million for a pending customer refund. Activities in the Gas Fund remained similar to those of the prior year. The improvement in change in net position is attributable to a \$1.2 million non-recurring charge in 2013. The \$419,000 change in net position for the Water Fund was primarily a result of a savings of \$530,000 in transfers to other funds, which helped offset the slight reduction in revenues. The change in net position for the Wastewater Fund improved by \$414,000, or 61% as a result of increased operating revenues of \$348,000, coupled with a net decrease in operating and non-operating expenses of \$57,100 and \$29,000 respectively.

General Fund Budgetary Highlights

The final general fund budget of \$25.6 million was an increase over the original budget, \$24.8 million, of \$797 thousand. Approximately half of the increase related to rollovers from fiscal year 2013 in the amount of \$429 thousand. Of this amount \$68,000 was Smart Grid related, \$216,000 pertained to information technology costs, \$59,000 for Customer Service Renovations, and other ancillary items totaling \$86,000.

Actual revenues and expenditures varied from revised budget estimates in some areas. Tax revenues exceeded expectations by \$266,000 as a result of collecting current and delinquent ad valorem taxes in excess of budget by \$135,000, and increases in utility and sales tax revenues totaling \$177,000. Charges for services also exceeded expectations by \$132,000 stemming primarily from timing issues regarding FDOT invoices between fiscal years 2013 and 2014. Expenditures lagged expectations in most areas. The majority of savings were in general government, public safety and human services with variances of \$449,188, \$564,355, and \$474,672 respectively. Saving in these and other areas stemmed from cost savings in the areas of salaries, reduced repair and maintenance costs, and reduced professional services and other third-party costs. Budgeted fund balance appropriations of \$672,000 were not needed as a result of revenues exceeding and expenditures lagging budgetary expectations.

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Capital Asset and Debt Administration

Capital Assets

Capital assets include land, buildings, improvements other than buildings, intangible assets, vehicles and equipment, infrastructure, and construction in progress. The infrastructure asset category includes long-lived capital assets, typically stationary in nature, such as roads, sidewalks and bridges. At September 30, 2014, the City had investments in capital assets of \$276.5 million (net of accumulated depreciation), an increase of \$2.4 million from the previous year. Significant changes in capital assets include the following:

City of Leesburg's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 9,006,048	\$ 8,957,139	\$ 12,185,218	\$ 12,145,218	\$ 21,191,266	\$ 21,102,357
Buildings	43,680,053	43,470,084	33,831,138	33,650,766	77,511,191	77,120,850
Improvements Other Than Buildings	29,211,123	27,729,650	210,119,231	192,807,323	239,330,354	220,536,973
Intangible Assets	-	-	786,424	748,274	786,424	748,274
Equipment	28,363,722	28,025,434	36,980,926	35,460,971	65,344,648	63,486,405
Infrastructure	36,613,161	34,766,067	-	-	36,613,161	34,766,067
Construction in Progress	2,346,823	3,419,640	5,345,724	16,454,873	7,692,547	19,874,513
	149,220,930	146,368,014	299,248,661	291,267,425	448,469,591	437,635,439
Less: Accumulated Depreciation	(72,102,540)	(68,553,596)	(99,901,150)	(94,990,285)	(172,003,690)	(163,543,881)
Capital Assets, Net	<u>\$ 77,118,390</u>	<u>\$ 77,814,418</u>	<u>\$ 199,347,511</u>	<u>\$ 196,277,140</u>	<u>\$ 276,465,901</u>	<u>\$ 274,091,558</u>

Governmental-type Activities - Construction Work-In-Progress (CWIP) decreased \$1.1 million primarily reflecting the completion of capital projects and conversion to capital assets placed in service.

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

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Electric		
Lighting projects	\$	302,921
Electric distribution lines		1,922,490
Transformer purchases		710,771
Smart grid project		2,710,046
Reconductoring		227,402
Substation replacements/upgrades		1,556,540
 Gas		
Mains, regulators, and equipment	\$	246,547
Meters		638,135
 Water		
Mains, plant and storage, and equipment	\$	254,281
Plantation Water Treatment Plant Upgrade		182,905
 Wastewater		
Plant treatment and disposal, collecting sewers, and equipment	\$	568,709
 Communications		
Line installation, relocations, and equipment	\$	369,337
 Stormwater		
Infrastructure improvements	\$	340,009

Additional information on the City's capital assets can be found in Note 6 of the notes to the financial statements.

Long-term Liabilities

At the end of fiscal year 2014, the City had total long-term liabilities outstanding of \$157.1 million, of which \$144 million is attributable to outstanding bonds, notes, compensated absences, landfill postclosure payable, CR #3 decommissioning cost payable, and capital lease payable. \$79.2 million represents bonds secured solely by specified revenue sources, while a bond issue of \$14.3 million is secured by tax increment financing. \$29.1 million of the bonds is applicable to governmental activities, and \$64.4 million is for the business-type activities. Other long-term liabilities include the net pension obligation of \$883,000 and other post-employment benefits of \$12.2 million.

New financing activity associated with the City's business type activities occurred during fiscal year 2014. The 2004 Electric System Revenue Bonds were refinanced with the 2014 Electric System Refunding Revenue Note.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

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

	<u>9/30/2014</u> Balance	<u>9/30/2013</u> Balance	<u>Net</u> Change
Revenues			
Bonds	\$ 93,472,688	\$ 110,724,446	\$ (17,251,758)
Notes	40,662,202	27,540,310	13,121,892
Total Revenues	<u>134,134,890</u>	<u>138,264,756</u>	<u>(4,129,866)</u>
Other Liabilities			
Compensated Absences	2,509,124	2,661,788	(152,664)
Capital Lease Payable	124,460	162,648	(38,188)
CR#3 Decommissioning Cost Payable	6,946,584	6,946,584	-
Landfill Postclosure Payable	<u>249,107</u>	<u>306,782</u>	<u>(57,675)</u>
Total Other Liabilities	<u>9,829,275</u>	<u>10,077,802</u>	<u>(248,527)</u>
Total Long Term Liabilities Outstanding	<u>\$ 143,964,165</u>	<u>\$ 148,342,558</u>	<u>\$ (4,378,393)</u>

The City is under constant surveillance and scrutiny from Wall Street rating agencies. Ratings were unchanged during fiscal year 2014:

	<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 unemployment rate for Lake County was 6.2%, a decrease from a rate of 6.5% a year ago. This compares to the State average rate of 6.1%.
- The millage rate for 2014 remained unchanged at 4.3179 mills. The City ranked 11th out of the 14 cities in Lake County. The City is able to retain ad valorem rates at a minimal level due in large part from the transfers from utility fund operations.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

- Population increased slightly to 21,057 from the prior fiscal year of 20,761 at April 1, 2014.
- The fiscal year 2014 budget process was again impacted by legislative pressure to lower local government spending. 2015 property values are projected to improved only slightly from 2014 levels, resulting in Ad Valorem revenues that are expected to mirror the 2014 level. Adverse economic conditions also continue to suppress other revenue sources.

Other

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 69% 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 the ownership change will occur in fiscal year 2015.

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, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Pooled Cash and Investments	\$ 24,215,979	\$ 38,239,525	\$ 62,455,504
Restricted Assets:			
Temporarily Restricted:			
Pooled Cash and Investments	8,044,380	39,389,228	47,433,608
Cash with Fiscal Agent	1,242,387	1,161,072	2,403,459
Investments	-	6,614,887	6,614,887
Receivables, Net	404,139	11,622,061	12,026,200
Notes Receivable, Employees	26,545	-	26,545
Due from Other Governments	1,343,410	1,002,905	2,346,315
Prepaid Items	15,089	149,464	164,553
Inventories	597,227	4,363,522	4,960,749
Net Pension Asset	957,031	-	957,031
Capital Assets Not Being Depreciated	11,352,871	17,530,942	28,883,813
Capital Assets Being Depreciated, Net of Depreciation	65,765,519	181,816,569	247,582,088
Total Assets	<u>113,964,577</u>	<u>301,890,175</u>	<u>415,854,752</u>
Deferred Outflows of Resources			
Deferred Amounts on Bond Refunding	948,573	1,846,435	2,795,008
Liabilities			
Accounts Payable	1,802,704	6,899,985	8,702,689
Accrued Liabilities	605,540	601,322	1,206,862
Accrued Interest Payable	389,958	2,052,835	2,442,793
Customer Advances for Construction	-	4,616,327	4,616,327
Unearned Revenue	528,237	280,829	809,066
Claims Payable	1,990,955	-	1,990,955
Customer Deposits	101,298	6,161,719	6,263,017
Rate Stabilization Credit	-	3,128,575	3,128,575
Due to Other Governments	39,250	299,050	338,300
Noncurrent Liabilities:			
Due Within One Year	2,830,791	3,066,500	5,897,291
Due in More Than One Year	36,597,498	101,469,376	138,066,874
Net Pension Obligation	882,515	-	882,515
Other Postemployment Benefits Liability	8,518,785	3,726,384	12,245,169
Total Liabilities	<u>54,287,531</u>	<u>132,302,902</u>	<u>186,590,433</u>
Net Position			
Net Investment in Capital Assets	46,464,509	116,147,661	162,612,170
Restricted for:			
Hwy 441 Pond Maintenance	400,995	-	400,995
Public Safety	255,817	-	255,817
Housing Assset Trust Fund	309,946	-	309,946
Property Maintenance	-	93,754	93,754
Capital Projects	1,603,074	14,550,785	16,153,859
Debt Service	1,264,013	-	1,264,013
Gas Depository Trust	-	322,000	322,000
Unrestricted	10,327,265	40,319,508	50,646,773
Total Net Position	<u>\$ 60,625,619</u>	<u>\$ 171,433,708</u>	<u>\$ 232,059,327</u>

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, 2014**

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		Total
					Governmental Activities	Business-type Activities	
Governmental Activities							
General Government	\$ 4,207,463	\$ 403,638	\$ 16,860	\$ -	\$ (3,786,965)	\$ -	\$ (3,786,965)
Public Safety	13,436,493	808,461	35,715	37,780	(12,554,537)	-	(12,554,537)
Physical Environment	164,599	34,240	280,988	438,532	589,161	-	589,161
Transportation	4,026,402	1,378,294	-	1,650,328	(997,780)	-	(997,780)
Economic Environment	601,599	-	-	-	(601,599)	-	(601,599)
Human Services	62,313	-	-	-	(62,313)	-	(62,313)
Culture/Recreation	3,787,423	550,146	36,258	42,236	(3,158,783)	-	(3,158,783)
Interest on Long-term Debt	1,014,659	-	-	-	(1,014,659)	-	(1,014,659)
Total Governmental Activities	\$ 27,300,951	\$ 3,174,779	\$ 369,821	\$ 2,168,876	\$ (21,587,475)	\$ -	\$ (21,587,475)
Business-type Activities							
Electric Utility	\$ 57,032,000	\$ 60,439,470	\$ -	\$ 2,691,240	\$ -	\$ 6,098,710	\$ 6,098,710
Gas Utility	5,820,355	7,691,761	-	251	-	1,871,657	1,871,657
Water Utility	6,087,119	6,955,769	-	50,730	-	919,380	919,380
Wastewater Utility	8,255,645	10,173,514	3,605	-	-	1,921,474	1,921,474
Stormwater System	930,551	1,435,364	-	-	-	504,813	504,813
Solid Waste System	3,105,018	3,622,129	-	-	-	517,111	517,111
Communication Services Utility	1,398,675	1,695,581	-	-	-	296,906	296,906
Total Business-type Activities	\$ 82,629,363	\$ 92,013,588	\$ 3,605	\$ 2,742,221	\$ -	\$ 12,130,051	\$ 12,130,051
General Revenues							
Taxes:							
Property Taxes					\$ 4,685,546	\$ -	\$ 4,685,546
Sales Taxes					1,740,150	-	1,740,150
Utility Service Taxes					3,255,534	-	3,255,534
Communication Services Taxes					1,058,798	-	1,058,798
Other Taxes					991,612	-	991,612
State-shared Revenues, Unrestricted					1,786,037	-	1,786,037
County-shared Revenues, Unrestricted					418,531	-	418,531
Investment Income					105,996	566,516	672,512
Miscellaneous					179,925	18,216	198,141
Transfers					10,864,327	(10,864,327)	-
Total General Revenues, Special Items and Transfers					25,086,456	(10,279,595)	14,806,861
Change in Net Position					3,498,981	1,850,456	5,349,437
Net Position, Beginning of Year					57,126,638	169,583,252	226,709,890
Net Position, End of Year					\$ 60,625,619	\$ 171,433,708	\$ 232,059,327

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).



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**CITY OF LEESBURG, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	Major Funds			Other	Total
	General Fund	Community Redevelopment Fund	Capital Projects Fund	Nonmajor Governmental Funds	
Assets					
Pooled Cash and Investments	\$ 11,591,582	\$ 1,854,280	\$ -	\$ 877,855	\$ 14,323,717
Restricted Cash	881,252	6,805,688	-	3,811	7,690,751
Cash with Fiscal Agent	-	-	-	1,242,387	1,242,387
Accounts Receivables, Net of allowance of \$51,086	277,069	-	-	7,888	284,957
Notes Receivable, Employees	26,545	-	-	-	26,545
Due from Other Funds	351,217	-	-	-	351,217
Due from Other Governments	375,338	20,674	878,563	68,835	1,343,410
Prepaid Items	15,089	-	-	-	15,089
Inventory	8,441	-	-	-	8,441
Total Assets	\$ 13,526,533	\$ 8,680,642	\$ 878,563	\$ 2,200,776	\$ 25,286,514
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ 296,426	\$ 38,474	\$ 655,628	\$ 17,024	\$ 1,007,552
Due to Other Funds	-	18,788	226,946	105,483	351,217
Due to Other Governments	35,218	-	-	4,032	39,250
Accrued Salaries	584,417	-	-	9,852	594,269
Accrued Interest	-	-	-	389,958	389,958
Unearned Revenue	520,729	-	7,508	-	528,237
Deposits	94,646	3,500	-	3,152	101,298
Total Liabilities	1,531,436	60,762	890,082	529,501	3,011,781
Fund Balances					
Nonspendable:					
Prepays	15,089	-	-	-	15,089
Inventory	8,441	-	-	-	8,441
Notes Receivable - Employees	26,545	-	-	-	26,545
Restricted for:					
Hwy 441 Pond Maintenance	400,995	-	-	-	400,995
Public Safety and Other Expenditures	196,643	-	-	59,174	255,817
Housing Asset Trust Fund	309,946	-	-	-	309,946
Capital Projects	110,012	5,579,867	-	879,776	6,569,655
Debt Service	-	1,716,908	-	846,732	2,563,640
Committed for:					
C.U.R.E. Program	2,919	-	-	-	2,919
Assigned for:					
Capital Projects	235,269	1,323,105	-	-	1,558,374
Unassigned (deficit)	10,689,238	-	(11,519)	(114,407)	10,563,312
Total Fund Balances	11,995,097	8,619,880	(11,519)	1,671,275	22,274,733
Total Liabilities and Fund Balances	\$ 13,526,533	\$ 8,680,642	\$ 878,563	\$ 2,200,776	\$ 25,286,514

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



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**CITY OF LEESBURG, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2014**

Total Fund Balances of Governmental Funds		\$ 22,274,733
 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)	\$ 129,775,226	
Accumulated Depreciation (excluding internal service funds)	<u>(56,073,221)</u>	73,702,005
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.		
		11,528,779
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.		
		948,573
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	(29,120,000)	
Notes Payable	(8,624,202)	
Compensated Absences	(1,515,540)	
Capital Lease Payable	(124,460)	
Net Other Postemployment Benefit Obligation	<u>(8,518,785)</u>	<u>(47,902,987)</u>
Total Net Position of Governmental Activities		<u>\$ 60,625,619</u>

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



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CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Major Funds</u>			<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Community</u>	<u>Capital</u>	<u>Nonmajor</u>	
	<u>Fund</u>	<u>Redevelopment</u>	<u>Projects</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Revenues					
Taxes	\$ 10,729,606	\$ 490,168	\$ -	\$ 782,934	\$ 12,002,708
Licenses and Permits	166,926	-	-	648,979	815,905
Intergovernmental	2,144,512	234,487	1,628,086	347,522	4,354,607
Charges for Services	895,086	-	-	1,694	896,780
Fines and Forfeitures	119,059	-	-	46,297	165,356
Impact Fees	-	-	-	68,685	68,685
Miscellaneous:					
Interest	48,987	(24,786)	(50)	1,604	25,755
Rental	1,248,533	-	-	-	1,248,533
Other	108,733	10	-	93,147	201,890
Total Revenues	<u>15,461,442</u>	<u>699,879</u>	<u>1,628,036</u>	<u>1,990,862</u>	<u>19,780,219</u>
Expenditures					
Current:					
General Government	3,257,326	-	-	-	3,257,326
Public Safety	13,356,129	-	-	467,714	13,823,843
Physical Environment	77,191	-	-	-	77,191
Transportation	1,954,498	-	-	176	1,954,674
Economic Environment	138,202	264,773	-	160,032	563,007
Human Services	62,313	-	-	-	62,313
Culture and Recreation	2,346,340	-	-	-	2,346,340
Debt Service:					
Principal Payments	-	316,108	-	1,648,188	1,964,296
Interest and Fees	-	706,062	-	913,332	1,619,394
Capital Outlay	548,274	533,811	3,087,811	-	4,169,896
Total Expenditures	<u>(21,740,273)</u>	<u>(1,820,754)</u>	<u>(3,087,811)</u>	<u>(3,189,442)</u>	<u>(29,838,280)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,278,831)</u>	<u>(1,120,875)</u>	<u>(1,459,775)</u>	<u>(1,198,580)</u>	<u>(10,058,061)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	13,781	-	-	-	13,781
Transfers from Other Funds	10,051,357	-	1,028,864	2,570,152	13,650,373
Transfers to Other Funds	(1,910,375)	(491)	-	(984,630)	(2,895,496)
Total Other Financing Sources (Uses)	<u>8,154,763</u>	<u>(491)</u>	<u>1,028,864</u>	<u>1,585,522</u>	<u>10,768,658</u>
Net Change in Fund Balances	1,875,932	(1,121,366)	(430,911)	386,942	710,597
Fund Balances, Beginning of Year	<u>10,119,165</u>	<u>9,741,246</u>	<u>419,392</u>	<u>1,284,333</u>	<u>21,564,136</u>
Fund Balances, End of Year	<u>\$ 11,995,097</u>	<u>\$ 8,619,880</u>	<u>\$ (11,519)</u>	<u>\$ 1,671,275</u>	<u>\$ 22,274,733</u>

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



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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, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 710,597

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	\$ 4,169,896	
CIP reclassified to Operating expenditures	(195,501)	
Assets contributed to Fleet	(78,879)	
Net Book Value of Disposals	(380,132)	
Depreciation Expense	<u>(4,133,045)</u>	(617,661)

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	645,000	
Notes Payable	1,281,108	
Capital Lease Payable	<u>38,188</u>	1,964,296

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:

Write off of premium	652,164	
Compensated Absences	96,440	
Change in Deferred Amount on Refunding	(47,429)	
Change in Other Postemployment Benefit Liability	<u>(608,380)</u>	92,795

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.

1,348,954

Change in Net Position of Governmental Activities **\$ 3,498,981**

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 four internal service funds. The internal service funds are for the payment of employee health and medical claims, workers' compensation claims, property and casualty policies, and lease payments for the City's vehicles.

CITY OF LEESBURG, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
Assets			
Current Assets:			
Pooled Cash and Investments	\$ 15,227,538	\$ 8,513,503	\$ 5,515,955
Restricted Pooled Cash and Investments:			
Debt Service Account	1,798,370	97,966	868,144
Customer Deposits Account	5,163,790	719,167	633,968
Rate Stabilization	4,158,329	-	-
Landfill Escrow	-	-	-
Cash with Fiscal Agent	-	194,740	405,075
Receivables:			
Customer Accounts, Unbilled	3,129,433	218,239	347,369
Customer Accounts, Billed	5,765,991	342,298	474,580
(Allowance for Doubtful Accounts)	(639,738)	(52,660)	(81,782)
Miscellaneous Receivables	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	1,002,905	-	-
Prepaid Items	47,251	11,306	2,498
Inventory	3,634,639	314,470	223,456
Total Current Assets	39,288,508	10,359,029	8,389,263
Noncurrent Assets:			
Restricted Assets:			
Pooled Cash and Investments:			
Renewal and Replacement Account	2,649,124	-	2,599,784
Property Maintenance	-	-	-
Impact Fees Account	-	-	239,228
Bond Proceeds	-	851,457	3,060,816
Villages Construction Project	9,074,779	-	-
Depository Trust Account	-	322,000	-
Investments:			
Trust Account	6,614,887	-	-
Total Restricted Assets	18,338,790	1,173,457	5,899,828
Property, Plant and Equipment:			
Land	3,547,105	370,111	346,380
Buildings	2,635,837	555,852	6,043,696
Improvements Other Than Buildings	106,751,350	14,719,305	43,120,104
Machinery and Equipment	15,982,874	1,541,130	5,534,981
Less Accumulated Depreciation and Amortization	(39,527,035)	(5,872,020)	(19,254,141)
Intangible Assets	-	-	580,111
Construction in Progress	2,199,870	127,130	613,434
Total Property, Plant and Equipment	91,590,001	11,441,508	36,984,565
Total Noncurrent Assets	109,928,791	12,614,965	42,884,393
Total Assets	149,217,299	22,973,994	51,273,656
Deferred Outflow of Resources			
Deferred Amounts on Bond Refunding	\$ 426,980	\$ 238,076	\$ 495,219

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
\$ 4,129,917	\$ 4,852,612	\$ 38,239,525	\$ 9,892,262
628,656	102,938	3,496,074	-
3,905	8,734	6,529,564	-
-	-	4,158,329	-
-	89,875	89,875	-
561,257	-	1,161,072	-
459,446	334,452	4,488,939	-
1,082,897	447,681	8,113,447	-
(119,245)	(86,900)	(980,325)	-
-	-	-	119,182
-	105,000	105,000	-
-	-	1,002,905	-
-	88,409	149,464	-
-	190,957	4,363,522	588,786
<u>6,746,833</u>	<u>6,133,758</u>	<u>70,917,391</u>	<u>10,600,230</u>
4,256,248	1,665,714	11,170,870	353,629
93,754	-	93,754	-
302,482	-	541,710	-
-	-	3,912,273	-
-	-	9,074,779	-
-	-	322,000	-
-	-	6,614,887	-
<u>4,652,484</u>	<u>1,665,714</u>	<u>31,730,273</u>	<u>353,629</u>
7,162,035	759,587	12,185,218	-
24,581,897	13,856	33,831,138	564,988
28,149,998	17,378,474	210,119,231	148,127
12,422,497	1,499,444	36,980,926	18,714,696
(27,907,836)	(7,169,412)	(99,730,444)	(16,029,319)
35,607	-	615,718	-
830,459	1,574,831	5,345,724	17,893
<u>45,274,657</u>	<u>14,056,780</u>	<u>199,347,511</u>	<u>3,416,385</u>
<u>49,927,141</u>	<u>15,722,494</u>	<u>231,077,784</u>	<u>3,770,014</u>
<u>56,673,974</u>	<u>21,856,252</u>	<u>301,995,175</u>	<u>14,370,244</u>
\$ 686,160	\$ -	\$ 1,846,435	\$ -

(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, 2014
(Concluded)

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
Liabilities			
Current Liabilities:			
Accounts and Retainage Payable	\$ 6,346,708	\$ 199,763	\$ 141,483
Due to Other Funds	-	-	-
Due to Other Governments	282,102	14,965	-
Other Accrued Expenses	125,065	285,754	38,117
Compensated Absences	210,045	54,089	103,235
Customer Advances for Construction	43,767	-	-
Unearned Revenue	-	154,828	15,150
	<u>7,007,687</u>	<u>709,399</u>	<u>297,985</u>
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	5,163,790	351,322	633,968
Estimated Landfill Closure Cost Payable	-	-	-
Customer Advances for Construction	4,570,860	-	-
Accrued Interest Payable	1,010,636	116,364	511,034
Bonds and Notes Payable - Current Portion	787,000	154,552	716,876
Rate Stabilization Credit	3,128,575	-	-
Current Liabilities Payable from Restricted Assets	<u>14,660,861</u>	<u>622,238</u>	<u>1,861,878</u>
Total Current Liabilities	<u>21,668,548</u>	<u>1,331,637</u>	<u>2,159,863</u>
Noncurrent Liabilities:			
Claims Payable	-	-	-
Capital Improvement Revenue Refunding Note 2009	-	-	-
Electric Utility Revenue Note 2013	8,643,000	-	-
Utility Revenue Refunding Bond Payable 2013	-	3,294,098	6,851,993
Revenue Bonds Payable, Series 2007	21,055,000	2,302,488	13,192,523
(Unamortized Discounts and Premiums)	97,542	140,819	293,619
Utility Revenue Refunding Note Payable 2010	-	-	3,317,003
Electric Utility Refunding Revenue Note 2014	14,488,000	-	-
Compensated Absences	171,855	44,255	84,465
Landfill Postclosure Costs Payable	-	-	-
Decommissioning Costs Payable	6,946,584	-	-
Other Postemployment Benefits	1,066,306	451,873	657,049
Total Noncurrent Liabilities	<u>52,468,287</u>	<u>6,233,533</u>	<u>24,396,652</u>
Total Liabilities	<u>74,136,835</u>	<u>7,565,170</u>	<u>26,556,515</u>
Net Position			
Net Investment in Capital Assets	56,247,479	6,162,932	15,178,148
Restricted for:			
Capital Improvements	7,153,043	-	2,839,012
Gas Depository Trust	-	322,000	-
Property Maintenance	-	-	-
Unrestricted	12,106,922	9,161,968	7,195,200
Total Net Position	<u>\$ 75,507,444</u>	<u>\$ 15,646,900</u>	<u>\$ 25,212,360</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
\$ 112,244	\$ 99,787	\$ 6,899,985	\$ 795,152
-	105,000	105,000	-
-	1,983	299,050	-
59,204	93,182	601,322	1,116,002
93,832	61,022	522,223	24,248
1,700	-	45,467	-
110,851	-	280,829	-
<u>377,831</u>	<u>360,974</u>	<u>8,753,876</u>	<u>1,935,402</u>
3,905	8,734	6,161,719	-
-	62,277	62,277	-
-	-	4,570,860	-
403,530	11,271	2,052,835	-
723,572	100,000	2,482,000	-
-	-	3,128,575	-
<u>1,131,007</u>	<u>182,282</u>	<u>18,458,266</u>	<u>-</u>
<u>1,508,838</u>	<u>543,256</u>	<u>27,212,142</u>	<u>1,935,402</u>
-	-	-	886,224
-	555,000	555,000	-
-	-	8,643,000	-
9,493,909	-	19,640,000	-
5,789,989	-	42,340,000	-
405,708	-	937,688	-
3,987,997	-	7,305,000	-
-	-	14,488,000	-
76,772	49,927	427,274	19,839
-	186,830	186,830	-
-	-	6,946,584	-
960,317	590,839	3,726,384	-
<u>20,714,692</u>	<u>1,382,596</u>	<u>105,195,760</u>	<u>906,063</u>
<u>22,223,530</u>	<u>1,925,852</u>	<u>132,407,902</u>	<u>2,841,465</u>
25,157,322	13,401,780	116,147,661	3,416,385
4,558,730	-	14,550,785	-
-	-	322,000	-
93,754	-	93,754	-
5,326,798	6,528,620	40,319,508	8,112,394
<u>\$ 35,136,604</u>	<u>\$ 19,930,400</u>	<u>\$ 171,433,708</u>	<u>\$ 11,528,779</u>

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, 2014

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
Operating Revenues			
Charges for Services	\$ 57,266,493	\$ 7,528,566	\$ 6,673,715
Other	3,172,977	163,195	282,054
Total Operating Revenues	<u>60,439,470</u>	<u>7,691,761</u>	<u>6,955,769</u>
Operating Expenses			
Personal Services	3,281,075	1,207,599	1,414,324
Purchased Energy	37,705,767	2,804,965	-
Supplies and Materials	426,891	105,628	293,364
Maintenance Costs	908,287	55,017	127,141
Contracted Services	830,798	30,078	188,945
Other Services and Charges	7,591,427	994,762	1,812,007
Depreciation and Amortization	3,707,247	374,196	1,199,845
Change in Decommissioning/ Postclosure Estimate	-	-	-
Claims Expense	-	-	-
Total Operating Expenses	<u>(54,451,492)</u>	<u>(5,572,245)</u>	<u>(5,035,626)</u>
Operating Income	<u>5,987,978</u>	<u>2,119,516</u>	<u>1,920,143</u>
Nonoperating Revenues (Expenses)			
Investment Income	484,534	7,820	23,249
Other Nonoperating Income	-	-	-
Gain on Sale of Assets	-	-	13,390
Grants	3,605	-	-
Interest Expenses	(2,546,010)	(248,110)	(1,051,493)
Other Nonoperating Expense	(34,498)	-	-
Total Nonoperating Revenues (Expenses)	<u>(2,092,369)</u>	<u>(240,290)</u>	<u>(1,014,854)</u>
Income (Loss) Before Contributions and Transfers	<u>3,895,609</u>	<u>1,879,226</u>	<u>905,289</u>
Transfers and Capital Contributions			
Capital Contributions	2,691,240	251	50,730
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(6,538,344)	(1,969,535)	(929,932)
Total Transfers and Capital Contributions	<u>(3,847,104)</u>	<u>(1,969,284)</u>	<u>(879,202)</u>
Change in Net Position	48,505	(90,058)	26,087
Net Position, Beginning of Year	<u>75,458,939</u>	<u>15,736,958</u>	<u>25,186,273</u>
Net Position, End of Year	<u>\$ 75,507,444</u>	<u>\$ 15,646,900</u>	<u>\$ 25,212,360</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
\$ 9,739,361	\$ 6,664,864	\$ 87,872,999	\$ 9,061,626
434,153	88,210	4,140,589	230,722
<u>10,173,514</u>	<u>6,753,074</u>	<u>92,013,588</u>	<u>9,292,348</u>
2,182,587	1,642,377	9,727,962	504,247
-	-	40,510,732	-
405,736	325,149	1,556,768	41,906
656,604	449,171	2,196,220	579,778
280,789	1,171,663	2,502,273	5,075
2,274,821	1,370,205	14,043,222	2,227,264
1,593,132	505,957	7,380,377	952,039
-	(57,675)	(57,675)	-
-	-	-	3,976,803
<u>(7,393,669)</u>	<u>(5,406,847)</u>	<u>(77,859,879)</u>	<u>(8,287,112)</u>
<u>2,779,845</u>	<u>1,346,227</u>	<u>14,153,709</u>	<u>1,005,236</u>
38,743	12,170	566,516	21,327
-	4,826	4,826	134,062
-	-	13,390	-
-	-	3,605	-
(845,934)	(27,397)	(4,718,944)	-
(16,042)	-	(50,540)	-
<u>(823,233)</u>	<u>(10,401)</u>	<u>(4,181,147)</u>	<u>155,389</u>
<u>1,956,612</u>	<u>1,335,826</u>	<u>9,972,562</u>	<u>1,160,625</u>
-	-	2,742,221	78,879
-	491	491	158,689
<u>(860,348)</u>	<u>(566,659)</u>	<u>(10,864,818)</u>	<u>(49,239)</u>
<u>(860,348)</u>	<u>(566,168)</u>	<u>(8,122,106)</u>	<u>188,329</u>
1,096,264	769,658	1,850,456	1,348,954
<u>34,040,340</u>	<u>19,160,742</u>	<u>169,583,252</u>	<u>10,179,825</u>
<u>\$ 35,136,604</u>	<u>\$ 19,930,400</u>	<u>\$ 171,433,708</u>	<u>\$ 11,528,779</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, 2014**

	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	\$ 61,123,188	\$ 7,854,268	\$ 7,135,505
Payments to Suppliers for Goods and Services	(44,470,076)	(3,934,196)	(2,375,272)
Cash Paid for Insurance Claims	-	-	-
Cash Paid to Employees for Services	(3,208,950)	(1,176,679)	(1,386,526)
Net Cash Provided by (Used in) Operating Activities	13,444,162	2,743,393	3,373,707
Cash Flows from Noncapital Financing Activities			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(6,538,344)	(1,969,535)	(929,932)
Issuance of/Proceeds from Interfund Loan	-	100,000	500,001
Net Cash Provided by (Used in) Noncapital Financing Activities	(6,538,344)	(1,869,535)	(429,931)
Cash Flows from Capital and Related Financing Activities			
Interest Paid on Revenue Bonds and Customer Deposits	(2,536,652)	(222,913)	(1,002,578)
Acquisition and Construction of Capital Assets	(7,938,157)	(857,673)	(478,683)
Proceeds/Loss from the Disposition of Capital Assets	-	-	13,390
Proceeds from Capital Debt	31,314	-	-
Principal Paid on Capital Debt	(740,000)	(159,564)	(507,673)
Customer Advances for Construction	4,570,860	-	-
Capital Contributions	2,876,318	251	50,730
Net Cash Provided by (Used in) Capital and Related Financing Activities	(3,736,317)	(1,239,899)	(1,924,814)
Cash Flows from Investing Activities			
Interest Received	309,900	7,820	23,249
Purchase of Crystal River Decommissioning Investments	(253,608)	-	-
Other Investing Activities	-	-	-
Net Cash Provided by (Used in) Investing Activities	56,292	7,820	23,249
Net Increase (Decrease) in Cash and Cash Equivalents	3,225,793	(358,221)	1,042,211
Cash and Cash Equivalents, Beginning of Year	34,846,137	11,057,054	12,280,759
Cash and Cash Equivalents, End of Year	\$ 38,071,930	\$ 10,698,833	\$ 13,322,970

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
\$ 10,253,148	\$ 6,765,004	\$ 93,131,113	\$ 9,084,231
(3,688,865)	(3,155,085)	(57,623,494)	(2,424,664)
-	-	-	(3,757,562)
<u>(2,092,861)</u>	<u>(1,596,209)</u>	<u>(9,461,225)</u>	<u>(515,227)</u>
4,471,422	2,013,710	26,046,394	2,386,778
-	491	491	158,689
(860,348)	(566,659)	(10,864,818)	(49,239)
<u>(600,001)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,460,349)	(566,168)	(10,864,327)	109,450
(773,989)	(29,032)	(4,565,164)	-
(552,622)	(709,344)	(10,536,479)	(660,744)
-	-	13,390	-
-	-	-	13
-	-	31,314	-
(482,762)	(95,000)	(1,984,999)	-
(7,200)	-	4,563,660	-
<u>-</u>	<u>-</u>	<u>2,927,299</u>	<u>-</u>
<u>(1,816,573)</u>	<u>(833,376)</u>	<u>(9,550,979)</u>	<u>(660,731)</u>
38,743	12,170	391,882	21,327
-	-	(253,608)	-
<u>(16,042)</u>	<u>4,826</u>	<u>(11,216)</u>	<u>-</u>
22,701	16,996	127,058	21,327
1,217,201	631,162	5,758,146	1,856,824
<u>8,759,018</u>	<u>6,088,711</u>	<u>73,031,679</u>	<u>8,389,067</u>
<u>\$ 9,976,219</u>	<u>\$ 6,719,873</u>	<u>\$ 78,789,825</u>	<u>\$ 10,245,891</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, 2014
(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	\$ 15,227,538	\$ 8,513,503	\$ 5,515,955
Total Restricted Equity in Pooled Cash and Cash Equivalents & Cash with Fiscal Agent	22,844,392	2,185,330	7,807,015
Total Cash and Cash Equivalents, End of Year	<u>\$ 38,071,930</u>	<u>\$ 10,698,833</u>	<u>\$ 13,322,970</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ 5,987,978	\$ 2,119,516	\$ 1,920,143
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	3,707,247	374,196	1,199,845
Decrease (Increase) in Assets:			
Customer Accounts (Net of Allowances)	166,534	129,014	96,377
Miscellaneous Receivables	-	-	-
Prepaid Items	40,627	69	10,742
Inventory	75,656	(14,666)	(5,653)
Increase (Decrease) in Liabilities:			
Accounts Payable	2,873,213	89,265	41,096
Due to Other Governments	3,598	(739)	-
Accrued Expenses	14,731	(18,427)	2,141
Claims Payable	-	-	-
Rate Stabilization Deferred Credit	90,541	-	-
Other Postemployment Benefits Liability	85,523	38,874	40,817
Decommissioning/Postclosure Payable	-	-	-
Other	398,514	26,291	68,199
Net Cash Provided by (Used in) Operating Activities	<u>\$ 13,444,162</u>	<u>\$ 2,743,393</u>	<u>\$ 3,373,707</u>
<u>Noncash Investing, Capital or Financing Transactions</u>			
Contributions of Capital Assets	-	-	-

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
\$ 4,129,917	\$ 4,852,612	\$ 38,239,525	\$ 9,892,262
5,846,302	1,867,261	40,550,300	353,629
<u>\$ 9,976,219</u>	<u>\$ 6,719,873</u>	<u>\$ 78,789,825</u>	<u>\$ 10,245,891</u>
\$ 2,779,845	\$ 1,346,227	\$ 14,153,709	\$ 1,005,236
1,593,132	505,957	7,380,377	952,039
85,342	13,732	490,999	-
-	-	-	6,164
976	13,209	65,623	52,075
-	(272)	55,065	(23,099)
(71,891)	(44,365)	2,887,318	400,383
-	-	2,859	-
443	(17,182)	(18,294)	804
-	664	664	4,960
-	-	90,541	-
73,861	50,538	289,613	-
-	(57,675)	(57,675)	-
9,714	202,877	705,595	(11,784)
<u>\$ 4,471,422</u>	<u>\$ 2,013,710</u>	<u>\$ 26,046,394</u>	<u>\$ 2,386,778</u>
-	-	-	78,879

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, 2014**

	<u>Employee Retirement Funds</u>
Assets	
Cash	\$ 330,429
Investments, at Fair Value:	
U.S. Government Securities	6,508,847
Corporate Bonds	7,326,879
Corporate Stocks	35,492,262
Alternative Investments	9,328,210
Money Market	2,411,943
Mutual Funds	8,188,658
Total Investments	<u>69,256,799</u>
Accounts Receivable	228,841
Interest Receivable	<u>118,414</u>
Total Assets	<u>69,934,483</u>
Liabilities	
Accounts Payable	<u>-</u>
Total Liabilities	<u>-</u>
Net Position	
Restricted for:	
Employees' Pension Benefits	<u>\$ 69,934,483</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, 2014

	<u>Employee Retirement Funds</u>
Additions	
Contributions:	
Employer	\$ 2,855,153
State	321,706
Employee	<u>466,634</u>
Total Contributions	<u>3,643,493</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	5,510,509
Interest and Dividend Income	1,345,157
Other Income	74,060
Less: Investment Expenses	<u>(400,802)</u>
Total Investment Income	<u>6,528,924</u>
Total Additions	<u>10,172,417</u>
Deductions	
Benefit Payments	3,754,771
Refund of Contributions	483,580
Administrative Expense	<u>187,954</u>
Total Deductions	<u>(4,426,305)</u>
Change in Plan Net Position	5,746,112
Net Position Restricted for Employees'	
Pension Benefits:	
Beginning of Year	<u>64,188,371</u>
End of Year	<u><u>\$ 69,934,483</u></u>

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, 2014

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 Heights/Montclair 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:

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 into, 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 67, *Financial Reporting for Pension Plans—An Amendment of GASB Statement No. 25*. GASB 67 improves financial reporting by state and local governmental pension plans. GASB 67 requires additional disclosures and supplementary information for the City's Defined Benefit Pension Plans.

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.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 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 60 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).

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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.
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 four 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 Insurance 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.
4. The **Risk Management Fund** accounts for maintaining the City's self-insured property and casualty policies.

H. 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 funds, except the pension funds and funds with agreements that require separate bank accounts. State statutes require 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 positive equity funds 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 are 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 they are not in spendable form. In proprietary fund types, inventories are expended when consumed.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 costs of prepaid items are 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 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 costs 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 2014 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.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 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 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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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.

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.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

- 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, 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 temporarily. Decisions with regard to these purposes and amounts will be determined by the City Commission by resolution and 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. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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 2013 amounts have been reclassified to conform to the 2014 presentation.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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, Police Education Fund, Affordable Housing Fund, and Police Forfeitures Fund contained excesses of expenditures over appropriations during the fiscal year ended September 30, 2014.

No other individual fund contained an excess of total expenditures over total appropriations during the fiscal year ended September 30, 2014, 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, 2014, in the amounts shown below:

Fund	Type	Deficit
Capital Projects Fund	Major Governmental Fund	\$ 11,519
Fire Impact Fee Fund	Nonmajor Governmental Fund	\$ 56,462
Building Permits Fund	Nonmajor Governmental Fund	\$ 57,945

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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, 2014 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 92.14% 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

Tax Collection

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.

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.

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 one distribution each month thereafter. The City recognizes property tax revenue in the period in which they are levied.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 fund’s weighted average daily cash balance.

Deposits and investments as of September 30, 2014, are classified in the accompanying financial statements as follows:

City-wide Cash and Investments

Statement of Net Position	
Cash and Cash Equivalents	\$ 62,455,504
Restricted:	
Cash and Cash Equivalents	49,837,067
Investments	6,614,887
Statement of Fiduciary Net Position	
Cash Equivalents	330,429
Investments	69,256,799
Total Cash and Investments	<u><u>\$ 188,494,686</u></u>

Deposits and investments consist of the following:

Governmental and Business-Type Activities	
Cash Deposits	\$ 33,755,184
Investments	75,811,928
Investments with Fiscal Agent:	
Debt Service Fund	1,242,387
Utilities CR3 Decommissioning Trust	6,614,887
Utilities Debt Service Account	1,161,072
Utilities Gas Deposit Account	322,000
Fiduciary Net Position	
Cash	330,429
Defined Benefit Pension Plan Investments	69,256,799
Total Cash and Investments	<u><u>\$ 188,494,686</u></u>

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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, 2014, 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, 2014, the City had the following investments and maturities:

2. Custodial Credit Risk

Investment Type	Fair Value	Investment Maturities (In Years)				
		Less Than 1 Year	Less Than 2 Years	Less Than 3 Years	Less Than 4 Years	Less Than 5 Years
Local Government Investment Pools	\$19,047,816	\$19,047,816	\$ -	\$ -	\$ -	\$ -
Bank Certificates of Deposit	24,133,811	8,159,371	15,974,440	-	-	-
U.S. Government and Agencies	16,592,693	2,029,340	5,037,374	8,046,911	1,479,068	-
Corporate Fixed Income	16,037,608	2,009,523	3,036,660	8,997,905	1,993,520	-
Total	\$75,811,928	\$31,246,050	\$24,048,474	\$17,044,816	\$3,472,588	\$ -

At September 30, 2014, the carrying amount of the City's deposits was \$33,755,184. 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, 2014

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, 2014 the City of Leesburg investments weighted average maturity in years was 2.61.

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.

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, 2014, for the fiduciary funds' corporate and agency obligations by Standard & Poor's follows:

Retirement Plan	Rating					
	Total	AAA	AA	A	BBB	N/R
Municipal Police Officers'	\$ 4,247,785	\$ 48,754	\$ 111,015	\$ 688,571	\$ 732,690	\$ 2,666,755
Municipal Firemen's	3,584,332	16,920	646,140	1,556,927	682,601	681,744
General Employees'	6,003,609	-	1,896,516	1,013,037	593,827	2,500,229
Totals	\$13,835,726	\$ 65,674	\$2,653,671	\$3,258,535	\$2,009,118	\$5,848,728

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, 2014

General Employees' Retirement Plan

City of Leesburg General Employees' Retirement Plan
Distribution by Asset Type
September 30, 2014

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 621,217	\$ 621,217	\$ -	\$ -	\$ -
U.S. Government and Agencies	4,202,904	-	2,936,519	1,266,385	-
Mutual Funds	2,313,466	2,313,466	-	-	-
Corporate Obligations	1,800,705	-	980,868	620,882	198,955
Total	8,938,292	<u>\$ 2,934,683</u>	<u>\$ 3,917,387</u>	<u>\$ 1,887,267</u>	<u>\$ 198,955</u>
Corporate Stock	17,906,390				
Alternative Investments*	<u>7,508,939</u>				
Total	<u>\$ 34,353,621</u>				

*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 plan's investment policy, the investments are held by the plan's custodial bank and registered plan's 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, 2014 the City of Leesburg investments weighted average maturity in years was 4.19.

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. Purchases of bonds or debt obligations are limited to one of the four highest ratings issued by NRSRO. The plan's investment policy utilizes portfolio diversification in order to control this risk.

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 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, 2014.

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 Officers' Retirement Plan

City of Leesburg Municipal Police Officers' Retirement Plan
 Distribution by Asset Type
 September 30, 2014

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 589,171	\$ 589,171	\$ -	\$ -	\$ -
U.S. Government and Agencies	1,555,280	-	503,938	1,006,256	45,086
Mutual Funds	-	-	-	-	-
Corporate Obligations	2,692,505	-	1,422,554	1,054,171	215,780
Total	4,836,956	\$ 589,171	\$ 1,926,492	\$ 2,060,427	\$ 260,866
Corporate Stock	11,478,547				
Alternative Investments*	1,466,696				
Total	\$ 17,782,199				

*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 plan's investment policy, the investments are held by the plan's custodial bank and registered plan's name.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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, 2014 the City of Leesburg investments weighted average maturity in years was 10.41.

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 plan's 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, 2014.

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, 2014

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 1,201,555	\$ 1,201,555	\$ -	\$ -	\$ -
U.S. Government and Agencies	750,663	-	224,042	156,728	369,893
Mutual Funds	5,875,192	5,875,192	-	-	-
Corporate Obligations	2,833,669	-	1,222,378	849,428	761,863
Total	10,661,079	\$ 7,076,747	\$ 1,446,420	\$ 1,006,156	\$ 1,131,756
Corporate Stock	6,107,325				
Alternative Investments	352,575				
Total	\$ 17,120,979				

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 plan's investment policy, the investments are held by the plan's 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, 2014 the City of Leesburg investments weighted average maturity in years was 8.60.

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, 2014.

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, 2014

NOTE 5 -INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2014, is as follows:

a. Interfund Receivables and Payables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Stormwater Utility	Communications Utility	\$ 105,000
General Fund	Community Redevelopment Fund	18,788
General Fund	Capital Projects Fund	226,946
General Fund	Nonmajor Governmental	105,483
Total		<u>\$ 456,217</u>

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

b. Interfund Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
Governmental		
General Fund	\$ 10,051,357	\$ 1,910,375
Community Redevelopment	-	491
Capital Projects	1,028,864	-
Enterprise		
Electric Utility	-	6,538,344
Gas Utility	-	1,969,535
Water Utility	-	929,932
Wastewater Utility	-	860,348
Internal Service	158,689	49,239
Non-major Funds:		
Governmental	2,570,152	984,630
Enterprise	491	566,659
	<u>\$ 13,809,553</u>	<u>\$ 13,809,553</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. Transfers into the Capital Projects Fund were associated with the following projects: airport improvements, facility/building improvements, and road resurfacing. Transfers made into the non-major governmental funds were associated with debt service payments.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014, was as follows:

A. Governmental Activities

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not being Depreciated				
Land	\$ 8,957,139	\$ 48,909	\$ -	\$ 9,006,048
Construction in Progress	3,419,640	4,957,380	6,030,197	2,346,823
Total Capital Assets Not Being Depreciated	12,376,779	5,006,289	6,030,197	11,352,871
Capital Assets Being Depreciated:				
Buildings	43,470,084	986,565	776,596	43,680,053
Improvements Other than Buildings	27,729,650	1,507,318	25,845	29,211,123
Equipment	28,025,434	1,460,312	1,122,024	28,363,722
Infrastructure (Roads and Streets)	34,766,067	1,847,094	-	36,613,161
Total Capital Assets Being Depreciated	133,991,235	5,801,289	1,924,465	137,868,059
Less Accumulated Depreciation for:				
Buildings	11,785,799	963,534	395,142	12,354,191
Improvements Other than Buildings	10,369,536	1,447,104	26,351	11,790,289
Equipment	23,317,461	1,445,870	1,114,647	23,648,684
Infrastructure (Roads and Streets)	23,080,800	1,228,576	-	24,309,376
Total Accumulated Depreciation	68,553,596	5,085,084	1,536,140	72,102,540
Total Capital Assets Being Depreciated, Net	65,437,639	716,205	388,325	65,765,519
Governmental Activities Capital Assets, Net	\$ 77,814,418	\$ 5,722,494	\$ 6,418,522	\$ 77,118,390

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

B. Business-type Activities

Business-type Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not being Depreciated				
Land	\$ 12,145,218	\$ 40,000	\$ -	\$ 12,185,218
Construction in Progress	16,454,873	10,676,150	21,785,299	5,345,724
Total Capital Assets Not Being Depreciated	28,600,091	10,716,150	21,785,299	17,530,942
Capital Assets Being Depreciated:				
Buildings	33,650,766	180,372	-	33,831,138
Improvements Other than Buildings	192,807,323	18,390,294	1,078,386	210,119,231
Intangible Assets	748,274	38,150	-	786,424
Equipment	35,460,971	2,571,666	1,051,711	36,980,926
Total Capital Assets Being Depreciated	262,667,334	21,180,482	2,130,097	281,717,719
Less Accumulated Depreciation for:				
Buildings	7,215,319	720,982	-	7,936,301
Improvements Other than Buildings	65,127,120	5,176,813	1,578,198	68,725,735
Intangible Assets	132,093	38,613	-	170,706
Equipment	22,515,753	1,457,660	905,005	23,068,408
Total Accumulated Depreciation	94,990,285	7,394,068	2,483,203	99,901,150
Total Capital Assets Being Depreciated, Net	167,677,049	13,786,414	(353,106)	181,816,569
Business-type Capital Assets, Net	<u>\$ 196,277,140</u>	<u>\$ 24,502,564</u>	<u>\$ 21,432,193</u>	<u>\$ 199,347,511</u>

C. Depreciation Expense

Depreciation Expense-Governmental Activities

General Government and Administration	\$ 385,683
Public Safety	249,307
Physical Environment	15,491
Transportation	1,897,455
Economic Environment	34,705
Parks and Recreation	1,550,404
Fleet Services	952,039
Total Depreciation Expense-Governmental Activities	<u>\$ 5,085,084</u>

Depreciation Expense-Business-type Activities

Electric Utility	\$ 3,678,941
Gas Utility	381,236
Water Utility	1,214,519
Wastewater Utility	1,613,415
Solid Waste Utility	21,585
Communication Services	338,556
Stormwater	145,816
Total Depreciation Expense-Business-type Activities	<u>\$ 7,394,068</u>

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 9/30/2014, the City's entitlement share total 14,966 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 of Leesburg, along with other municipalities and municipal electric utilities, owns a share in the Crystal River 3 Nuclear Power Plant ("CR3") in which Duke Energy Florida, Inc. ("Duke") is the primary owner. CR3 has reached the end of its useful life and has experienced structural and other issues, all of which has led to the decision to decommission the plant. The various owners of CR3 have negotiated an agreement which resolves existing and potential claims related to CR3 and the decommissioning process, and provides for Duke to assume all costs related to CR3 after a date certain. Duke will assume ownership of the plant and the owners will be absolved of any future liability.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 8 –LONG-TERM LIABILITIES

A. Long-term liability activity for the year ended September 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
<u>Revenue Bonds:</u>					
Tax Increment Bonds - 2009	\$ 14,420,000	\$ -	\$ 125,000	\$ 14,295,000	\$ 125,000
Capital Improv Refunding Rev Bonds - 2013	15,345,000	-	520,000	14,825,000	495,000
Add: Premium for Refunding	652,164	-	652,164	-	-
Total Revenue Bonds	<u>30,417,164</u>	<u>-</u>	<u>1,297,164</u>	<u>29,120,000</u>	<u>620,000</u>
<u>Notes Payable:</u>					
Note Payable - 1999 GLCRA	15,721	-	15,721	-	-
Note Payable - 2008	652,189	-	175,387	476,802	183,204
Note Payable - 2009 Magnolia Townhomes	3,660,000	-	870,000	2,790,000	900,000
Note Payable - 2009 Capital Improv Rev	5,577,400	-	220,000	5,357,400	230,000
Total Revenue Notes	<u>9,905,310</u>	<u>-</u>	<u>1,281,108</u>	<u>8,624,202</u>	<u>1,313,204</u>
Total Revenue Bonds and Notes	<u>40,322,474</u>	<u>-</u>	<u>2,578,272</u>	<u>37,744,202</u>	<u>1,933,204</u>
<u>Other Liabilities:</u>					
Compensated Absences	1,667,851	1,510,485	1,618,709	1,559,627	857,795
Capital Lease Payable	162,648	-	38,188	124,460	39,792
Total Other Liabilities	<u>1,830,499</u>	<u>1,510,485</u>	<u>1,656,897</u>	<u>1,684,087</u>	<u>897,587</u>
Total Governmental Activities	<u>\$ 42,152,973</u>	<u>\$ 1,510,485</u>	<u>\$ 4,235,169</u>	<u>\$ 39,428,289</u>	<u>\$ 2,830,791</u>
<u>Business-type Activities:</u>					
<u>Revenue Bonds:</u>					
Electric System Rev Bonds - 2004	\$ 14,575,000	\$ -	\$ 14,575,000	\$ -	\$ -
Utility System Rev Bond - Series 2007A	21,085,000	-	365,000	20,720,000	380,000
Utility System Rev Bond - Series 2007B	995,000	-	25,000	970,000	25,000
Electric System Rev Bond - Series 2007A	11,265,000	-	-	11,265,000	-
Electric System Rev Bond - Series 2007B	10,500,000	-	345,000	10,155,000	365,000
Utility System Refund Rev Bonds - 2013	21,010,000	-	705,000	20,305,000	665,000
Add: Premium, Less: Discount	877,282	-	(60,406)	937,688	-
Total Revenue Bonds	<u>80,307,282</u>	<u>-</u>	<u>15,954,594</u>	<u>64,352,688</u>	<u>1,435,000</u>
<u>Notes Payable:</u>					
Capital Improv Rev Refunding Note - 2009	750,000	-	95,000	655,000	100,000
Utility System Rev Refunding Note - 2010	7,885,000	-	55,000	7,830,000	525,000
Electric System Refunding Rev Note - 2013	9,000,000	-	-	9,000,000	357,000
Electric System Refunding Rev Note - 2014	-	14,553,000	-	14,553,000	65,000
Total Revenue Notes	<u>17,635,000</u>	<u>14,553,000</u>	<u>150,000</u>	<u>32,038,000</u>	<u>1,047,000</u>
Total Revenue Bonds and Notes Payable	<u>97,942,282</u>	<u>14,553,000</u>	<u>16,104,594</u>	<u>96,390,688</u>	<u>2,482,000</u>
<u>Other Liabilities:</u>					
CR#3 Decommissioning Cost Payable	6,946,584	-	-	6,946,584	-
Landfill Postclosure Payable	306,782	-	57,675	249,107	62,277
Compensated Absences	993,937	876,028	920,468	949,497	522,223
Total Other Liabilities	<u>8,247,303</u>	<u>876,028</u>	<u>978,143</u>	<u>8,145,188</u>	<u>584,500</u>
Total Business-type Activities	<u>\$ 106,189,585</u>	<u>\$ 15,429,028</u>	<u>\$ 17,082,737</u>	<u>\$ 104,535,876</u>	<u>\$ 3,066,500</u>

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

B. The following is a schedule of bonds and notes outstanding at September 30, 2014:

<u>Description of Bonds/Notes</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	\$14,825,000	.4%-3.78%
Tax Increment Bonds - 2009 Hwy 441/27 CRA	Capital Improvement	14,605,000	14,295,000	2%-5%
Capital Improvement Revenue Note - 2009	Capital Improvement	6,227,400	5,357,400	4.73%
Magnolia Townhomes Note - 2009	Capital Improvement	4,500,000	2,790,000	3.40%
Note Payable - Carver Heights CRA - 2008	Real Estate	1,431,878	476,802	4.36%
Total Governmental Activities		<u>\$ 42,109,278</u>	<u>\$37,744,202</u>	
Business-type Activities				
Electric System Revenue Bond - 2007A	Electric	\$ 11,265,000	\$11,265,000	4.625% - 5.00%
Electric System Revenue Bond - 2007B	Electric	11,710,000	10,155,000	5.64% - 5.90%
Utility System Revenue Bond - 2007A	Gas/Water/Wastewater	22,425,000	20,720,000	4.00% - 5.00%
Utility System Revenue Bond - 2007B	Wastewater	1,070,000	970,000	5.90%
Utility System Refunding Revenue Bonds - 2013	Gas/Water/Wastewater	21,010,000	20,305,000	2.00% - 5.00%
Capital Improvement Revenue Refunding Note - 2009	Fiber Optic Cable	1,005,000	655,000	4.13%
Utility System Revenue Refunding Note - 2010	Water/Wastewater	8,000,000	7,830,000	3.85%
Electric System Refunding Revenue Note - 2013	Electric	9,000,000	9,000,000	3.04%
Electric System Refunding Revenue Note - 2014	Electric	14,553,000	14,553,000	3.85%
Total Business-type Activities		<u>\$ 100,038,000</u>	<u>\$95,453,000</u>	

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

<u>Fiscal Year</u>	<u>Bonds Payable</u>			
	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 620,000	\$ 1,194,044	\$ 1,435,000	\$ 2,882,042
2016	740,000	1,179,982	1,490,000	2,826,853
2017	755,000	1,158,982	1,545,000	2,762,439
2018	780,000	1,134,307	1,615,000	2,691,553
2019	805,000	1,108,182	1,690,000	2,622,770
2020-2024	5,405,000	4,978,194	9,685,000	11,820,034
2025-2029	7,510,000	3,604,547	12,210,000	9,254,915
2030-2034	9,240,000	1,900,206	15,155,000	6,244,860
2035-2039	3,265,000	190,353	18,590,000	1,995,969
Total	<u>\$ 29,120,000</u>	<u>\$ 16,448,797</u>	<u>\$ 63,415,000</u>	<u>\$ 43,101,435</u>

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Notes Payable

Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 1,313,204	\$ 348,315	\$ 1,047,000	\$ 1,163,782
2016	1,463,598	298,101	1,512,000	1,096,937
2017	1,215,000	241,463	1,562,000	1,040,494
2018	265,000	212,845	1,624,000	981,980
2019	280,000	199,956	1,680,000	921,276
2020-2024	1,605,000	783,501	8,858,000	3,656,329
2025-2029	2,020,000	356,500	7,873,000	2,054,274
2030-2034	462,400	10,936	6,869,000	788,935
2035	-	-	1,013,000	19,500
Total	\$ 8,624,202	\$ 2,451,617	\$ 32,038,000	\$ 11,723,507

D. Governmental Activity Liabilities

A summary of all governmental long-term debt as of September 30, 2014, follows:

1. 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 2013 bonds.

2. 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.

3. 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.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

4. 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.

5. 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.

6. 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.

7. 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, 2014:

1. 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 Note, Series 2013. The Series 2007 bonds are subject to early redemption prior to maturity. The bond resolutions provide for a sinking fund.

2. 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 2007A and Series 2007B and Note, Series 2014. The note is a 20 year obligation with interest at 3.04%.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

3. Electric System Refunding Revenue Note—2014

On March 18, 2014, the City issued a note in the amount of \$14,553,000 pursuant to Resolution No. 9366. Proceeds from the note were used to refund the Electric System Revenue Bonds—2004 and to pay costs of issuing the note. The 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 2007A and Series 2007B, as well as, the Electric System Refunding Revenue Note, Series 2013. The note is a 20.5 year obligation with interest at 3.85%.

The outstanding principal of the 2004 Electric System Revenue Bonds was \$14,575,000 at the time of the refunding. The refunding was undertaken to reduce the total debt service payments over the remaining life of the 2004 Electric System Revenue Bonds (20.5 years at the time of refunding) by \$984,253 and resulted in an economic gain of \$243,337.

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.

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, 2014, 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 2013. 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 2007A, Series 2007B, and Series 2013.

8. Utility System Revenue Bonds, Series – 2013

On April 30, 2013, the City issued bonds 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.

9. Defeased Debt

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

Utility System Refunding Revenue Bonds, Series 1999 A/B	\$18,250,000
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CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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, 2013	\$	306,782
Adjustment of Estimate		26,975
Total Annual Costs Paid		(84,650)
Balance, September 30, 2014		249,107
Current Maturities		(62,277)
Total Long-Term Portion	\$	186,830

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 \$186,830 liability recorded represents the estimated costs of post-closure care for four 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 2014:

Balance, September 30, 2013	\$	89,480
Investment Income (Loss)		395
Balance, September 30, 2014	\$	89,875

Escrow funds in the amount of \$89,875 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.

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

F. Pledged Revenues

The City has pledged certain revenues to repay certain bonds and notes outstanding as of September 30, 2014. 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, 2014:

Debt Description	Governmental						Debt Service Payments Until Debt Maturity	Pledged Through
	Half Cent	Guaranteed	Public	Gas Utility	Tax Increment Revenues ⁵			
	Sales Tax ¹	Entitlement ²	Service Tax ³	Fund Transfer ⁴	CHCRA ⁶	441/27CRA ⁷		
2009 Capital Improvement Refunding Promissory Note	\$ 473,405	\$ -					\$ 7,631,097	2030
2013 Capital Improvement Bonds	595,677	309,234	141,602				21,194,771	2035
2009 Capital Improvement Promissory Note (Magnolia)				979,650			2,934,330	2017
2008 Redevelopment Revenue Note			35,054		\$ 168,768		510,392	2016
2009 Tax Increment Revenue Bonds			801,231				24,374,026	2036
Total Debt Service	\$ 1,069,082	\$ 309,234	\$ 977,887	\$ 979,650	\$ 168,768	\$ -	\$ 56,644,616	
Total pledged revenues available for fiscal year 2014 debt service	1,069,082	309,234	3,255,533	979,650	168,768	-		
Total pledged revenues used for fiscal year 2014 debt service	1,069,082	309,234	977,887	979,650	168,768	-		
Fiscal year 2014 pledged revenues used as a percentage of revenues available	100.00%	100.00%	30.04%	100.00%	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

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

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

⁶Due to the downturn in property values, the Carver Heights/Monclair CRA revenues were not sufficient to cover the debt service. However, the fund balance for the CRA was able to cover the deficiency.

⁷Due to the downturn in property values, the US Highway 441 & 27 CRA debt service payment is being paid from the bond proceeds in accordance with bond covenants.

CITY OF LEESBURG, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

Debt Description	Business-type						Debt Service Payments Until Debt Maturity	Pledged Through
	Electric Revenues ¹	Gas Revenues ²	Water Revenues ²	Wastewater Revenues ²	TOTAL Gas, Water, Wastewater Revenues	Communi- cations Revenues ³		
2004 Electric System Revenue Bonds	\$ 742,180						refunded in FY2014	
2007 A Electric System Revenue Bonds	551,906						\$ 23,028,426	2038
2007 B Electric System Revenue Bonds	940,011						16,048,378	2032
2013 Electric System Refunding Revenue Note ⁴	273,600						11,843,462	2033
2014 Electric System Refunding Revenue Note ⁵	300,378						21,404,082	2035
2007 A Utility System Revenue Bonds		151,218	866,428	318,198	1,335,844		36,840,216	2038
2007 B Utility System Revenue Bonds				82,230	82,230		1,649,387	2034
2010 Utility System Revenue Note		49,303	170,032	137,120	356,455		9,775,020	2026
2013 Utility System Refunding Revenue Bonds		241,075	501,456	694,800	1,437,331		28,950,028	2035
2009 Capital Improvement Revenue Note						\$ 122,378	738,943	2020
Total Debt Service	\$ 2,808,075	\$ 441,596	\$ 1,537,916	\$ 1,232,348	\$ 3,211,860	\$ 122,378	\$ 150,277,942	
Total pledged revenues available for fiscal year 2014 debt service	10,179,759	2,501,532	3,143,237	4,411,720	10,056,489	668,430		
Total pledged revenues used for fiscal year 2014 debt service	2,808,075	441,596	1,537,916	1,232,348	3,211,860	122,378		
Fiscal year 2014 pledged revenues used as a percentage of revenues available	27.58%	17.65%	48.93%	27.93%	31.94%	18.31%		

Definitions:

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

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

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

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

⁵**2014 Electric System Refunding Revenue Note** - a refunding of the 2004 Electric System Revenue Bonds

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.

CITY OF LEESBURG, FLORIDA
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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 servicing 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.

As of September 30, 2014, the City had an aggregate principal amount of hospital revenue refunding bonds of approximately \$195,952,000. The amount of bonds outstanding for Leesburg Regional Medical Center was \$55,007,000. The amount of bonds outstanding for The Villages Tri-County Medical Center was \$79,765,000. The amount of bonds outstanding for Leesburg Regional Medical Center and The Villages Tri-County Medical Center as a combined entity was \$61,180,000.

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, 2014.

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 \$1,848,767. The following is a schedule of minimum future lease income on non-cancelable operating leases:

Fiscal Year	Amount
2015	\$ 486,029
2016	444,365
2017	424,622
2018	386,118
2019	383,676
2020-2024	1,260,747
2025-2029	409,351
Total Minimum Lease Payments	<u><u>\$ 3,794,908</u></u>

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.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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B. Basis of Accounting

The plans' 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 Employees' 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 no longer accrue benefits under this plan. 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.

Plan Administration – The plan is administered by a Board of Trustees comprised of: 1 City of Leesburg resident appointed by Commission, City Manager (or designee), Human Resources Director, one other department head appointed by the City Manager, 2 Members of the plan who are not certified police officers and one member of the plan who is a certified police officer.

Benefits Provided– The plan provides retirement, termination, disability and death benefits.

Normal Retirement– The attainment of age 65 with 5 years of credited service.

Benefits Provided– 2.0% of average compensation times credited service prior to October 1, 2008, with a maximum of 45 years of credited service.

Early Retirement– Attainment of age 50 with 15 years of credited service.

Benefit– Accrued benefit on early retirement date, reduced 3.33% for each year that early retirement precedes age 65.

Disability– Eligibility 10 years of credited service. Prior to early retirement date, the benefit payable is the lesser of 50% of the average final compensation or \$1,500. At normal retirement date, the benefit payable is 2% times average final compensation times year and months of credited service as if employment had continued from date of disability to normal retirement date.

Death benefit– The greater of (i) or (ii), where (i) is equal to the single-sum value, as of the date of the participant's death, of the deferred monthly retirement income commencing at normal retirement date that the disabled participant would have accrued to the date of termination of service due to disability, and (ii) is the smaller of (a) 18 times average final compensation at the date of termination due to disability and (b) 100 times the participant's anticipated monthly retirement income at normal retirement.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Contributions- Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Deferred Retirement Option Program (DROP) - Eligibility: Satisfaction of normal retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: (1) Actual net rate of investment return (total return net of brokerage commissions, transaction costs, and management fees) or (2) 6.5% per annum compounded quarterly.

The DROP balance as September 30, 2014 is \$0.

2. Municipal Police Officers' Retirement Plan (MPRP)

The plan covers sworn police officers (other Police Department employees are covered in the GERP). Employees contribute 7.65% of their reportable W-2 compensation, less Christmas bonuses, but including lump sum payment of accrued sick leave, accrued annual leave, or accrued compensatory leave, plus all tax deferred (IRC Section 414(h) (2) and IRC Section 457 contributions) and tax exempt (IRC Section 125) items of income. Effective January 22, 2013, Salary shall not include more than 300 hours of overtime per year. 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.

Plan Administration – The plan is administered by a Board of Trustees comprised of: two City residents appointed by the City Commission, two police officers elected by a majority of police officers and a fifth member elected by the Board and appointed by the City Commission.

Benefits Provided– The plan provides retirement, termination, disability and death benefits.

Normal Retirement– Earlier of 1) age 50 and the completion of 25 years of credited service, or 2) age 55 and the completion of 10 years of credited service.

Benefits Provided– 3.00% of final compensation times credited service prior to May 27, 2003, and 2.00% for each year between May 27, 2003, and September 30, 2009 and 2.5% for each year of service thereafter.

Early Retirement– Age 50 (age 45 for members who will be eligible for early retirement as of October 1, 2015, under the prior provisions) and completion of 10 years of credited service.

Benefit– Accrued benefit, reduced 3.0% per year.

Disability– Total and permanent; medical proof required. 10 years of credited service required for non-service incurred disability benefit.

Benefit– Service connected: greater of accrued benefit or 50% of average final compensation. Non-service connected: greater of accrued benefit or 25% of average final compensation.

Death benefit– Service connected: Beneficiary receives a monthly benefit which can be provided by the greater of: 1) present value of member's accrued benefit, or 2) lesser of 24 times the member's average final compensation, or 100 times the member's anticipated normal retirement benefit.

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Contributions- Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Deferred Retirement Option Program (DROP)- Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, transaction costs, and management fees) .

The DROP balance as September 30, 2014 is \$130,561.

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.

Plan Administration – The plan is administered by a Board of Trustees comprised of: Two city appointees, two members of the Department elected by the membership, and a member elected by other 4 and appointed by the City Commission

Benefits Provided– The plan provides retirement, termination, disability and death benefits.

Normal Retirement– Earlier of 1) age 52 and the completion of 25 years of credited service, or 2) age 55 and the completion of ten years of credited service.

Benefits Provided– 3.00% of average monthly earnings times credited service.

Early Retirement– Age 50 and 10 years of credited service.

Benefit– Accrued benefit, reduced 3.0% for each year prior to normal retirement date.

Disability– Total and permanent as determined by Board of Trustees, and for at least a period of 5 months if not service incurred.

Not-line-of-duty benefit amount: Less than 10 Years: The monthly income which can be provided by the greater of (A) or (B), where: (A) is the actuarial present value of the accrued benefit at date of disability, and (B) is two times the Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 60% of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date. More than 10 Years: The monthly income which is the greater of (A) or (B), where: (A) is the monthly income which can be provided by the actuarial present value of the accrued benefit at date of disability, and (B) is 30% (.3) of the Participant's Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 100% of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

Line-of-Duty Benefit Amount: A monthly income equal to 50% of the Basic Compensation paid in the calendar year preceding the date of disability. This amount is limited to the actuarial present value of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

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Death benefit– The monthly income, payable to designated Beneficiary for 10 years certain and life thereafter, which can be provided by the greater of (A) or (B), where: (A) is the actuarial present value of the accrued benefit at date of death, and (B) is two times the Basic Compensation paid in the calendar year preceding the date of death, but no greater than the actuarial present value of the Member’s Anticipated Monthly Retirement Income at Normal Retirement Date.

Contributions- Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

D. Membership

Membership of each Plan consisted of the following:

Date of Actuarial Valuation:	10/01/14	10/01/14	10/01/14
	GERP	MPRP	MFRP
Retirees and Beneficiaries Receiving Benefits	220	40	25
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	221	1	2
Active Plan Members	226	65	52
Total	667	106	79

E. Investment Policy

The following was the Board’s adopted asset allocation policy as of September 30, 2014:

Asset Class	GERP	MPRP	MFRP
	Target Allocation	Target Allocation	Target Allocation
Domestic Equity	50%	45%	35%
International Equity	10%	15%	15%
Broad Market Fixed Income	0%	20%	0%
Global Fixed Income	20%	5%	0%
TIPS	0%	5%	3%
Bonds	0%	0%	22%
Convertibles	0%	0%	10%
Real Estate	10%	10%	7%
Hedge Funds	10%	0%	0%
REITS	0%	0%	3%
MLPs	0%	0%	5%
Total	100%	100%	100%

F. Concentrations

The three pension plans did not hold investments in any one organization that represent five percent or more of the pension plan’s fiduciary net position.

G. Rate of Return

GERP– For the year ended September 30, 2014 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.13 percent.

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MPRP– For the year ended September 30, 2014 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 11.76 percent.

MFRP– For the year ended September 30, 2014 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.82 percent.

The money-weighted rate of return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

H. Annual Pension Costs and Net Pension Obligations

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

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
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	<u>(111,182)</u>	<u>19,100</u>	<u>87,950</u>
Annual Pension Cost	1,312,787	567,901	962,894
Adjustment to Net Pension Obligation (NPO)			
Contributions Made	<u>(1,250,669)</u>	<u>(562,144)</u>	<u>(938,369)</u>
Increase/Decrease in NPO	62,118	5,757	24,525
Net Pension Obligation (Asset), Beginning of Year	<u>820,397</u>	<u>(168,908)</u>	<u>(818,405)</u>
Net Pension Obligation (Asset), End of Year	<u><u>\$ 882,515</u></u>	<u><u>\$ (163,151)</u></u>	<u><u>\$ (793,880)</u></u>

I. 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 levels described in the required supplementary information.

Three Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
GERP			
09/30/12	\$ 963,255	55%	\$ 820,397
09/30/13	1,312,787	95%	882,515
09/30/14	1,403,315	104%	829,105
MPRP			
09/30/12	\$ 490,400	100%	\$ -
09/30/13	562,144	100%	-
09/30/14	532,189	100%	-
MFRP			
09/30/12	\$ 823,105	100%	\$ -
09/30/13	938,370	100%	-
09/30/14	977,084	100%	-

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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>
Actuarial Cost Method :	Entry Age Normal Method	Frozen Entry Age Actuarial Cost Method	Frozen Initial Liability Cost
Amortization Method:	Level Dollar	Level % of pay, Closed	Level % of pay, Closed
Remaining Amortization Period:	25 Years	30 Years (as of 10/1/2012)	28 years (as of 10/01/2012)
Asset Valuation Method :	4 Year Smooth	4 Year Smooth	4 Year Smooth
Inflation:	0.00%	3.00%	5.00%
Payroll Increase:	None	3.0% per year	3.0% per year
Salary Increases :	None	6.2% per year	5.0% pre year
*Interest Rate:	7.50%	7.90%	7.75%
Retirement Age:	Age 65	Earlier of: 1) Age 50 and 25 years of credited service, or 2) Age 55 and 10 years of credited service.	Eaelier of age 52 and the completion of 25 years of credited service or age 55 and 10 years of credited service.
Early Retirement:	Age 50 and 15 years of service -subsidized benefit less at 3.33% per year	Age 45 with 10 years of credited service.	None

*Interest Rate is compounded annually, net of investment related expenses.

The most recent actuarial valuation date for each plan was October 1, 2014. 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	\$ 33,963,202	\$ 15,122,077	\$ 15,898,619
Actuarial Accrued Liability	39,209,103	15,881,631	19,953,847
Unfunded (Overfunded) Status (UAAL)	<u>\$ 5,245,901</u>	<u>\$ 759,554</u>	<u>\$ 4,055,228</u>
Funded Status	86.62%	95.22%	79.68%
Annual Covered Payroll	<u>\$ 10,311,777</u>	<u>\$ 3,403,703</u>	<u>\$ 2,935,998</u>
UAAL as Percent of Payroll	50.87%	22.32%	138.12%

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
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J. Net Pension Liability of Sponsor

The components of the net pension liability of the sponsor of September 30, 2014 were as follows:

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Total Pension Liability	\$ 40,602,995	\$ 17,654,396	\$ 19,985,840
Plan Fiduciary Net Position	<u>34,948,909</u>	<u>17,781,102</u>	<u>17,027,525</u>
Sponsor's Net Pension Liability	<u>\$ 5,654,086</u>	<u>\$ (126,706)</u>	<u>\$ 2,958,315</u>
Plan Fiduciary Net Position as a percentage of total pension liability	86.07%	100.72%	85.20%

Actuarial Assumptions:

The total pension liability for all plans was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumption applied to all measurement periods.

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Inflation	2.00%	3.00%	3.00%
Salary Increases	0%	5.20%	4%-6%
Investment Rate of Return	7.50%	7.75%	7.50%

Mortality rates for the General Employee's Fund was based on the RP-2000, projected to valuation date using scale AA.

Mortality rates for the Police Fund was based on the RP-2000 Table with no projection - Based on a study of over 650 public safety funds, the table reflects a 10% margin for future mortality improvements. Mortality rates for the Fire Fund was based on the RP-2000, combined healthy. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

For the General Employees' Fund, actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 1999-2006. The actuarial assumptions used for Fire Employees' Funds were based on the results of an actuarial experience study for the period 1998-2013. The actuarial assumptions used for Police Employees' Funds were based on the results of an actuarial experience study for the period 1988-2009.

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K. Long Term Expected Rate of Return—All Plans

The long-term expected rate of return on all pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Class	Long Term Expected		Long Term Expected		Long Term Expected	
	Target Allocation	Real Rate of Return	Target Allocation	Real Rate of Return	Target Allocation	Real Rate of Return
	GERP		MPRP		MFRP	
Domestic Equity	50.0%	7.8%	45.0%	7.5%	35.0%	7.8%
International Equity	10.0%	7.7%	15.0%	8.5%	15.0%	2.2%
Broad Market Fixed Income	0.0%	0.0%	20.0%	2.5%	0.0%	0.0%
Global Fixed Income	20.0%	2.3%	5.0%	3.5%	0.0%	0.0%
TIPS	0.0%	0.0%	5.0%	2.5%	3.0%	2.0%
Bonds	0.0%	0.0%	0.0%	0.0%	22.0%	3.7%
Convertibles	0.0%	0.0%	0.0%	0.0%	10.0%	5.3%
RealEstate	10.0%	6.9%	10.0%	4.5%	7.0%	4.9%
Hedge Funds	10.0%	5.1%	0.0%	0.0%	0.0%	0.0%
REITS	0.0%	0.0%	0.0%	0.0%	3.0%	8.2%
MLPs	0.0%	0.0%	0.0%	0.0%	5.0%	12.7%

L. Discount Rate

The discount rate used to measure the total General and Fire Employees' pension liability was 7.50 percent. The discount rate used to measure the total Police Employees' pension liability was 7.75 percent.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

	1% Decrease	Current Discount Rate	1% Increase
<u>Sponsor's Net Pension Liability</u>	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
General Employees' Fund	\$ 10,032,280	\$ 5,654,086	\$ 1,961,608
	1% Decrease	Current Discount Rate	1% Increase
<u>Sponsor's Net Pension Liability</u>	<u>6.75%</u>	<u>7.75%</u>	<u>8.75%</u>
Police Employees' Fund	\$ 2,036,531	\$ (126,706)	\$ (1,834,202)
	1% Decrease	Current Discount Rate	1% Increase
<u>Sponsor's Net Pension Liability</u>	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Fire Employees' Fund	\$ 5,322,122	\$ 2,958,315	\$ 912,128

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	Municipal Police Retirement Plan	Municipal Firemen's Retirement Plan	General Employees' Retirement Plan	Total
Assets				
Cash	\$ 9,538	\$ 37,705	\$ 283,186	\$ 330,429
Investments, at Fair Value:				
U.S. Government Securities	1,555,280	750,663	4,202,904	6,508,847
Corporate Bonds	2,692,505	2,833,669	1,800,705	7,326,879
Corporate Stocks	11,478,547	6,107,325	17,906,390	35,492,262
Alternative Investments	1,466,696	352,575	7,508,939	9,328,210
Money Market	589,171	1,201,555	621,217	2,411,943
Mutual Funds	-	5,875,192	2,313,466	8,188,658
Total Investments	<u>17,782,199</u>	<u>17,120,979</u>	<u>34,353,621</u>	<u>69,256,799</u>
Accounts Receivable	-	-	228,841	228,841
Interest Receivable	-	29,337	89,077	118,414
Total Assets	<u>\$ 17,791,737</u>	<u>\$ 17,188,021</u>	<u>\$ 34,954,725</u>	<u>\$ 69,934,483</u>
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Restricted for Employees' Pension Benefits	<u>\$ 17,791,737</u>	<u>\$ 17,188,021</u>	<u>\$ 34,954,725</u>	<u>\$ 69,934,483</u>

SCHEDULE OF THE CHANGE IN PENSION PLAN NET POSITION AS OF SEPTEMBER 30, 2014

Additions				
Contributions:				
Employer	\$ 421,383	\$ 930,754	\$ 1,503,016	\$ 2,855,153
State	160,225	161,481	-	321,706
Employee	269,432	197,202	-	466,634
Total Contributions	<u>851,040</u>	<u>1,289,437</u>	<u>1,503,016</u>	<u>3,643,493</u>
Investment Income:				
Net Appreciation (Depreciation) in Fair Value of Investments	1,606,486	1,068,227	2,835,796	5,510,509
Interest and Dividend Income	322,865	386,510	635,782	1,345,157
Other Income	62,969	9,144	1,947	74,060
Less: investment expenses	<u>(124,122)</u>	<u>(84,228)</u>	<u>(192,452)</u>	<u>(400,802)</u>
Total Investment Income	<u>1,868,198</u>	<u>1,379,653</u>	<u>3,281,073</u>	<u>6,528,924</u>
Total Additions	<u>2,719,238</u>	<u>2,669,090</u>	<u>4,784,089</u>	<u>10,172,417</u>
Deductions				
Benefit Payments	723,367	706,184	2,325,220	3,754,771
Refund of Contributions	99,452	6,881	377,247	483,580
Administrative Expense	43,129	63,738	81,087	187,954
Total Deductions	<u>(865,948)</u>	<u>(776,803)</u>	<u>(2,783,554)</u>	<u>(4,426,305)</u>
Net Increase Decrease	<u>1,853,290</u>	<u>1,892,287</u>	<u>2,000,535</u>	<u>5,746,112</u>
Net Position Restricted for Employees' Pension Benefits:				
Beginning of Year	15,938,447	15,295,734	32,954,190	64,188,371
End of Year	<u>\$ 17,791,737</u>	<u>\$ 17,188,021</u>	<u>\$ 34,954,725</u>	<u>\$ 69,934,483</u>

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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 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, 2014, the City Commission approved a contribution rate of 5% of compensation. Total contributions amounted to \$677,906 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>10/01/13</u>
Retirees and Beneficiaries Receiving Benefits	101
Active Plan Members	<u>370</u>
Total	<u><u>471</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.

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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)	\$	2,128,011
Interest on Net OPEB Obligation (NOO)		453,887
Adjustment to ARC		<u>(698,270)</u>
Annual OPEB Cost		1,883,628
Employer Contributions Made		<u>(985,636)</u>
Increase(Decrease) in NOO		897,992
Net OPEB Obligation, Beginning of Year		<u>11,347,176</u>
Net OPEB Obligation, End of Year	\$	<u><u>12,245,169</u></u>

The Annual OPEB Cost per covered employee is \$4,000 or approximately 12.7% of expected payroll. The City's plan is a single-employer plan with no separately issued audited financials.

B. Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2014	\$ 1,883,628	52.3%	\$12,245,169
9/30/2013	1,853,015	49.4%	11,347,176
9/30/2012	2,581,178	22.7%	10,409,685

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
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The following is a schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded) Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Payroll
10/1/2013	\$ -	\$ 22,309,715	\$ 22,309,715	0.0%	\$ 16,755,182	133.2%
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%

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, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Return	4.0%
Rate of Inflation	3.0%
Payroll Growth - All Employees	0.0%
Health Care Inflation	7.5% (grading down to 4.5% in Fiscal 2017)

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
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Changes in claims liabilities for the last two years follow:

	<u>Balance October 1, 2013</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>(Claims Paid)</u>	<u>Balance September 30, 2014</u>
Employee Health				
Insurance Fund	\$ 309,561	\$ 3,834,697	\$ (3,764,633)	\$ 379,625
Workers' Compensation				
Insurance Fund	<u>1,676,434</u>	<u>142,106</u>	<u>(207,224)</u>	<u>1,611,316</u>
	<u>\$ 1,985,995</u>	<u>\$ 3,976,803</u>	<u>\$ (3,971,857)</u>	<u>\$ 1,990,941</u>
	<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>

Claim liabilities are calculated based on an actuarial valuation, which includes consideration of non-incremental claims adjustment expenses. Management estimates that \$725,092 Workers' Compensation and \$379,625 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, 2014

NOTE 17– CONSTRUCTION COMMITMENTS

As of September 30, 2014, the City had the following commitments related to significant unfinished construction projects:

	<u>Expended as of</u> <u>September 30, 2014</u>	<u>Remaining</u> <u>Commitment</u>
General Government:		
Televent OMS/AMI Custom Coding (IT)	\$ 49,800	\$ 28,600
Relocate Taxiway A (Airport)	1,540,339	77,095
Realign Taxiway K (Airport)	136,852	6,524
Update Lighting (Airport)	5,973	447,416
Land Purchase (Airport)	138,475	3,261
Extend Taxiway A (Airport)	-	182,050
Seaplane Ramp (Airport)	-	420,000
US Customs & Border IT Refresh (Airport)	-	57,308
Public Safety Training Facility (Police)	-	15,131
Public Safety Training Facility (Fire)	-	30,177
Susan St Sign (Grounds)	-	11,950
Sleepy Hollow Sign (Grounds)	-	11,950
Main St Streetscape	87	1,307,413
Investment Properties	476,790	43,309
Beecher St Computer Lab	-	5,000
Entrance Improvements	-	25,000
Berry Park Improvements	49,093	90,000
Infrastructure Improvements	2,595	60,796
Residential Undergrounding	6,200	425,708
Electric Utility:		
Transformers	245,455	102,081
Distribution Lines	822,355	734,059
Sectionalizing Devices	3,769	43,733
Lights	19,525	311,461
Miscellaneous Equipment	-	201,666
Miscellaneous Subdivisions	33,848	65,981
Substations	10,181	38,033
Gas Utility:		
Meters	638,135	51,895
Mains	399	631,928
Regulators	36,393	51,272
Services	117,859	104,509
Bentley Ridge	-	79,445
Hidden Harbor	251	36,920
Water Utility:		
Mains	66,141	2,316,588
Plant and Storage	226,802	1,903,111
Wastewater Utility:		
Collecting Sewers	91,740	792,232
Treatment & Disposal Plant	71,906	6,625
Stormwater Utility:		
Birchwood Design	177,902	6,210
Commerce & Industrial St. Ditch	38,277	445,309
Public Works Bldg, 14th St	5,065	120,587
Griffin & Beecher Drainage	491	257,601
Boyleston Line Relocation	11,132	79,868
Main St Streetscape	-	524,001
Heritage Estates	383	5,637
Lake Griffin Improvements	-	3,825
Totals	<u>\$ 5,024,213</u>	<u>\$ 12,163,265</u>

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 18– RISK MANAGEMENT

The City’s self-insurance programs and health insurance programs are accounted for in separate non-major internal service 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.

NOTE 19– SUBSEQUENT EVENTS

- A. On January 14, 2015, the Greater Leesburg Community Redevelopment Agency issued the \$1 million Redevelopment Revenue Note, Series 2015. The proceeds of the Note will be for the Main Street Streetscape Project, which will be completed by April 2015.



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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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 10,463,695	\$ 10,463,695	\$ 10,729,606	\$ 265,911
Licenses and Permits	107,300	107,300	166,926	59,626
Intergovernmental	1,992,436	2,065,272	2,144,512	79,240
Charges for Services	718,986	762,986	895,086	132,100
Fines and Forfeitures	118,500	118,500	119,059	559
Miscellaneous:				
Interest	37,000	37,000	48,987	11,987
Rental Income	1,162,552	1,162,552	1,248,533	85,981
Other	28,500	58,500	108,733	50,233
Total Revenues	<u>14,628,969</u>	<u>14,775,805</u>	<u>15,461,442</u>	<u>685,637</u>
Expenditures				
Current:				
General Government	3,713,797	3,706,514	3,257,326	449,188
Public Safety	13,881,329	13,920,484	13,356,129	564,355
Physical Environment	76,376	69,376	77,191	(7,815)
Transportation	2,039,924	2,105,898	1,954,498	151,400
Economic Environment	120,487	123,886	138,202	(14,316)
Human Services	579,419	536,985	62,313	474,672
Culture and Recreation	2,426,546	2,480,406	2,346,340	134,066
Capital Outlay	213,671	652,498	548,274	104,224
Total Expenditures	<u>(23,051,549)</u>	<u>(23,596,047)</u>	<u>(21,740,273)</u>	<u>1,855,774</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,422,580)</u>	<u>(8,820,242)</u>	<u>(6,278,831)</u>	<u>2,541,411</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,000	10,000	13,781	3,781
Transfers from Other Funds	9,986,771	10,117,232	10,051,357	(65,875)
Transfers to Other Funds	(1,726,191)	(1,978,810)	(1,910,375)	68,435
Fund Balance Appropriated	152,000	671,820	-	(671,820)
Total Other Financing Sources (Uses)	<u>8,422,580</u>	<u>8,820,242</u>	<u>8,154,763</u>	<u>(665,479)</u>
Net Change in Fund Balances	-	-	1,875,932	1,875,932
Fund Balance, Beginning of Year	-	-	10,119,165	10,119,165
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,995,097</u>	<u>\$ 11,995,097</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 485,985	\$ 485,985	\$ 490,168	\$ 4,183
Intergovernmental	-	1,033,472	234,487	(798,985)
Miscellaneous Interest and Other	1,849	1,849	(24,776)	(26,625)
Total Revenues	<u>487,834</u>	<u>1,521,306</u>	<u>699,879</u>	<u>(821,427)</u>
Expenditures				
Economic Environment:				
Operating Expenditures	171,412	431,369	264,773	166,596
Debt Service	1,020,283	1,020,283	1,022,170	(1,887)
Capital Outlay	-	2,549,704	533,811	2,015,893
Total Expenditures	<u>(1,191,695)</u>	<u>(4,001,356)</u>	<u>(1,820,754)</u>	<u>2,180,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(703,861)</u>	<u>(2,480,050)</u>	<u>(1,120,875)</u>	<u>1,359,175</u>
Other Financing Sources (Uses)				
Issuance of Debt	674,669	2,301,010	-	(2,301,010)
Transfers from Other Funds	45,624	45,624	-	(45,624)
Transfers to Other Funds	-	(258,092)	(491)	257,601
Fund Balance Appropriated	(16,432)	391,508	-	(391,508)
Total Other Financing (Uses)	<u>703,861</u>	<u>2,480,050</u>	<u>(491)</u>	<u>(2,480,541)</u>
Net Change in Fund Balance	-	-	(1,121,366)	(1,121,366)
Fund Balance, Beginning of Year	-	-	9,741,246	9,741,246
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,619,880</u>	<u>\$ 8,619,880</u>

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

CITY OF LEESBURG, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years
(Dollar Amounts in Thousands)

	General Employees		Police Employees		Fire Employees	
	2014	2013	2014	2013	2014	2013
Total pension liability						
Service cost	\$ 208,967	\$ 194,388	\$ 612,234	\$ 568,199	\$ 542,778	\$ 504,910
Interest	2,926,654	2,883,831	1,299,397	1,219,007	1,419,978	1,339,445
Change in Excess State Money	-	-	-	-	-	-
Share Plan Allocation	-	-	-	-	51,032	-
Changes of Benefit Terms	-	-	-	-	-	-
Difference Between Expected and Actual Experience	-	-	-	-	-	-
Changes of Assumptions	-	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,691,425)	(2,352,214)	(822,819)	(765,084)	(836,425)	(780,467)
Net Change in Total Pension Liability	444,196	726,005	1,088,812	1,022,122	1,177,363	1,063,888
Total Pension Liability - Beginning	40,158,799	39,432,795	16,565,584	15,543,462	18,808,476	17,744,588
Total Pension Liability - Ending (a)	\$ 40,602,995	\$ 40,158,800	\$ 17,654,396	\$ 16,565,584	\$ 19,985,839	\$ 18,808,476
Plan Fiduciary Net Position						
Contribution - Employer	\$ 1,456,725	\$ 1,250,669	\$ 371,964	\$ 406,147	\$ 866,635	\$ 827,920
Contribution - State	-	-	160,225	155,997	161,481	156,635
Contribution Employee	-	-	258,985	276,198	190,151	187,675
Net Investment Income	3,281,074	3,036,199	1,868,068	1,685,318	1,362,537	1,792,048
Benefit Payments, Including Refunds of Employee Contributions	(2,691,425)	(2,352,214)	(822,819)	(765,084)	(836,425)	(780,467)
Administrative Expense	(81,087)	(63,599)	(43,005)	(31,139)	(46,622)	(34,748)
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	1,965,287	1,871,055	1,793,418	1,727,437	1,697,757	2,149,063
Plan Fiduciary Net Position - Beginning	32,983,622	31,112,567	15,987,684	14,260,248	15,329,767	13,180,704
Plan Fiduciary Net Position - Ending (b)	\$ 34,948,909	\$ 32,983,622	\$ 17,781,102	\$ 15,987,685	\$ 17,027,524	\$ 15,329,767
Net Pension Liability - Ending (a) - (b)	\$ 5,654,086	\$ 7,175,178	\$ (126,706)	\$ 577,899	\$ 2,958,315	\$ 3,478,709
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.07%	82.13%	100.72%	96.51%	85.20%	81.50%
Covered Employee Payroll	\$ -	\$ -	\$ 3,385,424	\$ 3,610,429	\$ 2,925,402	\$ 2,887,291
Net Pension Liability as a Percentage of Covered Employee Payroll	0.00%	0.00%	-3.74%	16.01%	101.13%	120.48%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

**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		
10/1/2014	\$ 33,963,202	\$ 39,209,103	\$ 5,245,901	86.62%	\$ 10,311,777	50.87%
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%

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		
10/1/2014	\$ 16,705,631	\$ 17,465,185	\$ 759,554	95.65%	\$ 3,403,703	22.32%
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%

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		
10/1/2014	\$ 15,898,619	\$ 19,953,847	\$ 4,055,228	79.68%	\$ 2,935,998	138.12%
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		
10/1/2013	\$ -	\$ 22,309,715	\$ 22,309,715	0.00%	\$ 16,755,182	133.15%
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

Valuation Date - 10/1/2012

Year Ended 9/30	General Employees' Retirement Plan (GERP)				Municipal Police Retirement Plan (MPRP)				Municipal Firemen's Retirement Plan (MFRP)			
	Actuarially Determined Contribution	Percentage Contributed	Covered Employee Payroll	Percentage of Covered Payroll	Actuarially Determined Contribution	Percentage Contributed	Covered Employee Payroll	Percentage of Covered Payroll	Actuarially Determined Contribution	Percentage Contributed	Covered Employee Payroll	Percentage of Covered Payroll
2014	\$ 1,456,725	100%	-	0.00%	\$ 532,189	100%	\$ 3,385,424	15.72%	\$ 977,084	100%	\$ 2,925,402	33.40%
2013	1,435,084	100%	-	0.00%	562,144	100%	3,610,429	15.57%	938,370	100%	2,887,291	32.50%

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

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:

Ended 9/30	General Employees' Retirement Plan (GERP)			Municipal Police Retirement Plan (MPRP)			Municipal Firemen's Retirement Plan (MFRP)			Other Postemployment Benefits (OPEB)		
	Contribution (ARC)	Percentage Contributed	Covered Employee Payroll	Contribution (ARC)	Percentage Contributed	Covered Employee Payroll	Contribution (ARC)	Percentage Contributed	Covered Employee Payroll	Contribution (ARC)	Percentage Contributed	Net OPEB Obligation
2014	\$ 1,456,725	100.0%	\$ 532,189	100.0%	\$ 977,084	100.0%	\$ 1,883,628	52.3%	\$ 12,245,169			
2013	1,435,084	100.0%	562,144	100.0%	938,370	100.0%	1,853,015	49.4%	11,347,176			
2012	963,255	55.0%	490,400	100.0%	823,105	100.0%	2,581,178	22.7%	10,409,685			
2011	922,605	61.0%	291,398	100.0%	982,484	97.5%	2,386,435	22.8%	8,413,426			
2010	852,340	94.0%	445,066	100.0%	992,226	104.8%	2,524,856	30.7%	6,570,723			
2009	737,974	88.0%	437,542	99.9%	886,875	132.8%	2,338,322	30.7%	4,821,617			
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%						

CITY OF LEESBURG, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES FOR THE RETIREMENT PLAN

	General Employees' Retirement Plan (GERP)	Municipal Police Retirement Plan (MPRP)	Municipal Firemen's Retirement Plan (MFRP)
Actuarial Cost Method:	Entry Age Normal Method	Frozen Entry Age Actuarial Cost Method	Frozen Initial Liability Cost
Amortization Method:	Level Dollar	Level % of pay, Closed	Level % of pay, Closed
Remaining Amortization Period:	25 Years	30 Years (as of 10/1/2012)	28 years (as of 10/01/2012)
Asset Valuation Method:	4 Year Smooth	4 Year Smooth	4 Year Smooth
Inflation:	0.00%	3.00%	5.00%
Payroll Increase:	None	3.0% per year	3.0% per year
Salary Increases:	None	6.2% per year	5.0% per year
*Interest Rate:	7.50%	7.90%	7.75%
Retirement Age:	Age 65	Earlier of: 1) age 50 with 25 years of credited service, or 2) age 55 with 10 years of credited service	Earlier of: 1) age 52 with the completion of 25 years of credited service, or 2) age 55 with 10 years of credited service
Early Retirement:	Age 50 with 15 years of service - subsidized benefit at 3.33% per year	Age 45 with 10 years of credited service	None

*Interest Rate is compounded annually, net of investment related expenses.

SCHEDULE OF INVESTMENT RETURNS
ANNUAL MONEY-WEIGHTED RATE OF RETURN NET OF INVESTMENT EXPENSE
LAST TWO FISCAL YEARS

	General Employees' Retirement Plan (GERP)	Municipal Police Retirement Plan (MPRP)	Municipal Firemen's Retirement Plan (MFRP)
2014	10.13%	11.76%	8.82%
2013	9.94%	11.80%	13.41%

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, 2014**

Special Revenue Funds

	Affordable Housing Fund	Police Forfeitures Fund	Police Education Fund	Gas Tax Fund	Police Impact Fee Fund
Assets					
Pooled Cash and Investments	\$ 312,379	\$ 56,041	\$ 17,056	\$ 154,912	\$ 158,284
Cash with Fiscal Agent	-	-	-	-	-
Accounts Receivables, Net	7,888	-	-	-	-
Due from Other Governments	-	-	864	67,971	-
Restricted Cash	3,811	-	-	-	-
Total Assets	\$ 324,078	\$ 56,041	\$ 17,920	\$ 222,883	\$ 158,284
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ 1,500	\$ 11,302	\$ 3,485	\$ -	\$ -
Rental Deposits	3,152	-	-	-	-
Accrued Salaries	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	4,652	11,302	3,485	-	-
Fund Balances					
Restricted for:					
Debt Service	-	-	-	-	-
Special Revenue Funds	319,426	44,739	14,435	222,883	158,284
Unassigned deficit	-	-	-	-	-
Total Fund Balances (Deficits)	319,426	44,739	14,435	222,883	158,284
Total Liabilities and Fund Balances (Deficits)	\$ 324,078	\$ 56,041	\$ 17,920	\$ 222,883	\$ 158,284

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
\$ -	\$ 179,183	\$ -	\$ 877,855	\$ -	\$ 877,855
-	-	-	-	1,242,387	1,242,387
-	-	-	7,888	-	7,888
-	-	-	68,835	-	68,835
-	-	-	3,811	-	3,811
<u>\$ -</u>	<u>\$ 179,183</u>	<u>\$ -</u>	<u>\$ 958,389</u>	<u>\$ 1,242,387</u>	<u>\$ 2,200,776</u>
\$ -	\$ -	\$ 737	\$ 17,024	\$ -	\$ 17,024
-	-	-	3,152	-	3,152
-	-	9,852	9,852	-	9,852
-	-	-	-	389,958	389,958
-	-	4,032	4,032	-	4,032
56,462	-	43,324	99,786	5,697	105,483
<u>56,462</u>	<u>-</u>	<u>57,945</u>	<u>133,846</u>	<u>395,655</u>	<u>529,501</u>
-	-	-	-	846,732	846,732
-	179,183	-	938,950	-	938,950
(56,462)	-	(57,945)	(114,407)	-	(114,407)
<u>(56,462)</u>	<u>179,183</u>	<u>(57,945)</u>	<u>824,543</u>	<u>846,732</u>	<u>1,671,275</u>
<u>\$ -</u>	<u>\$ 179,183</u>	<u>\$ -</u>	<u>\$ 958,389</u>	<u>\$ 1,242,387</u>	<u>\$ 2,200,776</u>

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue Funds				
	Affordable Housing Fund	Police Forfeitures Fund	Police Education Fund	Gas Tax Fund	Police Impact Fee Fund
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 782,934	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	204,045	-	-	143,477	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	38,265	8,032	-	-
Impact Fees	-	-	-	-	18,195
Miscellaneous:					
Interest	1,334	210	10	495	279
Other	93,145	-	-	-	-
Total Revenues	298,524	38,475	8,042	926,906	18,474
Expenditures					
Current:					
Public Safety	-	35,305	12,208	-	52
Transportation	-	-	-	176	-
Economic Environment	159,969	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and other costs	-	-	-	-	-
Total Expenditures	(159,969)	(35,305)	(12,208)	(176)	(52)
Excess (Deficiency) of Revenues Over (Under) Expenditures	138,555	3,170	(4,166)	926,730	18,422
Other Financing Sources (Uses)					
Transfers from Other Funds	-	-	-	-	-
Transfers to Other Funds	(28,865)	-	-	(926,646)	(1,500)
Total Other Financing Sources (Uses)	(28,865)	-	-	(926,646)	(1,500)
Net Change in Fund Balance	109,690	3,170	(4,166)	84	16,922
Fund Balances (Deficits), Beginning of Year	209,736	41,569	18,601	222,799	141,362
Fund Balances (Deficits), End of Year	\$ 319,426	\$ 44,739	\$ 14,435	\$ 222,883	\$ 158,284

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
\$ -	\$ -	\$ -	\$ 782,934	\$ -	\$ 782,934
-	-	648,979	648,979	-	648,979
-	-	-	347,522	-	347,522
-	-	1,694	1,694	-	1,694
-	-	-	46,297	-	46,297
19,584	30,906	-	68,685	-	68,685
(295)	256	(685)	1,604	-	1,604
-	-	2	93,147	-	93,147
<u>19,289</u>	<u>31,162</u>	<u>649,990</u>	<u>1,990,862</u>	<u>-</u>	<u>1,990,862</u>
-	-	420,149	467,714	-	467,714
-	-	-	176	-	176
-	63	-	160,032	-	160,032
-	-	-	-	1,648,188	1,648,188
-	-	-	-	913,332	913,332
<u>-</u>	<u>(63)</u>	<u>(420,149)</u>	<u>(627,922)</u>	<u>(2,561,520)</u>	<u>(3,189,442)</u>
<u>19,289</u>	<u>31,099</u>	<u>229,841</u>	<u>1,362,940</u>	<u>(2,561,520)</u>	<u>(1,198,580)</u>
-	-	8,100	8,100	2,562,052	2,570,152
(1,540)	(25,520)	(559)	(984,630)	-	(984,630)
<u>(1,540)</u>	<u>(25,520)</u>	<u>7,541</u>	<u>(976,530)</u>	<u>2,562,052</u>	<u>1,585,522</u>
17,749	5,579	237,382	386,410	532	386,942
<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>\$ (56,462)</u>	<u>\$ 179,183</u>	<u>\$ (57,945)</u>	<u>\$ 824,543</u>	<u>\$ 846,732</u>	<u>\$ 1,671,275</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Actual Amounts</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 1,628,086	\$ 2,729,242	\$ (1,101,156)
Miscellaneous:			
Interest	(50)	-	(50)
Other	-	11,817	(11,817)
Total Revenues	<u>1,628,036</u>	<u>2,741,059</u>	<u>(1,113,023)</u>
Expenditures			
Capital Outlays:			
General Government	95,371	102,317	6,946
Public Safety	87,667	133,245	45,578
Transportation	2,403,614	3,557,985	1,154,371
Culture and Recreation	501,159	579,725	78,566
Total Expenditures	<u>(3,087,811)</u>	<u>(4,373,272)</u>	<u>1,285,461</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,459,775)</u>	<u>(1,632,213)</u>	<u>172,438</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	1,028,864	1,282,992	(254,128)
Issuance of Debt	-	349,221	(349,221)
Total Other Financing Sources (Uses)	<u>1,028,864</u>	<u>1,632,213</u>	<u>(603,349)</u>
Net Change in Fund Balances	(430,911)	-	(430,911)
Fund Balance, Beginning of Year	<u>419,392</u>	<u>-</u>	<u>419,392</u>
Fund Balance, End of Year	<u>\$ (11,519)</u>	<u>\$ -</u>	<u>\$ (11,519)</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
AFFORDABLE HOUSING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 204,045	\$ -	\$ 204,045
Miscellaneous:			
Interest	1,334	-	1,334
Other	93,145	-	93,145
Total Revenues	<u>298,524</u>	<u>-</u>	<u>298,524</u>
Expenditures			
Current Operating:			
Economic Environment:			
Operating Expenditures	159,969	-	(159,969)
Total Expenditures	<u>(159,969)</u>	<u>-</u>	<u>(159,969)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>138,555</u>	<u>-</u>	<u>138,555</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	(28,865)	-	(28,865)
Total Other Financing Sources (Uses)	<u>(28,865)</u>	<u>-</u>	<u>(28,865)</u>
Net Change in Fund Balance	109,690	-	109,690
Fund Balance, Beginning of Year	<u>209,736</u>	<u>-</u>	<u>209,736</u>
Fund Balance, End of Year	<u>\$ 319,426</u>	<u>\$ -</u>	<u>\$ 319,426</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE FORFEITURES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ 38,265	\$ -	\$ 38,265
Miscellaneous:			
Interest	210	-	210
Total Revenues	<u>38,475</u>	<u>-</u>	<u>38,475</u>
Expenditures			
Public Safety:			
Operating Expenditures	35,305	3,748	(31,557)
Total Expenditures	<u>(35,305)</u>	<u>(3,748)</u>	<u>(31,557)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,170</u>	<u>(3,748)</u>	<u>6,918</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	3,748	(3,748)
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,748</u>	<u>(3,748)</u>
Net Change in Fund Balance	3,170	-	3,170
Fund Balances, Beginning of Year	<u>41,569</u>	<u>-</u>	<u>41,569</u>
Fund Balances, End of Year	<u>\$ 44,739</u>	<u>\$ -</u>	<u>\$ 44,739</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE EDUCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ 8,032	\$ -	\$ 8,032
Miscellaneous:			
Interest	10	-	10
Total Revenues	<u>8,042</u>	<u>-</u>	<u>8,042</u>
Expenditures			
Public Safety:			
Operating Expenditures	12,208	12,000	(208)
Total Expenditures	<u>(12,208)</u>	<u>(12,000)</u>	<u>(208)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,166)</u>	<u>(12,000)</u>	<u>7,834</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	12,000	(12,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>12,000</u>	<u>(12,000)</u>
Net Change in Fund Balance	(4,166)	-	(4,166)
Fund Balances, Beginning of Year	<u>18,601</u>	<u>-</u>	<u>18,601</u>
Fund Balances, End of Year	<u>\$ 14,435</u>	<u>\$ -</u>	<u>\$ 14,435</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GAS TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 782,934	\$ 757,089	\$ 25,845
Intergovernmental	143,477	147,223	(3,746)
Interest	495	-	495
Total Revenues	<u>926,906</u>	<u>904,312</u>	<u>22,594</u>
Expenditures			
Transportation:			
Operating Expenditures	176	-	(176)
Total Expenditures	<u>(176)</u>	<u>-</u>	<u>(176)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>926,730</u>	<u>904,312</u>	<u>22,418</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	(926,646)	(944,821)	18,175
Fund Balance Appropriated	-	40,509	(40,509)
Total Other Financing Sources (Uses)	<u>(926,646)</u>	<u>(904,312)</u>	<u>(22,334)</u>
Net Change in Fund Balance	84	-	84
Fund Balances, Beginning of Year	<u>222,799</u>	<u>-</u>	<u>222,799</u>
Fund Balances, End of Year	<u>\$ 222,883</u>	<u>\$ -</u>	<u>\$ 222,883</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ 18,195	\$ -	\$ 18,195
Miscellaneous:			
Interest	279	-	279
Total Revenues	<u>18,474</u>	<u>-</u>	<u>18,474</u>
Expenditures			
Public Safety:			
Operating Expenditures	52	-	(52)
Total Expenditures	<u>(52)</u>	<u>-</u>	<u>(52)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,422</u>	<u>-</u>	<u>18,422</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	15,131	(15,131)
Transfers to Other Funds	(1,500)	(15,131)	13,631
Total Other Financing Sources (Uses)	<u>(1,500)</u>	<u>-</u>	<u>(1,500)</u>
Net Change in Fund Balance	16,922	-	16,922
Fund Balances, Beginning of Year	<u>141,362</u>	<u>-</u>	<u>141,362</u>
Fund Balances, End of Year	<u>\$ 158,284</u>	<u>\$ -</u>	<u>\$ 158,284</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ 19,584	\$ -	\$ 19,584
Miscellaneous:			
Interest	(295)	-	(295)
Total Revenues	<u>19,289</u>	<u>-</u>	<u>19,289</u>
Expenditures			
Operating Expenditures	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,289</u>	<u>-</u>	<u>19,289</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	(1,540)	-	(1,540)
Total Other Financing Sources (Uses)	<u>(1,540)</u>	<u>-</u>	<u>(1,540)</u>
Net Change in Fund Balance	17,749	-	17,749
Fund Balances (Deficits), Beginning of Year	<u>(74,211)</u>	<u>-</u>	<u>(74,211)</u>
Fund Balances (Deficits), End of Year	<u>\$ (56,462)</u>	<u>\$ -</u>	<u>\$ (56,462)</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
RECREATION IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ 30,906	\$ -	\$ 30,906
Miscellaneous:			
Interest	256	-	256
Total Revenues	<u>31,162</u>	<u>-</u>	<u>31,162</u>
Expenditures			
Operating Expenditures	63	-	(63)
Total Expenditures	<u>(63)</u>	<u>-</u>	<u>(63)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>31,099</u>	<u>-</u>	<u>31,099</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	100,000	(100,000)
Transfers to Other Funds	(25,520)	(100,000)	74,480
Total Other Financing Sources (Uses)	<u>(25,520)</u>	<u>-</u>	<u>(25,520)</u>
Net Change in Fund Balance	5,579	-	5,579
Fund Balances, Beginning of Year	<u>173,604</u>	<u>-</u>	<u>173,604</u>
Fund Balances, End of Year	<u>\$ 179,183</u>	<u>\$ -</u>	<u>\$ 179,183</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BUILDING PERMITS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Licenses and Permits	\$ 648,979	\$ 292,000	\$ 356,979
Intergovernmental	-	1,000	(1,000)
Charges for Services	1,694	-	1,694
Miscellaneous:			
Interest	(685)	-	(685)
Other	2	137,064	(137,062)
Total Revenues	<u>649,990</u>	<u>430,064</u>	<u>219,926</u>
Expenditures			
Public Safety:			
Personal Services	347,156	349,702	2,546
Operating Expenditures	72,993	79,803	6,810
Total Expenditures	<u>420,149</u>	<u>429,505</u>	<u>9,356</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>229,841</u>	<u>559</u>	<u>229,282</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	(559)	(559)	-
Transfers from Other Funds	8,100	-	8,100
Total Other Financing Sources (Uses)	<u>7,541</u>	<u>(559)</u>	<u>8,100</u>
Net Change in Fund Balance	237,382	-	237,382
Fund Balances (Deficits), Beginning of Year	<u>(295,327)</u>	<u>-</u>	<u>(295,327)</u>
Fund Balances (Deficits), End of Year	<u>\$ (57,945)</u>	<u>\$ -</u>	<u>\$ (57,945)</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Total Revenues	\$ -	\$ -	\$ -
Expenditures			
Debt Service:			
Principal	1,648,188	1,633,188	(15,000)
Interest	913,332	898,479	(14,853)
Total Expenditures	<u>(2,561,520)</u>	<u>(2,531,667)</u>	<u>(29,853)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,561,520)</u>	<u>(2,531,667)</u>	<u>(29,853)</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	(28,050)	(28,050)
Transfers from Other Funds	2,562,052	2,559,717	(2,335)
Total Other Financing Sources (Uses)	<u>2,562,052</u>	<u>2,531,667</u>	<u>(30,385)</u>
Net Change in Fund Balance	532	-	532
Fund Balance, Beginning of Year	<u>846,200</u>	<u>-</u>	<u>846,200</u>
Fund Balance, End of Year	<u>\$ 846,732</u>	<u>\$ -</u>	<u>\$ 846,732</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, 2014

	<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>	
Assets				
Current Assets:				
Pooled Cash and Investments	\$ 2,190,324	\$ 1,819,550	\$ 842,738	\$ 4,852,612
Restricted Pooled Cash and Investments:				
Debt Service Account	-	-	102,938	102,938
Customer Deposits Account	-	4,925	3,809	8,734
Landfill Escrow	-	89,875	-	89,875
Receivables:				
Customer Accounts, Unbilled	75,171	182,492	76,789	334,452
Customer Accounts, Billed	114,359	290,781	42,541	447,681
(Allowance for Doubtful Accounts)	(23,007)	(57,219)	(6,674)	(86,900)
Due from Other Funds	105,000	-	-	105,000
Prepaid Items	-	-	88,409	88,409
Inventory	-	-	190,957	190,957
Total Current Assets	<u>2,461,847</u>	<u>2,330,404</u>	<u>1,341,507</u>	<u>6,133,758</u>
Noncurrent Assets:				
Restricted Assets:				
Pooled Cash and Investments:				
Renewal and Replacement Account	838,868	480,000	346,846	1,665,714
Total Restricted Assets	<u>838,868</u>	<u>480,000</u>	<u>346,846</u>	<u>1,665,714</u>
Property, Plant and Equipment:				
Land	730,887	28,700	-	759,587
Buildings	-	13,856	-	13,856
Improvements Other Than Buildings	8,880,039	191,691	8,306,744	17,378,474
Machinery and Equipment	5,390	123,569	1,370,485	1,499,444
Less Accumulated Depreciation and Amortization	(3,229,902)	(202,278)	(3,737,232)	(7,169,412)
Construction in Progress	473,177	-	1,101,654	1,574,831
Total Property, Plant and Equipment	<u>6,859,591</u>	<u>155,538</u>	<u>7,041,651</u>	<u>14,056,780</u>
Total Noncurrent Assets	<u>7,698,459</u>	<u>635,538</u>	<u>7,388,497</u>	<u>15,722,494</u>
Total Assets	<u>\$ 10,160,306</u>	<u>\$ 2,965,942</u>	<u>\$ 8,730,004</u>	<u>\$ 21,856,252</u>

continued

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2014
(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>	
Liabilities				
Current Liabilities:				
Accounts and Retainage Payable	\$ 43,391	\$ 32,635	\$ 23,761	\$ 99,787
Due to Other Funds	-	-	105,000	105,000
Due to Other Governments	-	-	1,983	1,983
Accrued Expenses	4,872	26,059	62,251	93,182
Compensated Absences	3,380	39,898	17,744	61,022
	<u>51,643</u>	<u>98,592</u>	<u>210,739</u>	<u>360,974</u>
Current Liabilities Payable from Restricted Assets:				
Customer Deposits	-	4,925	3,809	8,734
Estimated Landfill Closure Cost Payable	-	62,277	-	62,277
Accrued Interest Payable	-	-	11,271	11,271
Bonds and Notes Payable - Current Portion	-	-	100,000	100,000
Current Liabilities Payable from Restricted Assets	<u>-</u>	<u>67,202</u>	<u>115,080</u>	<u>182,282</u>
Total Current Liabilities	<u>51,643</u>	<u>165,794</u>	<u>325,819</u>	<u>543,256</u>
Noncurrent Liabilities:				
Capital Improvement Revenue Refunding Note 2009	-	-	555,000	555,000
Compensated Absences	2,766	32,643	14,518	49,927
Landfill Postclosure Costs Payable	-	186,830	-	186,830
Other Postemployment Benefits	80,174	386,544	124,121	590,839
Total Noncurrent Liabilities	<u>82,940</u>	<u>606,017</u>	<u>693,639</u>	<u>1,382,596</u>
Total Liabilities	<u>134,583</u>	<u>771,811</u>	<u>1,019,458</u>	<u>1,925,852</u>
Net Position				
Net Investment in Capital Assets	6,859,591	155,538	6,386,651	13,401,780
Unrestricted	3,166,132	2,038,593	1,323,895	6,528,620
Total Net Position	<u>\$ 10,025,723</u>	<u>\$ 2,194,131</u>	<u>\$ 7,710,546</u>	<u>\$ 19,930,400</u>



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CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Business-type Activities - Enterprise Funds</u>			Total Non Major Enterprise Funds
	<u>Stormwater Fund</u>	<u>Solid Waste</u>	<u>Communication Services</u>	
Operating Revenues				
Charges for Services	\$ 1,422,244	\$ 3,580,352	\$ 1,662,268	\$ 6,664,864
Other	13,120	41,777	33,313	88,210
Total Operating Revenues	<u>1,435,364</u>	<u>3,622,129</u>	<u>1,695,581</u>	<u>6,753,074</u>
Operating Expenses				
Personal Services	238,553	937,394	466,430	1,642,377
Supplies and Materials	37,049	269,638	18,462	325,149
Maintenance Costs	129,926	294,632	24,613	449,171
Contracted Services	64,976	864,274	242,413	1,171,663
Other Services and Charges	314,231	775,159	280,815	1,370,205
Depreciation and Amortization	145,816	21,585	338,556	505,957
Change in Decommissioning/ Postclosure Estimate	-	(57,675)	-	(57,675)
Total Operating Expenses	<u>(930,551)</u>	<u>(3,105,007)</u>	<u>(1,371,289)</u>	<u>(5,406,847)</u>
Operating Income	<u>504,813</u>	<u>517,122</u>	<u>324,292</u>	<u>1,346,227</u>
Nonoperating Revenues (Expenses)				
Investment Income	8,043	3,371	756	12,170
Other Nonoperating Income	-	-	4,826	4,826
Interest Expenses	-	(11)	(27,386)	(27,397)
Total Nonoperating Revenues (Expenses)	<u>8,043</u>	<u>3,360</u>	<u>(21,804)</u>	<u>(10,401)</u>
Income (Loss) Before Contributions and Transfers	<u>512,856</u>	<u>520,482</u>	<u>302,488</u>	<u>1,335,826</u>
Transfers and Capital Contributions				
Transfers from Other Funds	491	-	-	491
Transfers to Other Funds	(2,702)	(368,867)	(195,090)	(566,659)
Total Transfers and Capital Contributions	<u>(2,211)</u>	<u>(368,867)</u>	<u>(195,090)</u>	<u>(566,168)</u>
Change in Net Position	510,645	151,615	107,398	769,658
Net Position, Beginning of Year	<u>9,515,078</u>	<u>2,042,516</u>	<u>7,603,148</u>	<u>19,160,742</u>
Net Position, End of Year	<u>\$ 10,025,723</u>	<u>\$ 2,194,131</u>	<u>\$ 7,710,546</u>	<u>\$ 19,930,400</u>

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Business-type Activities - Enterprise Funds</u>			Total Non Major Enterprise Funds
	<u>Stormwater Fund</u>	<u>Solid Waste</u>	<u>Communication Services</u>	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 1,441,361	\$ 3,629,510	\$ 1,694,133	\$ 6,765,004
Payments to Suppliers for Goods and Services	(297,086)	(2,270,185)	(587,814)	(3,155,085)
Cash Paid to Employees for Services	(238,631)	(907,454)	(450,124)	(1,596,209)
Net Cash Provided by (Used in) Operating Activities	<u>905,644</u>	<u>451,871</u>	<u>656,195</u>	<u>2,013,710</u>
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	491	-	-	491
Transfers to Other Funds	(2,702)	(368,867)	(195,090)	(566,659)
Issuance of/Proceeds from Interfund Loan	105,000	-	(105,000)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>102,789</u>	<u>(368,867)</u>	<u>(300,090)</u>	<u>(566,168)</u>
Cash Flows from Capital and Related Financing Activities				
Interest Paid on Revenue Bonds and Customer Deposits	-	(11)	(29,021)	(29,032)
Acquisition and Construction of Capital Assets	(340,009)	-	(369,335)	(709,344)
Principal Paid on Capital Debt	-	-	(95,000)	(95,000)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(340,009)</u>	<u>(11)</u>	<u>(493,356)</u>	<u>(833,376)</u>
Cash Flows from Investing Activities				
Interest Received	8,043	3,371	756	12,170
Other Investing Activities	-	-	4,826	4,826
Net Cash Provided by (Used in) Investing Activities	<u>8,043</u>	<u>3,371</u>	<u>5,582</u>	<u>16,996</u>
Net Increase (Decrease) in Cash and Cash Equivalents	676,467	86,364	(131,669)	631,162
Cash and Cash Equivalents, Beginning of Year	<u>2,352,725</u>	<u>2,307,986</u>	<u>1,428,000</u>	<u>6,088,711</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,029,192</u></u>	<u><u>\$ 2,394,350</u></u>	<u><u>\$ 1,296,331</u></u>	<u><u>\$ 6,719,873</u></u>

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(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>	
<u>Reconciliation of Cash and Cash Equivalents to Balance Sheet</u>				
Total Unrestricted Equity in Pooled Cash and Cash Equivalents	\$ 2,190,324	\$ 1,819,550	\$ 842,738	\$ 4,852,612
Total Restricted Equity in Pooled Cash and Cash Equivalents	838,868	574,800	453,593	1,867,261
Total Cash and Cash Equivalents, End of Year	<u>\$ 3,029,192</u>	<u>\$ 2,394,350</u>	<u>\$ 1,296,331</u>	<u>\$ 6,719,873</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income (Loss)	\$ 504,813	\$ 517,122	\$ 324,292	\$ 1,346,227
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	145,816	21,585	338,556	505,957
Decrease (Increase) in Assets:				
Customer Accounts (Net of Allowances)	5,997	9,131	(1,396)	13,732
Prepaid Items	-	-	13,209	13,209
Inventory	-	-	(272)	(272)
Increase (Decrease) in Liabilities:				
Accounts Payable	35,046	(66,482)	(12,929)	(44,365)
Accrued Expenses	(1,027)	1,974	(18,129)	(17,182)
Claims Payable	-	-	664	664
Other Postemployment Benefits Liability	7,775	31,100	11,663	50,538
Decommissioning/Postclosure Payable	-	(57,675)	-	(57,675)
Other	207,224	(4,884)	537	202,877
Net Cash Provided by (Used in) Operating Activities	<u>\$ 905,644</u>	<u>\$ 451,871</u>	<u>\$ 656,195</u>	<u>\$ 2,013,710</u>



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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.

Risk Management accounts for the costs of liability, property and casualty, automobile, public official, and employment practices insurance.

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, 2014**

	General Employees' Health Insurance	Workers' Compensation Insurance	Risk Management	Fleet Maintenance	Total
Assets					
Current Assets:					
Pooled Cash and Investments	\$ 3,814,746	\$ 1,930,327	\$ 159,839	\$ 3,987,350	\$ 9,892,262
Miscellaneous Receivables	102,742	16,440	-	-	119,182
Inventory	-	-	-	588,786	588,786
Total Current Assets	3,917,488	1,946,767	159,839	4,576,136	10,600,230
Noncurrent Assets:					
Restricted Cash	-	-	-	353,629	353,629
Property, Plant and Equipment:					
Buildings	-	-	-	564,988	564,988
Improvements Other Than Buildings	-	-	-	148,127	148,127
Machinery and Equipment	-	-	-	18,714,696	18,714,696
Less Accumulated Depreciation and Amortization	-	-	-	(16,029,319)	(16,029,319)
Construction in Progress	-	-	-	17,893	17,893
Total Property, Plant and Equipment	-	-	-	3,416,385	3,416,385
Total Assets	3,917,488	1,946,767	159,839	8,346,150	14,370,244
Liabilities					
Current Liabilities:					
Accounts Payable	712,088	32	-	83,032	795,152
Other Accrued Expenses	-	-	-	11,271	11,271
Compensated Absences	-	-	-	24,248	24,248
Claims Payable	379,639	725,092	-	-	1,104,731
Total Current Liabilities	1,091,727	725,124	-	118,551	1,935,402
Noncurrent Liabilities					
Compensated Absences	-	-	-	19,839	19,839
Claims Payable	-	886,224	-	-	886,224
Total Noncurrent Liabilities	-	886,224	-	19,839	906,063
Total Liabilities	1,091,727	1,611,348	-	138,390	2,841,465
Net Position					
Net Investment in Capital Assets	-	-	-	3,416,385	3,416,385
Unrestricted	2,825,761	335,419	159,839	4,791,375	8,112,394
Total Net Position	\$ 2,825,761	\$ 335,419	\$ 159,839	\$ 8,207,760	\$ 11,528,779

**CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	General Employees' Health Insurance	Workers' Compensation Insurance	Risk Management	Fleet Maintenance	Total
Operating Revenues					
Charges for Services	\$ 4,868,177	\$ 542,528	\$ 656,647	\$ 2,994,274	\$ 9,061,626
Other Operating Income	192,319	21,962	-	16,441	230,722
Total Operating Revenues	<u>5,060,496</u>	<u>564,490</u>	<u>656,647</u>	<u>3,010,715</u>	<u>9,292,348</u>
Operating Expenses					
Personal Services	65,785	21,691	-	416,771	504,247
Supplies and Materials	-	-	-	41,906	41,906
Maintenance Costs	-	-	-	579,778	579,778
Contracted Services	-	-	33	5,042	5,075
Other Services and Charges	-	-	656,647	52,274	708,921
Claims Expense	3,834,697	142,106	-	-	3,976,803
Administrative Expenses	1,023,476	21,927	-	-	1,045,403
Insurance Premiums	324,575	148,365	-	-	472,940
Depreciation and Amortization	-	-	-	952,039	952,039
Total Operating Expenses	<u>(5,248,533)</u>	<u>(334,089)</u>	<u>(656,680)</u>	<u>(2,047,810)</u>	<u>(8,287,112)</u>
Operating Income	<u>(188,037)</u>	<u>230,401</u>	<u>(33)</u>	<u>962,905</u>	<u>1,005,236</u>
Nonoperating Revenues					
Investment Income	7,426	3,267	1,170	9,464	21,327
Other Nonoperating Income	-	-	13	134,049	134,062
Total Nonoperating Revenues	<u>7,426</u>	<u>3,267</u>	<u>1,183</u>	<u>143,513</u>	<u>155,389</u>
Income Before Contributions and Transfers	<u>(180,611)</u>	<u>233,668</u>	<u>1,150</u>	<u>1,106,418</u>	<u>1,160,625</u>
Transfers and Capital Contributions					
Capital Contributions	-	-	-	78,879	78,879
Transfers from Other Funds	-	-	158,689	-	158,689
Transfers to Other Funds	-	(44,471)	-	(4,768)	(49,239)
Total Transfers and Capital Contributions	<u>-</u>	<u>(44,471)</u>	<u>158,689</u>	<u>74,111</u>	<u>188,329</u>
Change in Net Position	<u>(180,611)</u>	<u>189,197</u>	<u>159,839</u>	<u>1,180,529</u>	<u>1,348,954</u>
Total Net Position, Beginning of Year	<u>3,006,372</u>	<u>146,222</u>	<u>-</u>	<u>7,027,231</u>	<u>10,179,825</u>
Total Net Position, End of Year	<u>\$ 2,825,761</u>	<u>\$ 335,419</u>	<u>\$ 159,839</u>	<u>\$ 8,207,760</u>	<u>\$ 11,528,779</u>

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General Employees' Health Insurance	Workers' Compensation Insurance	Risk Management	Fleet Maintenance	Total
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 4,875,955	\$ 540,914	\$ 656,647	\$ 3,010,715	\$ 9,084,231
Cash Paid to Suppliers for Goods and Services	(940,959)	(118,243)	(656,680)	(708,782)	(2,424,664)
Cash Paid for Insurance Claims	(3,572,300)	(185,262)	-	-	(3,757,562)
Cash Paid to Employees for Services	(65,785)	(21,691)	-	(427,751)	(515,227)
Net Cash Provided by (Used in) Operating Activities	<u>296,911</u>	<u>215,718</u>	<u>(33)</u>	<u>1,874,182</u>	<u>2,386,778</u>
Cash Flows from Noncapital Financing Activities					
Transfers from Other Funds	-	-	158,689	-	158,689
Transfers to Other Funds	-	(44,471)	-	(4,768)	(49,239)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>(44,471)</u>	<u>158,689</u>	<u>(4,768)</u>	<u>109,450</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	-	-	-	(660,744)	(660,744)
Proceeds/Loss from the Disposition of Capital Assets	-	-	13	-	13
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>13</u>	<u>(660,744)</u>	<u>(660,731)</u>
Cash Flows from Investing Activities					
Investment Income	7,426	3,267	1,170	9,464	21,327
Net Cash Flows from Investing Activities	<u>7,426</u>	<u>3,267</u>	<u>1,170</u>	<u>9,464</u>	<u>21,327</u>
Net Increase (Decrease) in Cash and Cash Equivalents	304,337	174,514	159,839	1,218,134	1,856,824
Cash and Cash Equivalents, Beginning of Year	<u>3,510,409</u>	<u>1,755,813</u>	<u>-</u>	<u>3,122,845</u>	<u>8,389,067</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,814,746</u>	<u>\$ 1,930,327</u>	<u>\$ 159,839</u>	<u>\$ 4,340,979</u>	<u>\$ 10,245,891</u>
Reconciliation of Operating Income (Loss) to Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ (188,037)	\$ 230,401	\$ (33)	\$ 962,905	\$ 1,005,236
Adjustment to Reconcile Operating Income to Cash Flows Provided by (Used in) Operating Activities:					
Depreciation	-	-	-	952,039	952,039
Decrease (Increase) in Miscellaneous Receivables	7,778	(1,614)	-	-	6,164
Decrease (Increase) in Prepaid Items	-	52,075	-	-	52,075
Decrease (Increase) in Inventory	-	-	-	(23,099)	(23,099)
Increase (Decrease) in Accounts Payable	407,092	(26)	-	(6,683)	400,383
Increase (Decrease) in Accrued Expenses	-	-	-	804	804
Increase (Decrease) in Claims Payable	70,078	(65,118)	-	-	4,960
Increase (Decrease) in Other Liabilities	-	-	-	(11,784)	(11,784)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 296,911</u>	<u>\$ 215,718</u>	<u>\$ (33)</u>	<u>\$ 1,874,182</u>	<u>\$ 2,386,778</u>
Noncash Investing, Capital or Financing Transactions					
Contributions of Capital Assets	\$ -	\$ -	\$ -	\$ 78,879	\$ 78,879

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, 2014

	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	\$ 502,495	\$ -	\$ 1,351,785	\$ 1,854,280
Restricted Cash	32,000	476,193	6,297,495	6,805,688
Due from Other Governments	-	20,674	-	20,674
Total Assets	\$ 534,495	\$ 496,867	\$ 7,649,280	\$ 8,680,642
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 11,408	\$ 27,066	\$ -	\$ 38,474
Due to Other Funds	-	18,788	-	18,788
Deposits	-	-	3,500	3,500
Total Liabilities	11,408	45,854	3,500	60,762
Fund Balances				
Restricted for:				
Capital Projects	523,087	291,194	4,765,586	5,579,867
Debt Service	-	184,999	1,531,909	1,716,908
Assigned for:				
Capital Projects	-	-	1,348,285	1,348,285
Unassigned (deficit)	-	(25,180)	-	(25,180)
Total Fund Balances	523,087	451,013	7,645,780	8,619,880
Total Liabilities and Fund Balances	\$ 534,495	\$ 496,867	\$ 7,649,280	\$ 8,680,642

**CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
COMMUNITY REDEVELOPMENT AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	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	\$ 321,400	\$ 168,768	\$ -	\$ 490,168
Intergovernmental	-	234,487	-	234,487
Miscellaneous:				
Interest	1,567	(3,736)	(22,617)	(24,786)
Other	-	10	-	10
Total Revenues	<u>322,967</u>	<u>399,529</u>	<u>(22,617)</u>	<u>699,879</u>
Expenditures				
Current:				
Economic Environment	192,681	54,711	17,381	264,773
Debt Service:				
Principal Payments	15,721	175,387	125,000	316,108
Interest and Fees	311	28,435	677,316	706,062
Capital Outlay	87	533,724	-	533,811
Total Expenditures	<u>(208,800)</u>	<u>(792,257)</u>	<u>(819,697)</u>	<u>(1,820,754)</u>
Excess (Deficiency) of Revenues (Under) Expenditures	<u>114,167</u>	<u>(392,728)</u>	<u>(842,314)</u>	<u>(1,120,875)</u>
Other Financing Sources (Uses)				
Transfers to Other Funds	-	(491)	-	(491)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(491)</u>	<u>-</u>	<u>(491)</u>
Net Change in Fund Balances	114,167	(393,219)	(842,314)	(1,121,366)
Fund Balances, Beginning of Year	<u>408,920</u>	<u>844,232</u>	<u>8,488,094</u>	<u>9,741,246</u>
Fund Balances, End of Year	<u>\$ 523,087</u>	<u>\$ 451,013</u>	<u>\$ 7,645,780</u>	<u>\$ 8,619,880</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	112-121
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	122-129
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	130-141
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.	
Demographic and Economic Information	142-143
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	144-146
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.	

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities					
Net investment in capital assets	\$ 37,321,834	\$ 49,495,304	\$ 61,246,416	\$ 63,626,050	\$ 62,536,165
Restricted	17,657,048	10,446,080	3,107,601	2,587,501	2,814,583
Unrestricted	11,440,273	9,284,930	10,489,876	8,278,356	11,601,438
Total governmental activities net position	<u>\$ 66,419,155</u>	<u>\$ 69,226,314</u>	<u>\$ 74,843,893</u>	<u>\$ 74,491,907</u>	<u>\$ 76,952,186</u>
Business-type activities					
Net investment in capital assets	\$ 76,296,976	\$ 97,725,542	\$ 65,528,268	\$ 106,456,752	\$ 103,374,013
Restricted	23,322,485	3,244,393	29,206,718	3,644,206	6,132,597
Unrestricted	4,153,914	11,382,875	25,021,125	14,945,266	18,348,984
Total business-type activities net position	<u>\$ 103,773,375</u>	<u>\$ 112,352,810</u>	<u>\$ 119,756,111</u>	<u>\$ 125,046,224</u>	<u>\$ 127,855,594</u>
Primary government					
Net investment in capital assets	\$ 106,973,631	\$ 147,220,846	\$ 126,774,684	\$ 170,082,802	\$ 165,910,178
Restricted	40,979,533	13,690,473	32,314,319	6,231,707	8,947,180
Unrestricted	22,239,366	20,667,805	35,511,001	23,223,622	29,950,422
Total primary government net position	<u>\$ 170,192,530</u>	<u>\$ 181,579,124</u>	<u>\$ 194,600,004</u>	<u>\$ 199,538,131</u>	<u>\$ 204,807,780</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities					
Net investment in capital assets	\$ 61,099,625	\$ 52,626,016	\$ 45,112,290	\$ 45,611,934	\$ 46,464,509
Restricted	3,512,585	3,377,029	3,401,352	3,785,234	3,833,845
Unrestricted	7,516,041	4,242,639	4,112,046	7,729,470	10,327,265
Total governmental activities net position	<u>\$ 72,128,251</u>	<u>\$ 60,245,684</u>	<u>\$ 52,625,688</u>	<u>\$ 57,126,638</u>	<u>\$ 60,625,619</u>
Business-type activities					
Net investment in capital assets	\$ 111,328,645	\$ 114,637,624	\$ 119,679,245	\$ 115,138,968	\$ 116,147,661
Restricted	5,821,230	7,527,921	9,168,859	9,816,240	14,966,539
Unrestricted	22,889,167	32,384,015	37,871,836	44,628,044	40,319,508
Total business-type activities net position	<u>\$ 140,039,042</u>	<u>\$ 154,549,560</u>	<u>\$ 166,719,940</u>	<u>\$ 169,583,252</u>	<u>\$ 171,433,708</u>
Primary government					
Net investment in capital assets	\$ 172,428,270	\$ 167,263,640	\$ 164,791,535	\$ 160,750,902	\$ 162,612,170
Restricted	9,333,815	10,904,950	12,570,211	13,601,474	18,800,384
Unrestricted	30,405,208	36,626,654	41,983,882	52,357,514	50,646,773
Total primary government net position	<u>\$ 212,167,293</u>	<u>\$ 214,795,244</u>	<u>\$ 219,345,628</u>	<u>\$ 226,709,890</u>	<u>\$ 232,059,327</u>

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

Expenses	2005	2006	2007	2008	2009
Governmental activities:					
General Government	\$ 4,614,037	\$ 5,329,210	\$ 4,224,359	\$ 6,738,686	\$ 5,784,598
Public Safety	11,410,642	13,093,923	14,771,631	17,945,406	15,273,940
Physical Environment	862,018	898,955	1,300,500	1,249,213	1,150,387
Transportation	2,603,092	2,984,493	3,780,654	3,753,138	4,097,419
Economic Environment	571,765	620,672	682,791	698,052	919,372
Human Services	53,288	36,350	51,666	72,602	70,084
Culture and Recreation	4,968,600	5,397,094	5,677,875	6,503,046	5,271,228
Interest on Long Term Debt	1,170,569	1,180,340	1,148,265	1,145,566	1,223,864
Total governmental activities expenses	26,254,011	29,541,037	31,637,741	38,105,709	33,790,892
Business-type activities:					
Electric	45,311,308	54,527,802	53,857,113	64,081,610	66,020,760
Gas	7,875,054	9,252,854	7,193,152	8,239,648	6,298,715
Water	3,898,107	4,271,287	5,743,068	5,847,250	6,781,008
Wastewater	5,973,024	6,491,042	7,187,653	7,639,188	8,148,026
Stormwater	-	-	-	-	-
Solid Waste	3,284,484	2,902,126	2,906,956	3,431,491	3,085,584
Communication Services	819,244	774,033	864,566	1,161,766	1,003,830
Housing	-	-	137,094	516,424	286,307
Total business-type activities expenses	67,161,221	78,219,144	77,889,602	90,917,377	91,624,230
Total primary government expenses	\$ 93,415,232	\$ 107,760,181	\$ 109,527,343	\$ 129,023,086	\$ 125,415,122
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 3,044,485	\$ 3,371,932	\$ 4,276,155	\$ 3,504,864	\$ 3,472,053
Public Safety	1,224,873	1,500,316	859,042	878,024	637,249
Physical Environment	702,768	969,353	1,250,789	1,524,355	1,544,948
Transportation	593,200	605,382	782,433	816,221	954,520
Economic Environment	-	-	-	-	-
Culture and Recreation	483,677	516,577	586,023	637,220	608,654
Operating grants and contributions	454,762	3,616,947	1,859,700	1,498,098	1,447,613
Capital grants and contributions	3,729,099	531,283	3,436,369	4,781,781	4,655,197
Total governmental activities program revenues	10,232,864	11,111,790	13,050,511	13,640,563	13,320,234
Business-type activities:					
Charges for services	73,652,635	88,164,223	89,878,655	100,856,226	100,505,333
Operating grants and contributions	-	-	-	4,525	9,044
Capital grants and contributions	6,107,611	5,430,454	3,408,402	1,039,657	1,965,837
Total business-type activities program revenues	79,760,246	93,594,677	93,287,057	101,900,408	102,480,214
Total primary government program revenues	\$ 89,993,110	\$ 104,706,467	\$ 106,337,568	\$ 115,540,971	\$ 115,800,448
Net (expense)/revenue					
Governmental activities	\$ (16,021,147)	\$ (18,429,247)	\$ (18,587,230)	\$ (24,465,146)	\$ (20,470,658)
Business-type activities	12,599,025	15,375,533	15,397,455	10,983,031	10,855,984
Total primary government net expense	\$ (3,422,122)	\$ (3,053,714)	\$ (3,189,775)	\$ (13,482,115)	\$ (9,614,674)

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	2010	2011	2012	2013	2014
Governmental activities:					
General Government	\$ 6,382,361	\$ 4,516,704	\$ 8,225,542	\$ 2,783,141	\$ 4,207,463
Public Safety	16,155,330	16,325,651	14,475,082	12,533,637	13,436,493
Physical Environment	1,227,739	133,276	144,545	96,957	164,599
Transportation	3,744,933	3,710,588	4,110,736	3,452,836	4,026,402
Economic Environment	672,501	1,072,203	599,815	617,173	601,599
Human Services	44,150	37,567	520,403	89,462	62,313
Culture and Recreation	4,941,906	5,090,129	4,486,471	4,000,195	3,787,423
Interest on Long Term Debt	2,272,405	1,778,947	1,749,214	2,055,215	1,014,659
Total governmental activities expenses	35,441,325	32,665,065	34,311,808	25,628,616	27,300,951
Business-type activities:					
Electric	60,427,920	53,561,809	49,405,166	54,765,248	57,032,000
Gas	6,689,610	5,964,253	4,940,220	6,950,627	5,820,355
Water	6,595,898	6,828,647	5,375,968	6,270,374	6,087,119
Wastewater	8,298,812	7,991,155	8,502,626	8,516,232	8,255,645
Stormwater	-	1,392,024	1,276,750	988,175	930,551
Solid Waste	2,862,176	3,022,958	2,979,724	3,137,439	3,105,018
Communication Services	1,073,772	1,126,159	1,109,831	1,235,660	1,398,675
Housing	327,956	162,600	161,114	-	-
Total business-type activities expenses	86,276,144	80,049,605	73,751,399	81,863,755	82,629,363
Total primary government expenses	\$ 121,717,469	\$ 112,714,670	\$ 108,063,207	\$ 107,492,371	\$ 109,930,314
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 3,465,531	\$ 3,717,159	\$ 3,422,553	\$ 374,052	\$ 403,638
Public Safety	463,876	474,039	470,043	552,253	808,461
Physical Environment	1,556,173	47,831	23,379	-	34,240
Transportation	1,006,812	1,129,721	1,091,481	1,033,409	1,378,294
Economic Environment	-	-	-	-	-
Culture and Recreation	554,070	497,863	480,587	519,757	550,146
Operating grants and contributions	1,522,058	869,208	705,802	764,401	369,821
Capital grants and contributions	3,189,342	413,865	956,929	1,786,112	2,168,876
Total governmental activities program revenues	11,757,862	7,149,686	7,150,774	5,029,984	5,713,476
Business-type activities:					
Charges for services	99,206,014	92,776,933	86,870,566	93,582,078	92,013,588
Operating grants and contributions	292,907	87,958	48,396	111,360	3,605
Capital grants and contributions	1,188,719	576,880	3,635,520	2,743,174	2,742,221
Total business-type activities program revenues	100,687,640	93,441,771	90,554,482	96,436,612	94,759,414
Total primary government program revenues	\$ 112,445,502	\$ 100,591,457	\$ 97,705,256	\$ 101,466,596	\$ 100,472,890
Net (expense)/revenue					
Governmental activities	\$ (23,683,463)	\$ (25,515,379)	\$ (27,161,034)	\$ (20,598,632)	\$ (21,587,475)
Business-type activities	14,411,496	13,392,166	16,803,083	14,572,857	12,130,051
Total primary government net expense	\$ (9,271,967)	\$ (12,123,213)	\$ (10,357,951)	\$ (6,025,775)	\$ (9,457,424)

(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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 3,871,712	\$ 4,465,410	\$ 5,686,325	\$ 6,058,634	\$ 6,294,746
Other taxes	6,539,441	6,677,039	6,501,898	6,810,598	6,830,873
Intergovernmental revenues, unrestricted	1,846,260	1,979,715	2,234,248	2,293,718	2,105,575
Investment income	613,132	730,163	345,542	90,124	251,224
Miscellaneous	167,286	(153,755)	500,550	227,263	283,484
Transfers	11,544,586	7,537,834	8,936,226	8,632,823	7,165,035
Total governmental activities	<u>24,582,417</u>	<u>21,236,406</u>	<u>24,204,789</u>	<u>24,113,160</u>	<u>22,930,937</u>
Business-type activities:					
Investment income	391,921	578,497	844,203	982,710	677,534
Miscellaneous	606,572	163,239	97,866	1,957,195	162,522
Transfers	(11,544,586)	(7,537,834)	(8,936,226)	(8,632,823)	(7,165,035)
Total business-type activities	<u>(10,546,093)</u>	<u>(6,796,098)</u>	<u>(7,994,157)</u>	<u>(5,692,918)</u>	<u>(6,324,979)</u>
Total primary government general revenues	<u>\$ 14,036,324</u>	<u>\$ 14,440,308</u>	<u>\$ 16,210,632</u>	<u>\$ 18,420,242</u>	<u>\$ 16,605,958</u>
Change in Net Position					
Governmental activities	\$ 9,955,638	\$ 5,215,259	\$ 5,775,542	\$ 5,683,913	\$ 2,460,279
Business-type activities	(3,150,266)	5,802,927	7,381,376	9,682,615	4,531,005
Total government	<u>\$ 6,805,372</u>	<u>\$ 11,018,186</u>	<u>\$ 13,156,918</u>	<u>\$ 15,366,528</u>	<u>\$ 6,991,284</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 6,049,834	\$ 5,361,571	\$ 4,858,023	\$ 4,684,694	\$ 4,685,546
Other taxes	6,647,069	6,873,930	6,857,316	6,962,052	7,046,094
Intergovernmental revenues, unrestricted	2,253,173	2,055,253	2,040,040	2,071,083	2,204,568
Investment income	163,166	471,791	290,742	91,653	105,996
Miscellaneous	175,785	115,080	56,819	217,330	179,925
Transfers	3,570,501	7,080,713	6,956,641	11,072,770	10,864,327
Total governmental activities	<u>18,859,528</u>	<u>21,958,338</u>	<u>21,059,581</u>	<u>25,099,582</u>	<u>25,086,456</u>
Business-type activities:					
Investment income	113,102	572,093	214,620	1,030,643	566,516
Miscellaneous	343,997	(10,954)	2,109,318	11,954	18,216
Transfers	(3,570,501)	(7,080,713)	(6,956,641)	(11,072,770)	(10,864,327)
Total business-type activities	<u>(3,113,402)</u>	<u>(6,519,574)</u>	<u>(4,632,703)</u>	<u>(10,030,173)</u>	<u>(10,279,595)</u>
Total primary government general revenues	<u>\$ 15,746,126</u>	<u>\$ 15,438,764</u>	<u>\$ 16,426,878</u>	<u>\$ 15,069,409</u>	<u>\$ 14,806,861</u>
Change in Net Position					
Governmental activities	\$ (1,611,130)	\$ (3,557,041)	\$ (6,101,453)	\$ 4,500,950	\$ 3,498,981
Business-type activities	7,742,582	6,872,592	12,170,380	4,542,684	1,850,456
Total government	<u>\$ 6,131,452</u>	<u>\$ 3,315,551</u>	<u>\$ 6,068,927</u>	<u>\$ 9,043,634</u>	<u>\$ 5,349,437</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund					
Reserved	\$ 773,874	\$ 1,569,642	\$ 586,207	\$ 1,043,782	\$ 1,369,020
Unreserved	6,249,790	4,104,481	3,278,639	2,978,290	4,358,936
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 7,023,664</u>	<u>\$ 5,674,123</u>	<u>\$ 3,864,846</u>	<u>\$ 4,022,072</u>	<u>\$ 5,727,956</u>
All other governmental funds					
Reserved	\$ 17,058,067	\$ 9,211,368	\$ 2,963,875	\$ 2,403,071	\$ 2,610,626
Unreserved					
Stormwater Fund	713,531	208,901	552,544	1,229,741	1,557,861
Redevelopment Funds	-	78,938	943,569	2,319,072	4,572,684
Special Revenue Funds	-	-	1,577,648	897,422	816,455
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total all other governmental funds	<u>\$ 17,771,598</u>	<u>\$ 9,499,207</u>	<u>\$ 6,037,636</u>	<u>\$ 6,849,306</u>	<u>\$ 9,557,626</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund					
Reserved	\$ 1,673,892	\$ -	\$ -	\$ -	\$ -
Unreserved	5,697,109	-	-	-	-
Nonspendable	-	763,445	633,615	121,153	50,075
Restricted	-	652,106	659,224	963,818	1,017,596
Committed	-	2,970	4,563	4,033	2,919
Assigned	-	-	1,000,000	437,312	235,269
Unassigned	-	7,371,865	7,239,114	8,592,849	10,689,238
Total general fund	<u>\$ 7,371,001</u>	<u>\$ 8,790,386</u>	<u>\$ 9,536,516</u>	<u>\$ 10,119,165</u>	<u>\$ 11,995,097</u>
All other governmental funds					
Reserved	\$ 1,836,289	\$ -	\$ -	\$ -	\$ -
Unreserved					
Stormwater Fund	1,755,566	-	-	-	-
Redevelopment Funds	13,875,882	-	-	-	-
Special Revenue Funds	533,772	-	-	-	-
Nonspendable	-	2,976	478	63	-
Restricted	-	13,097,454	11,815,626	10,915,723	9,082,457
Assigned	-	1,324,710	1,071,842	898,723	1,348,285
Unassigned (deficit)	-	(200,150)	(197,714)	(369,538)	(151,106)
Total all other governmental funds	<u>\$ 18,001,509</u>	<u>\$ 14,224,990</u>	<u>\$ 12,690,232</u>	<u>\$ 11,444,971</u>	<u>\$ 10,279,636</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues					
Taxes	\$ 9,947,626	\$ 10,430,225	\$ 12,188,222	\$ 12,869,231	\$ 13,125,620
Licenses and permits	1,039,497	1,287,389	835,735	774,430	571,963
Intergovernmental	5,617,919	6,262,243	6,951,061	8,209,539	8,073,940
Charges for services	982,851	1,363,599	1,752,548	2,083,117	2,178,942
Fines and penalties	339,962	383,075	248,483	331,313	219,845
Impact Fees	-	-	255,791	335,914	133,249
Interest	613,131	730,162	540,698	297,268	206,424
Miscellaneous	5,464,202	4,507,427	5,305,481	4,350,653	4,329,343
Total revenues	<u>24,005,188</u>	<u>24,964,120</u>	<u>28,078,019</u>	<u>29,251,465</u>	<u>28,839,326</u>
Expenditures					
General Government	2,393,514	3,192,720	1,828,424	3,496,612	3,162,527
Public Safety	11,641,923	12,802,000	14,734,007	15,021,295	14,428,426
Physical Environment	735,736	945,226	911,501	758,074	705,068
Transportation	1,144,742	1,532,023	1,959,937	1,853,750	2,032,911
Economic Environment	544,294	588,368	655,320	639,294	868,017
Human Services	53,288	36,861	51,666	66,475	67,892
Culture and Recreation	4,525,265	4,976,305	5,278,244	5,187,536	4,433,489
Capital Outlay	9,855,458	16,700,042	15,171,230	8,319,179	7,057,151
Debt Service:					
Principal payments	239,846	170,000	546,486	596,540	699,248
Interest and fees	1,170,569	1,180,340	1,148,265	1,133,566	1,223,864
Total expenditures	<u>32,304,635</u>	<u>42,123,885</u>	<u>42,285,080</u>	<u>37,072,321</u>	<u>34,678,593</u>
Excess of revenues (under) over expenditures	<u>(8,299,447)</u>	<u>(17,159,765)</u>	<u>(14,207,061)</u>	<u>(7,820,856)</u>	<u>(5,839,267)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	-	-	-	156,929	97,633
Transfers in	8,756,309	7,903,521	13,647,670	12,189,197	12,185,286
Transfers out	(471,532)	(365,687)	(4,711,446)	(3,556,374)	(4,561,077)
Bond proceeds	-	-	-	-	2,531,629
Total other financing sources (uses)	<u>8,284,777</u>	<u>7,537,834</u>	<u>8,936,224</u>	<u>8,789,752</u>	<u>10,253,471</u>
Net change in fund balances	<u>\$ (14,670)</u>	<u>\$ (9,621,931)</u>	<u>\$ (5,270,837)</u>	<u>\$ 968,896</u>	<u>\$ 4,414,204</u>
Debt service as a percentage of noncapital expenditures	6.3%	5.3%	6.3%	6.0%	7.0%

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues					
Taxes	\$ 12,893,021	\$ 12,235,501	\$ 11,715,341	\$ 11,906,834	\$ 12,002,708
Licenses and permits	421,374	457,142	458,798	494,057	815,905
Intergovernmental	6,516,608	3,371,485	3,506,336	4,042,615	4,354,607
Charges for services	2,211,398	595,467	541,758	588,212	896,780
Fines and penalties	144,991	163,197	159,137	186,038	165,356
Impact Fees	12,295	150	-	-	68,685
Interest	164,588	203,118	50,943	193,761	25,755
Miscellaneous	4,566,046	4,946,580	4,604,621	1,502,208	1,450,423
Total revenues	<u>26,930,321</u>	<u>21,972,640</u>	<u>21,036,934</u>	<u>18,913,725</u>	<u>19,780,219</u>
Expenditures					
General Government	3,476,819	2,851,945	2,730,096	1,999,318	3,257,326
Public Safety	14,043,510	14,238,088	14,472,095	14,295,487	13,823,843
Physical Environment	700,369	65,877	60,774	61,867	77,191
Transportation	1,911,023	2,063,548	1,797,161	1,705,097	1,954,674
Economic Environment	615,937	989,381	516,751	534,375	563,007
Human Services	44,150	37,567	520,403	89,462	62,313
Culture and Recreation	3,807,355	3,893,225	3,813,858	3,711,224	2,346,340
Capital Outlay	6,667,866	3,179,436	3,342,072	3,391,687	4,169,896
Debt Service:					
Principal payments	749,000	822,963	802,334	1,782,127	1,964,296
Interest and fees	2,272,405	1,778,947	1,749,214	2,007,786	1,619,394
Total expenditures	<u>34,288,434</u>	<u>29,920,977</u>	<u>29,804,758</u>	<u>29,578,430</u>	<u>29,838,280</u>
Excess of revenues (under) over expenditures	<u>(7,358,113)</u>	<u>(7,948,337)</u>	<u>(8,767,824)</u>	<u>(10,664,705)</u>	<u>(10,058,061)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	47,121	77,760	68,233	11,750	13,781
Transfers in	11,394,539	12,427,585	11,617,850	13,759,425	13,650,373
Transfers out	(7,714,268)	(5,158,576)	(3,706,887)	(4,103,870)	(2,895,496)
Bond proceeds	13,717,649	-	-	334,788	-
Total other financing sources (uses)	<u>17,445,041</u>	<u>7,346,769</u>	<u>7,979,196</u>	<u>10,002,093</u>	<u>10,768,658</u>
Net change in fund balances	<u>\$ 10,086,928</u>	<u>\$ (601,568)</u>	<u>\$ (788,628)</u>	<u>\$ (662,612)</u>	<u>\$ 710,597</u>
Debt service as a percentage of noncapital expenditures	10.9%	9.7%	9.6%	14.5%	14.0%

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		
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
2014	1,290,485,803	283,156,954	-	358,695,894	99,001,842	-	1,115,945,021	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	
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
2014	4.3179	7.1700	4.9209	0.3853	1.0000	0.2554	0.3283	18.3778

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	2014			2005		
	2013 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	2004 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cutrale Citrus Juices, U.S.A., Inc.	\$ 29,935,980	1	2.68%	\$ 43,680,372	2	4.90%
Embarq-Florida, Inc (fka Sprint-Florida)	26,693,919	2	2.39%	47,462,411	1	5.33%
Minute Maid Company	22,931,110	3	2.05%			
Lake Port Square, LLC	18,291,499	4	1.64%	22,937,270	4	2.57%
Macerich Lake Square Mall LLC	13,510,753	5	1.21%	26,402,562	3	2.96%
Lowe's Home Centers, Inc.	7,757,814	6	0.70%	9,290,723	5	1.04%
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	10	0.69%
Walgreen Co.	6,139,837	9	0.55%			
AT & T Communications Inc.	5,950,918	10	0.53%			
Sun Trust Banks of Central Florida				9,058,660	6	1.02%
Wal-Mart Stores, Inc				8,467,574	7	0.95%
Publix Super Marekts, Inc				7,899,505	8	0.89%
First Federal Savings Bank				7,314,207	9	0.82%
Subtotal	<u>145,321,239</u>		13.02%	<u>188,659,319</u>		21.17%
All Others	<u>970,623,782</u>		86.98%	<u>702,610,940</u>		78.83%
Total	<u>\$ 1,115,945,021</u>		100.00%	<u>\$ 891,270,259</u>		100.00%

Note: Taxable Values (Florida Statutes Section 193.011) are as of January 1, 2004 and 2013, 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	
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%	
2014	4,818,539	4,439,774	92.14%	26,673	4,466,447	92.69%	

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
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	1,629,454	125,992	3,195,794	1,155,595	11,386,064
2014	4,685,546	603,878	1,740,150	138,873	3,255,534	1,058,798	11,482,780

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

HISTORICAL REVENUES							
Year	Taxable Values	Lake County	City of Leesburg	Ambulance	Lake County Water Authority	Total Revenues	
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
2014	121,719,997	156,736	143,416	12,765	8,483		321,400

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	Lake County	City of Leesburg	Ambulance	Lake County Water Authority	Total Revenues		
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		
2014	76,430,497	81,935	75,683	6,673	4,477	168,768		

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	Lake County	City of Leesburg	Ambulance	Lake County Water Authority	Total Revenues	
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	-	-	-	-	-	-
2014	325,800,698	-	-	-	-	-	-

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			% of Personal Income ¹	Per Capita ²
	Capital Improvement Bonds	Notes Payable	Capital Lease	Utility System Revenue Bonds	Notes Payable	Total Primary Government		
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
2014	29,120,000	8,624,202	124,460	63,415,000	32,038,000	133,321,662	18.38%	34,445

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, 2014

<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			\$ 37,744,202
<u>Overlapping Debt</u>			
Lake County			
Board of County Commissioners	\$ 24,220,000	7.54%	1,825,327
School District	-	7.54%	-
Subtotal - Overlapping Debt			<u>1,825,327</u>
Total Direct and Overlapping Debt			<u>\$ 39,569,529</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, 2014.

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
Capital Improvement Revenue Bonds / Notes
Series 1999, 2004, 2009, & 2013
Last Ten Fiscal Years

	<u>FY ENDING SEPT. 30, 2005</u>	<u>FY ENDING SEPT. 30, 2006</u>	<u>FY ENDING SEPT. 30, 2007</u>	<u>FY ENDING SEPT. 30, 2008</u>
Half-Cent Sales Tax ⁶	\$ 997,079	\$ 1,093,773	\$ 1,001,858	\$ 964,117
Guaranteed Entitlement ⁷	<u>309,234</u>	<u>309,234</u>	<u>309,234</u>	<u>309,234</u>
Net Revenues Available	1,306,313	1,403,007	1,311,092	1,273,351
Debt Service on 1999 Bonds ¹	497,615	496,315	494,645	497,476
Debt Service on Refunding Promissory Note, Series 2009 ³				
Combined Refunded & Refunding Debt Service				
Debt Service Coverage on Series 1999 Bonds & 2009 Note	2.63 X	2.83 X	2.65 X	2.56 X
2009 Senior Lien Note Required Minimum Coverage	1.30 X ⁵	1.30 X ⁵	1.30 X ⁵	1.30 X ⁵
Net Revenues Available after Debt Service on 1999 Bonds & 2009 Note	808,698	906,692	816,447	775,875
Plus Public Service Tax ⁸	<u>2,955,112</u>	<u>2,770,827</u>	<u>2,858,214</u>	<u>3,058,468</u>
Net Revenues Available	3,763,810	3,677,519	3,674,661	3,834,343
Debt Service on Series 2004 Bonds ²	797,595	797,595	1,114,470	1,111,220
Debt Service on Series 2013 Bonds ⁴				
Combined Refunded & Refunding Debt Service				
Debt Service Coverage on Series 2004 & 2013 Bonds	4.72 X	4.61 X	3.30 X	3.45 X
Required Minimum Coverage	1.30 X ⁵	1.30 X ⁵	1.30 X ⁵	1.30 X ⁵
Net Revenues Available after all Debt Service	\$ 2,966,215	\$ 2,879,924	\$ 2,560,191	\$ 2,723,123

Definitions

¹ **Series 1999**

Resolution 5725, adopted August 12, 1999, the City authorized the issuance of the Refunding and Capital Improvement Revenue Bonds, Series 1999 pledging the revenues as defined on the next page.

² **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 1999 Bonds. In addition, Public Service Tax revenues were pledged to cover the Series 2004 Bonds.

³ **Series 2009**

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 on the next page.

⁴ **Series 2013**

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 Note. In addition, Public Service Tax revenues were pledged to cover the Series 2013 Bonds.

City of Leesburg, Florida
Pledged Revenue Coverage
Capital Improvement Revenue Bonds / Notes
Series 1999, 2004, 2009, & 2013
Last Ten Fiscal Years

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	FY ENDING SEPT. 30, 2014
\$ 898,594	\$ 899,922	\$ 930,949	\$ 913,146	\$ 993,946	\$ 1,069,082
309,234	309,234	309,234	309,234	309,234	309,234
1,207,828	1,209,156	1,240,183	1,222,380	1,303,180	1,378,316
\$ 494,796	\$ 332,398	\$ -	\$ -	\$ -	\$ -
	95,731	523,204	473,744	473,811	473,405
	\$ 428,129	\$ 523,204	\$ 473,744	\$ 473,811	\$ 473,405
2.44 X	2.82 X	2.37 X	2.58 X	2.75 X	2.91 X
1.30 X ⁵					
\$ 713,032	\$ 781,028	\$ 716,979	\$ 748,636	\$ 829,369	\$ 904,911
3,126,745	3,214,820	3,182,188	3,102,871	3,195,794	3,255,533
3,839,777	3,995,847	3,899,167	3,851,507	4,025,164	4,160,444
\$ 1,111,020	\$ 1,109,645	\$ 1,108,485	\$ 1,106,460	\$ 746,685	\$ -
				202,834	1,046,513
				\$ 949,519	\$ 1,046,513
3.46 X	3.60 X	3.52 X	3.48 X	4.24 X	3.98 X
1.30 X ⁵					
\$ 2,728,757	\$ 2,886,202	\$ 2,790,682	\$ 2,745,047	\$ 3,075,645	\$ 3,113,932

⁵ 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.

⁶ 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.

⁷ 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.

⁸ 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 Six 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>	<u>FY ENDING</u> <u>SEPT. 30, 2014</u>
Revenue:						
City of Leesburg	\$ 158,077	\$ 123,599	\$ 96,906	\$ 78,486	\$ 68,587	\$ 75,683
Lake County	194,188	151,573	119,069	96,106	84,199	93,085
Other	<u>4,100</u>	<u>1,866</u>	<u>2,453</u>	<u>1,639</u>	<u>3,471</u>	<u>(508)</u>
Total	356,365	277,039	218,429	176,231	156,257	168,260
Debt Service on 2008 Note	195,340	200,534	203,353	203,503	203,659	203,822
Debt Service Coverage on Series 2008 Note	1.82 X	1.38 X	1.07 X	0.87 X	0.77 X	0.83 X
Net Revenues Available after Debt Service on 2008 Note	\$ 161,024	\$ 76,505	\$ 15,075	\$ (27,272) ¹	\$ (47,402) ¹	\$ (35,562) 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 Five Fiscal Years

	<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>	<u>FY ENDING</u> <u>SEPT. 30, 2014</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>	<u>9,612</u>
Total	959,194	354,163	10,292	41,694	9,612
Debt Service on 2009 Bonds	354,753	695,431	695,131	799,831	801,231
Debt Service Coverage on Series 2009 Bonds	2.70 X	0.51 X	0.01 X	0.05 X	0.01 X
Net Revenues Available after Debt Service on 2009 Bonds	\$ 604,441	\$ (341,268)	\$ (684,839) ¹	\$ (758,137) ¹	\$ (791,619) 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 / Notes
Series 2004, 2007A, 2007B, 2010, 2013, & 2014
Last Ten Fiscal Years

	FY ENDING SEPT. 30, 2005	FY ENDING SEPT. 30, 2006	FY ENDING SEPT. 30, 2007	FY ENDING SEPT. 30, 2008
Gross Revenues ⁸	\$ 50,303,504	\$ 60,688,045	\$ 60,862,278	\$ 70,302,636
Less Operation and Maintenance Expenses ⁹	42,428,223	52,210,890	51,342,881	59,761,821
Net Revenues Available ¹⁰	7,875,281	8,477,155	9,519,397	10,540,815
Debt Service on 2004 Bonds ¹	see note ²	see note ²	779,813	1,095,875
Debt Service on 2007A Bonds ³			see note ⁴	see note ⁴
Debt Service on 2007B Bonds ³				
Debt Service on 2010 Note ⁵				
Debt Service on 2013 Note ⁶				
Debt Service on 2014 Note ⁷				
Total Debt Service	-	-	779,813	1,095,875
Debt Service Coverage	see note ²	see note ¹ X	12.21 X	9.62 X
Required Minimum Coverage		X	1.25 X	1.25 X
Total Net Revenues less Electric Utility Debt Service	\$ 7,875,281	\$ 8,477,155	\$ 8,739,585	\$ 9,444,940

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.

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.

City of Leesburg, Florida
Pledged Revenue Coverage
Electric System Revenue Bonds / Notes
Series 2004, 2007A, 2007B, 2010, 2013, & 2014
Last Ten Fiscal Years

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	FY ENDING SEPT. 30, 2014
\$ 71,566,530	\$ 73,280,305	\$ 62,355,773	\$ 57,419,323	\$ 62,808,975	\$ 60,924,004
61,012,704	55,737,126	49,169,688	45,244,248	47,863,727	50,744,245
10,553,826	17,543,179	13,186,085	12,175,075	14,945,248	10,179,759
1,090,975	1,090,095	1,093,025	1,089,885	1,090,160	742,180
551,906	551,906	551,906	551,906	551,906	551,906
682,713	946,921	945,283	942,799	939,469	940,011
		4,004	2,852	48,898	-
				84,360	273,600
					300,378
2,325,594	2,588,922	2,594,218	2,587,442	2,714,793	2,808,075
4.54 X	6.78 X	5.08 X	4.71 X	5.51 X	3.63 X
1.25 X					
\$ 8,228,232	\$ 14,954,257	\$ 10,591,867	\$ 9,587,633	\$ 12,230,455	\$ 7,371,684

⁶ **Series 2013**

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 **Series 2014**

Resolution 9366, adopted March 10, 2014, the City authorized the Series 2014 Electric System Refunding Revenue Note to refund the Electric System Revenue Bonds, Series 2004 on a parity with the existing Electric System Bonds & Note.

⁸ **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.

⁹ **Operation and Maintenance Expenses** - defined as the cost of operation and maintenance as current expenses, paid or accrued, less depreciation and amortization expense.

¹⁰ **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 / Notes
(Gas, Water, and Wastewater Systems)
Series 2004, 2007A, 2007B, 2010, & 2013
Last Ten Fiscal Years

	FY ENDING SEPT. 30, 2005	FY ENDING SEPT. 30, 2006	FY ENDING SEPT. 30, 2007	FY ENDING SEPT. 30, 2008
Gross Revenues ⁷	\$ 20,390,719	\$ 24,260,195	\$ 25,959,785	\$ 26,425,520
Less Expenses ⁸	15,811,099	18,265,045	17,799,914	19,022,708
Net Revenues Available ⁹	4,579,620	5,995,150	8,159,871	7,402,812
Debt Service on 2004 Bonds ¹	see note ²	see note ²	1,075,151	1,507,914
Debt Service on 2007A Bonds ³			see note ⁴	see note ⁴
Debt Service on 2007B Bonds ³			see note ⁴	see note ⁴
Debt Service on 2010 Note ⁵				
Debt Service on 2013 Bonds ⁶				
Total Debt Service			1,075,151	1,507,914
Debt Service Coverage			7.59 X	4.91 X
Required Minimum Coverage			1.15 X	1.15 X
Plus Capacity Charges			2,630,474	1,821,414
Debt Service Coverage inclusive of Capacity Charges			10.04 X	6.12 X
Required Minimum Coverage inclusive of Capacity Charges			1.25 X	1.25 X
Total Net Revenues less Utility System Debt Service			\$ 9,715,194	\$ 7,716,312

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 / Notes
(Gas, Water, and Wastewater Systems)
Series 2004, 2007A, 2007B, 2010, & 2013
Last Ten Fiscal Years

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	FY ENDING SEPT. 30, 2014
\$ 25,543,939	\$ 25,782,014	\$ 25,785,180	\$ 23,765,090	\$ 24,896,682	\$ 24,539,504
16,634,389	16,584,012	15,651,085	14,382,430	16,075,773	14,834,367
8,909,550	9,198,002	10,134,095	9,382,660	8,820,909	9,705,137
1,509,114	1,508,914	1,507,254	1,504,074	1,009,462	-
1,039,044	1,341,444	1,338,444	1,339,844	1,345,444	1,335,844
63,130	77,245	81,065	79,885	78,705	82,230
		317,615	355,690	358,573	356,455
				281,985	1,437,331
2,611,288	2,927,603	3,244,378	3,279,493	3,074,168	3,211,860
3.41 X	3.14 X	3.46 X	2.86 X	2.87 X	3.02 X
1.15 X					
764,192	367,211	129,603	48,396	51,275	351,352
3.70 X	3.27 X	3.51 X	2.88 X	2.89 X	3.13 X
1.25 X					
\$ 7,062,454	\$ 6,637,610	\$ 7,019,320	\$ 6,151,563	\$ 5,798,016	\$ 6,844,629

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 and is 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.

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 Six 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>	<u>FY ENDING</u> <u>SEPT. 30, 2014</u>
Gross Revenues	\$ 1,229,503	\$ 1,343,242	\$ 1,334,548	\$ 1,547,698	\$ 1,812,648	\$ 1,701,163
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>	<u>1,032,733</u>
Net Revenues Available	614,905	633,547	542,322	783,498	909,495	668,430
Debt Service on FMPA Note ¹	84,821	73,024	-	-		
Debt Service on 2009 Note ²	N/A	-	143,951	121,447	121,285	122,378
Debt Service Coverage on Series 2009 Note	7.25	8.68	3.77 X	6.45 X	7.50 X	5.46 X
Required Minimum Coverage	1.50 X					
Net Revenues less Communications Debt Service	\$ 530,084	\$ 560,523	\$ 398,371	\$ 662,051	\$ 788,210	\$ 546,052

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-Ad Valorem 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
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%
2014	21,057	725,308	34,445	40.2	5.8%	5.8%	5.8%

Sources: ¹ Florida Bureau of Economic and Business Research (BEBR) as of April 1, 2014.

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 2009-2013 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 2014.

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

Employer ¹	2014			2005		
	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	1.31%	1,800	1	1.57%
Lifestream Behavioral Center	550	2	0.41%	550	3	0.48%
Lake County School District (fka LCSB)	505	3	0.38%	665	2	0.58%
City of Leesburg	475	4	0.35%	520	4	0.45%
Lake Port Properties	400	5	0.30%	350	7	0.31%
Publix (3 stores)	380	6	0.28%			
Cutrale Citrus Juices USA, Inc	330	7	0.25%			
Lake Sumter State College	255	8	0.19%			
Lake-Sumter EMS, Inc.	227	9	0.17%	238	9	0.21%
First Baptist Church of Leesburg	215	10	0.16%			
Southeast Modular	250	11	0.19%			
Embarq-Florida, Inc (fka Sprint-Florida)				500	5	0.44%
Wal-Mart Stores, Inc.				493	6	0.43%
Hewitt Contracting				250	8	0.22%
Avante Group, Inc				200	10	0.17%
Total	5,357		3.98%	5,566		4.85%
Lake County Labor Force ²	134,612			114,675		

Source: ¹Economic Development Commission of Metro Orlando.

²Labor 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	8.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00
Finance	43.00	47.00	51.50	50.00	50.00	48.00	47.00	47.00	46.00	46.00
Human Resources	6.00	6.00	6.50	6.00	6.00	6.00	6.00	6.00	6.00	4.85
Information Technology (MIS)	14.00	12.00	12.00	12.00	12.00	11.50	11.50	11.50	12.50	12.50
Police										
Officers	73.25	77.25	76.75	72.00	72.25	72.25	72.25	72.25	72.25	72.00
Civilians	25.75	26.00	30.00	34.25	34.00	34.00	34.00	34.00	34.00	23.00
Fire										
Firefighters and officers	49.00	56.00	68.00	66.00	66.00	65.00	59.00	59.00	60.00	57.00
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	8.50	12.00	13.00	7.00	7.00	4.50	3.50	4.50	5.50	5.50
Other	20.50	25.00	26.00	16.10	16.10	18.10	15.10	15.10	6.10	33.10
Planning & Zoning	14.00	18.00	20.00	5.50	5.50	5.70	4.95	2.95	2.95	2.95
Housing & Economic										
Development	4.00	4.00	5.00	3.00	3.00	4.00	4.00	2.00	2.00	1.00
Library	23.80	28.25	28.75	22.00	25.47	20.32	23.65	23.65	23.65	21.79
Recreation	45.65	51.00	56.50	52.00	52.00	42.00	37.00	33.00	36.00	8.10
Airport	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Subtotal for Governmental										
Funds	341.45	376.50	409.00	357.85	361.32	343.37	330.95	323.95	319.95	301.79
Electric	49.50	49.50	55.00	50.00	50.00	50.00	51.00	48.00	53.00	52.00
Gas	22.50	22.50	21.00	19.00	19.00	19.00	19.00	23.00	23.00	23.00
Water	28.50	30.50	30.50	34.50	34.50	37.00	36.00	26.50	27.00	26.50
Wastewater	38.00	41.50	43.50	46.50	46.50	45.00	44.00	45.50	45.00	45.84
Stormwater	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.66
Communications	3.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	7.00
Solid Waste	18.00	18.00	19.00	19.90	19.90	17.90	17.90	17.90	17.90	16.90
Carver Heights CRA	-	-	-	1.00	1.00	-	-	-	-	-
Health Insurance	-	-	-	-	-	-	-	-	-	0.80
Workers Compensation	-	-	-	-	-	-	-	-	-	0.25
Fleet Services	-	-	-	-	-	-	-	-	8.00	8.00
Building Permits	-	-	9.50	6.50	6.50	4.30	4.05	4.05	4.05	4.05
Subtotal for Business Type										
Funds	163.50	171.00	187.50	186.40	186.40	182.20	180.95	174.95	188.95	190.00
Total	504.95	547.50	596.50	544.25	547.72	525.57	511.90	498.90	508.90	491.79

Source: City Annual Budget

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Responses to calls for service	54,659	52,061	50,893	47,078	44,459	47,345	53,024	51,837	50,312	49,936
Part I crimes	1,563	1,532	1,429	1,565	1,572	1,312	1,246	1,235	1,170	1,191
Traffic crashes & citations	10,844	8,356	6,553	6,567	6,271	6,729	6,327	7,120	6,808	4,704
Fire										
Emergency responses	4,440	4,693	5,264	5,831	6,395	7,384	6,581	7,233	6,238	6,471
Inspections	1,351	1,278	1,392	1,344	1,803	1,601	374	215	169	202
Pre-fire plans	578	455	468	306	107	80	107	44	5	5
Solid Waste										
Residential tons taken to incinerator	1,832	7,730	8,167	8,167	7,457	8,047	8,552	8,036	7,875	8,633
Residential tons of recyclables	101	406	402	402	390	408	393	389	409	427
Hand commercial collected	164	763	784	784	864	695	624	588	600	483
Commercial dumpster collected	2,865	11,729	11,293	11,293	12,598	13,302	12,902	11,743	11,978	12,533
Fleet Maintenance										
Vehicles owned by the City	673	655	696	584	609	593	598	589	537	559
Percent maintained by Fleet	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Preventive maintenance complete	550	656	675	557	450	506	736	468	524	635
Community Development										
Building permits issued within the City	3,666	4,599	2,878	2,238	1,943	1,944	1,318	1,210	1,491	1,568
Construction value of permits (thousands)	\$ 135,535	\$ 162,042	\$ 86,858	\$ 82,479	\$ 36,367	\$ 13,079	\$ 35,953	\$ 19,419	\$ 20,596	\$ 28,799
Culture and Recreation										
Youth programs	54	144	131	166	150	36	36	34	36	36
Number of bookings at rental facilities	829	760	6,935	6,331	5,782	5,476	2,368	2,269	2,006	1,348
Total service hours	N/A	2,786	22,101	27,035	28,213	28,156	6,075	6,279	5,791	5,791
Participants using the pools	10,137	16,525	23,633	12,818	16,903	16,791	8,462	6,418	9,558	6,995
Library service hours	3,346	3,482	3,270	3,296	2,402	2,607	2,594	2,610	2,624	2,642
Circulation - adults	258,695	252,150	265,918	273,159	274,996	275,690	257,912	257,037	264,933	250,172
Circulation - juvenile	59,367	68,984	77,636	83,589	86,610	79,208	74,245	83,174	87,151	80,931
Internet use	34,985	44,264	65,210	138,985	141,556	129,735	153,092	141,924	115,637	106,848
Electric										
Number of residential customers	17,013	17,439	17,841	17,732	17,666	21,043	16,307	17,608	17,867	17,944
Average daily consumption (KWh)	35.23	36.14	33.86	33.11	32.65	29.64	33.79	25.74	30.89	30.56
Gas										
Number of residential customers	9,130	9,607	10,116	11,300	11,259	11,279	11,241	11,141	11,180	11,205
Average daily consumption (therms)	0.63	0.58	0.53	0.43	0.57	0.68	0.56	0.41	0.47	0.52
Water										
Number of residential customers	10,491	14,504	15,426	13,885	15,616	17,899	17,896	18,058	18,278	19,077
Average daily consumption (gallons)	293.68	286.18	322.30	478.44	530.00	469.28	490.05	425.30	404.31	370.73
Wastewater										
Number of residential customers	10,618	14,051	15,515	12,861	13,182	13,316	13,243	13,319	13,487	13,529
Average daily sewage treatment (gallons)	232.13	207.89	318.44	207.39	224.82	204.62	175.18	195.21	177.95	229.14

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	4	4	4	4	4	4	4	4	4
Solid Waste										
Collection trucks	23	21	23	23	19	17	17	18	15	15
Annexation Acres	1,005.12	1,704.21	2,374.07	271.04	1.63	93.60	316.65	18.88	11.91	19.68
Corporate Limits:										
Acres	20,013.12	21,717.33	24,371.00	24,642	24,652.66	24,787	25,106	25,125	25,137	25,157
Square Miles	31.26	33.78	38.08	38.50	38.52	38.70	39.23	39.26	39.27	39.31
Streets										
Paved (miles)	79.0	79.0	79.0	79.0	79.0	82.2	83.1	83.1	83.1	83.1
Unpaved (miles)	1.7	1.7	1.7	1.7	1.7	1.9	1.9	1.9	1.9	1.9
Culture and Recreation										
Rental facilities	6	6	224	225	225	225	225	25	25	25
Museum	1	1	1	1	1	1	1	1	1	1
Parks facilities managed	50	50	22	23	23	23	23	25	25	45
Parks acreage	290	290	300	300	300	300	300	360	360	360
Library facilities	1	1	1	1	1	1	1	1	1	1
Volumes in collection	139,394	140,990	132,914	128,849	129,882	134,961	135,996	142,441	145,961	132,656
Electric										
Primary electric lines within the city (miles)	389	392	392	392	440	444	443	445	453	482
Overhead conductor replaced (feet)	20,825	N/A	1,000	41,392	9,870	54,506	59,000	2,000	2,000	6,000
Underground primary conductor replaced (feet)	16,450	37,500	3,000	25,519	24,975	5,000	12,000	2,500	7,400	5,000
Gas										
Gas mains	227	236	237	238	239	240	240	240	240	240
Gate stations	2	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles)	255	295	350	302	375	375	375	332	332	332
Maximum capacity (millions of gallons)	9.1	28.0	28	28	28	28	28	28	28	28
Deep wells	17	20	21	21	21	21	19	19	19	19
Wastewater										
Sewers force mains (miles)	61	63	77	81	81	81	81	87	88	88
Sewers gravity lines (miles)	130	133	165	169	169	169	169	178	179	179
Lift stations	114	124	146	173	162	163	173	174	174	174
Disposal plants	2	2	2	3	3	3	2	2	2	2
Maximum capacity (millions of gallons per day)	6.50	6.50	6.50	6.87	8.37	8.37	8.00	8.00	8.00	8
Communication										
Fiber optics cable (miles)	158	166	169	171	173	189	191	220	230	234

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, 2014**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number / Pass Through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants:	14.218		
Indirect: Passed through Lake County, Florida			
Neighborhood Stabilization Program #1		N/A	\$ 154,501
Neighborhood Stabilization Program #3		N/A	<u>203,183</u>
Total Program			<u>357,684</u>
Community Development Block Grants/State's Program:	14.228		
Indirect: Passed through Florida Department of Economic Opportunity			
Neighborhood Revitalization		13DB-OI-06-45-02-N 25	<u>30,593</u>
Total Program			<u>30,593</u>
Total U.S. Department of Housing and Urban Development			<u>388,277</u>
U.S. Department of Justice			
Edward Byrne Memorial Justice Assistance Grant Program:	16.738		
Indirect: Passed through Lake County, Florida			
Byrne Grant - Digital Car Video Recording Systems		2014-JAGC-LAKE-13-E5-203	12,608
Direct:			
Byrne Grant - Technical Equipment Project		2013-DJ-BX-0106	<u>12,957</u>
Sub-Total Program			<u>25,565</u>
Total U.S. Department of Justice			<u>25,565</u>
U.S. Department of Transportation			
Airport Improvement Program:	20.106		
Direct:			
Relocate Taxiway A		3-12-0042-022-2013	<u>1,386,305</u>
Total Program			<u>1,386,305</u>
Total U.S. Department of Transportation			<u>1,386,305</u>
U.S. Department of Energy			
Electricity Delivery and Energy Reliability, Research, Development and Analysis:	81.122		
Direct:			
ARRA - Smart Grid Investment Project		OE0000236	<u>2,018,504</u>
Total Program			<u>2,018,504</u>
Total U.S. Department of Energy			<u>2,018,504</u>
		Total Expenditures of Federal Awards	<u>\$ 3,818,651</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*.



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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, 2014, 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 30, 2015.

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 30, 2015.

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.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

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* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2014. The City's major federal programs 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.

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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards 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 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. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

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 for the year ended September 30, 2014.

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

Report on Internal Control over Compliance

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 requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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 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 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. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2014, 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 30, 2015, 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 schedule of expenditures of federal awards is presented for the purposes of additional analysis, as required by OMB Circular A-133, and is 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

CITY OF LEESBURG, FLORIDA
Schedule of Findings and Questioned Costs (*Continued*)
For The Year Ended September 30, 2014

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, 2014**

Prior Year Audit Findings

No matters were reported over federal awards or state financial assistance in the prior year.

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Leesburg, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2015

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

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, 2014, and have issued our report thereon dated March 30, 2015.

Auditor's Responsibility

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*.

Other Reporting Requirements

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 on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133, Schedule of Findings and Questioned Costs; and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 30, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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 findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *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.

Financial Condition

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires that we report the results of our determination as to whether or not the City 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.

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

Financial Condition (Cont.)

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. 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.

Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Other Matters

Section 10.554(1)(i)2., *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 had one current-year recommendation which we have included in the attached "Schedule of Observations and Recommendations."

Section 10.554(1)(i)3., *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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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.
Certified Public Accountants

Orlando, Florida
March 30, 2015

CITY OF LEESBURG, FLORIDA
Schedule of Observations and Recommendations
For the Year Ended September 30, 2014

MLO 2014-001 – CUSTOMER SERVICE DEPARTMENT

Observation

During our audit, we noted that the City's Customer Service Department had experienced a significant amount of employee turnover in the past year due to various reasons. The loss of trained staff and influx of inexperienced staff has made it difficult for the City to maintain adequate monitoring controls over its utility billing process.

Criteria

Because of the significance of the City's utility billing and cash collection process to its financial operations, it is imperative that Customer Service Department employees have the experience and/or training to identify and correct potential problems in the utility billing or revenue collection cycles as they arise.

Recommendation

We recommend that the City allocate the necessary resources to retain experienced Customer Service employees, as well as provide a thorough training program for new Customer Service employees.

Management Response

The City implemented its customer service restructuring plan on October 1, 2014. Since inception, management has not been able to fully staff the customer service department. As of March 30, 2015, the City had 3 vacant positions, which included the Department Manager Position. Management is reviewing the current staff structure, and will be recommending changes in the Fiscal 2016 budget proposal.

DEBT DISCLOSURE SECTION
(Unaudited)



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City of Leesburg, Florida
DEBT DISCLOSURE SECTION

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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.

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Half-Cent Sales Tax	\$ 997	\$ 1,094	\$ 1,002	\$ 964	\$ 899	\$ 900	\$ 931	\$ 913	\$ 994	\$ 1,069
Guar. Entitlement	309	309	309	309	309	309	309	309	309	309
Misc. Revenues ³	-	-	-	-	-	-	-	-	-	-
Subtotal Revenues	1,309	1,403	1,311	1,273	1,208	1,209	1,240	1,222	1,303	1,378
Debt Service on 1999 Bonds	498	496	495	497	500	332	-	-	-	-
2009 Note ²	-	-	-	-	-	96	523	474	474	473
Revenues less Debt Service	812	907	816	776	708	781	717	749	829	905
Public Services Tax	2,955	2,771	2,858	3,058	3,127	3,215	3,182	3,103	3,196	3,255
Total	3,767	3,678	3,675	3,834	3,835	3,996	3,899	3,852	4,025	4,160
Debt Service on 2004 Bonds ³	\$ 798	\$ 798	\$ 1,114	\$ 1,111	\$ 1,111	\$ 1,110	\$ 1,108	\$ 1,106	\$ 747	\$ -
2013 Bonds ⁴									203	\$ 1,047
Debt Serv Coverage	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	3.98 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

(Amounts expressed in thousands)

The historical operating results of the Electric System have been prepared pursuant to certain provisions of the Bond Resolution and therefore reflect certain differences from the City's audited financial statements.

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Operating Revenues	\$ 49,716	\$ 60,197	\$ 60,077	\$ 69,371	\$ 70,986	\$ 68,654	\$ 60,621	\$ 56,415	\$ 61,809	\$ 60,083
Less: Operating Expenses ¹	42,428	52,211	51,343	59,762	61,013	55,737	49,170	45,244	47,864	50,744
Net Operating Revenues	7,287	7,986	8,734	9,609	9,973	12,917	11,451	11,170	13,945	9,339
Other Income ²	588	491	785	932	581	408	396	372	(62)	809
Total Available for Debt Service	7,875	8,477	9,519	10,541	10,554	13,325	11,847	11,543	13,883	10,148
Debt Service										
Series 1999A ³	-	-	-	-	-	-	-	-	-	-
Series 2004 Bonds ⁴	-	-	780	1,096	1,091	1,090	1,093	1,090	1,090	742
Series 2007A and 2007B Bonds ⁵	-	-	-	1,235	1,235	1,499	1,497	1,495	1,491	1,492
Series 2010 Note ⁶	-	-	-	-	-	-	4	3	49	-
Series 2013 Note ⁷	-	-	-	-	-	-	-	-	84	274
Series 2014 Note ⁸	-	-	-	-	-	-	-	-	-	300
Total Debt Service	-	-	780	2,331	2,326	2,589	2,590	2,587	2,714	2,508
Capital Contribution/Impact Fees	2,060	1,158	772	622	274	31	72	220	165	727
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	9,936	9,635	9,511	8,832	8,502	10,767	9,329	9,176	11,334	8,367
Total Transfers In/(Out)	(6,865)	(5,314)	(6,577)	(5,729)	(4,843)	(1,559)	(4,412)	(5,386)	(6,546)	(6,538)
Net Available from Operations	\$ 3,071	\$ 4,321	\$ 2,934	\$ 3,103	\$ 3,659	\$ 9,209	\$ 4,917	\$ 3,789	\$ 4,788	\$ 1,829
Debt Service Coverage: ⁹										
Debt Service Coverage on Bonds	-	X	12.21 X	4.52 X	4.54 X	5.15 X	4.57 X	4.46 X	5.12 X	4.05 X
Required Coverage Test	1.25 X									

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 expenses.

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

Notes:

¹ Amounts shown exclude depreciation and amortization expenses.

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 two years of payments for these bonds were interest only and were paid 100% from the Capitalized Interest fund of \$1,341,602.

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.

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 **Series 2014** - In Resolution 9366, adopted March 10, 2014, the City authorized the Series 2014 Electric System Refunding Revenue Note to refund the Electric System Revenue Bonds, Series 2004 on a parity with the existing Electric System Bonds & Note.

⁹ Excludes revenues from capacity charges per Bond Resolution.

Historical Operating Results - Gas Utility

(Amounts expressed in thousands)

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Operating Revenues	\$ 8,605	\$ 10,324	\$ 8,575	\$ 10,071	\$ 8,255	\$ 9,403	\$ 8,158	\$ 6,898	\$ 7,614	\$ 7,691
Less: Operating Expenses	7,581	8,983	6,868	7,760	5,701	6,191	5,425	4,472	6,251	5,198
Net Operating Revenues	1,025	1,340	1,707	2,312	2,554	3,213	2,733	2,426	1,363	2,493
Other Income	55	78	127	97	73	(17)	48	19	110	5
Total Available for Debt Service	1,079	1,418	1,834	2,408	2,627	3,196	2,781	2,445	1,473	2,498
Debt Service										
Series 1999A and 1999B Bonds ¹	-	-	-	-	-	-	-	-	-	-
Series 2004 Bonds ²	-	-	180	253	253	253	253	252	169	-
Series 2007A and 2007B Bonds ³	-	-	-	125	118	152	152	152	152	161
Series 2010 Note ⁴	-	-	-	-	-	-	44	49	50	49
Series 2013 Bonds ⁵	-	-	-	-	-	-	-	-	47	241
Total Debt Service	-	-	180	378	371	405	449	453	418	451
Capital Contribution/Impact Fees	4	-	-	195	115	22	-	-	2	-
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	1,083	1,418	1,654	2,225	2,371	2,813	2,332	1,992	1,057	2,047
Total Transfers In/(Out)	(1,138)	(820)	(851)	(1,072)	(863)	(1,072)	(977)	(659)	(1,848)	(1,970)
Net Available from Operations	\$ (54)	\$ 598	\$ 803	\$ 1,153	\$ 1,508	\$ 1,741	\$ 1,355	\$ 1,333	\$ (791)	\$ 77
Debt Service Coverage:⁵										
Debt Service Coverage on Bonds	-	X	10.17 X	6.38 X	7.08 X	7.89 X	6.19 X	5.40 X	3.52 X	5.54 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Operating Revenues	\$ 4,401	\$ 5,565	\$ 7,383	\$ 6,996	\$ 6,874	\$ 6,811	\$ 7,751	\$ 7,182	\$ 7,127	\$ 6,841
Less: Operating Expenses	3,451	3,883	4,891	4,958	4,879	4,417	4,367	3,965	3,975	3,836
Net Operating Revenues	951	1,682	2,492	2,038	1,995	2,394	3,384	3,217	3,152	3,005
Other Income	127	148	178	161	95	54	40	23	89	40
Total Available for Debt Service	1,078	1,831	2,670	2,199	2,090	2,448	3,424	3,240	3,241	3,045
Debt Service										
Series 1999A and 1999B Bonds ¹	-	-	-	-	-	-	-	-	-	-
Series 2004 Bonds ²	-	-	375	526	526	526	526	525	352	-
Series 2007A and 2007B Bonds ³	-	-	-	715	674	870	868	869	873	920
Series 2010 Note ⁴	-	-	-	-	-	-	152	170	172	170
Series 2013 Note ⁵	-	-	-	-	-	-	-	-	98	501
Total Debt Service	-	-	375	1,241	1,200	1,396	1,546	1,564	1,495	1,591
Capital Contribution/Impact Fees	1,097	2,467	1,624	680	822	77	68	55	68	155
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	2,175	4,297	3,919	1,637	1,711	1,129	1,946	1,731	1,814	1,609
Total Transfers In/(Out)	(1,785)	(568)	(793)	(804)	(828)	(353)	(873)	(861)	(1,460)	(930)
Net Available from Operations	\$ 390	\$ 3,729	\$ 3,126	\$ 833	\$ 883	\$ 776	\$ 1,073	\$ 870	\$ 354	\$ 679
Debt Service Coverage:⁴										
Debt Service Coverage on Bonds	- X	- X	7.12 X	1.77 X	1.74 X	1.75 X	2.21 X	2.07 X	2.17 X	1.91 X
Required Coverage Test	1.15 X									

Notes:

See notes on Combined Totals Sheet, pg. 2

Historical Operating Results - Wastewater Utility

(Amounts expressed in thousands)

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Operating Revenues	\$ 7,079	\$ 7,908	\$ 9,157	\$ 9,630	\$ 9,426	\$ 9,439	\$ 9,713	\$ 9,626	\$ 9,786	\$ 9,915
Less: Operating Expenses	4,780	5,399	6,041	6,305	6,054	5,977	5,859	5,945	5,850	5,801
Net Operating Revenues	2,299	2,510	3,116	3,325	3,372	3,462	3,854	3,681	3,936	4,114
Other Income	123	237	539	82	591	372	74	27	105	35
Total Available for Debt Service	2,423	2,747	3,656	3,407	3,963	3,834	3,928	3,708	4,041	4,149
Debt Service										
Series 1999A and 1999B Bonds ¹	-	-	-	-	-	-	-	-	-	-
Series 2004 Bonds ²	-	-	520	729	729	730	728	727	488	-
Series 2007A and 2007B Bonds ³	-	-	-	263	311	397	400	399	320	338
Series 2010 Note ⁴	-	-	-	-	-	-	122	137	139	137
Series 2013 Note ⁵	-	-	-	-	-	-	-	-	137	695
Total Debt Service	-	-	520	991	1,040	1,127	1,250	1,263	1,084	1,170
Capital Contribution/Impact Fees	2,679	1,826	1,012	1,142	-	292	62	31	36	247
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	5,102	4,572	4,148	3,558	2,923	3,000	2,739	2,476	2,993	3,226
Total Transfers In/(Out)	(1,045)	(497)	(664)	(733)	(724)	(663)	(708)	(763)	(841)	(860)
Net Available from Operations	\$ 4,057	\$ 4,075	\$ 3,484	\$ 2,825	\$ 2,199	\$ 2,337	\$ 2,031	\$ 1,713	\$ 2,152	\$ 2,366
Debt Service Coverage:⁴										
Debt Service Coverage on Bonds	-	X	7.03 X	3.44 X	3.81 X	3.40 X	3.14 X	2.94 X	3.73 X	3.55 X
Required Coverage Test	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.

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Operating Revenues	\$ 20,086	\$ 23,797	\$ 25,116	\$ 26,697	\$ 24,555	\$ 25,653	\$ 25,622	\$ 23,706	\$ 24,527	\$ 24,447
Less: Operating Expenses	15,811	18,265	17,800	19,023	16,634	16,585	15,651	14,382	16,076	14,835
Net Operating Revenues	4,275	5,532	7,316	7,674	7,921	9,069	9,971	9,324	8,451	9,612
Other Income	305	463	844	340	758	409	162	69	304	80
Total Available for Debt Service	4,580	5,995	8,160	8,014	8,679	9,478	10,133	9,393	8,755	9,692
Debt Service										
Series 1999A and 1999B Bonds ¹	-	-	-	-	-	-	-	-	-	-
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	1,419
Series 2010 Note ⁴	-	-	-	-	-	-	318	1,420	361	356
Series 2013 Note ⁵	-	-	-	-	-	-	318	-	282	1,437
Total Debt Service	-	-	1,075	2,610	2,611	2,928	3,562	4,345	2,997	3,212
Capital Contribution/Impact Fees	3,781	4,292	2,636	2,016	937	392	130	86	106	402
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	8,360	10,287	9,721	7,420	7,006	6,942	6,701	5,135	5,864	6,882
Total Transfers In/(Out)	(3,968)	(1,885)	(2,309)	(2,609)	(2,415)	(2,088)	(2,558)	(2,283)	(4,149)	(3,760)
Net Available from Operations	\$ 4,392	\$ 8,402	\$ 7,413	\$ 4,811	\$ 4,591	\$ 4,854	\$ 4,143	\$ 2,852	\$ 1,715	\$ 3,122
Debt Service Coverage: ⁶										
Debt Service Coverage on Bonds	-	-	7.59 X	3.07 X	3.32 X	3.24 X	2.84 X	2.16 X	2.92 X	3.02 X
Required Coverage Test	1.15 X									

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 below.

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 two years payments for these bonds were interest only and were paid 100% from the Capitalized Interest fund of \$1,341,602.

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** - Resolutions 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.

⁶ Excludes revenues from capacity charges per Bond Resolution.

City of Leesburg
Ten Largest Customers (Revenue Based)
For the Fiscal Year Ending September 30, 2014

Electric	Revenues	Volume (KWh)	% of Total
CUTRALE CITRUS JUICES USA INC	\$ 2,265,209	195,479	3.97%
LEESBURG REGIONAL MEDICAL CENTER	1,913,362	198,091	3.36%
LAKE COUNTY SCHOOL DISTRICT	1,157,565	93,363	2.03%
LAKE HARRIS HEALTH SYSTEMS LLC	785,730	70,941	1.38%
CITY OF LEESBURG	691,837	65,890	1.21%
WALMART STORE INC 01 800	516,028	53,525	0.91%
LAKE SUMTER COMMUNITY COLLEGE	503,478	45,960	0.88%
PUBLIX SUPERMARKETS,INC	494,984	50,100	0.87%
CENTURYLINK	480,466	46,724	0.84%
COCA-COLA NORTH AMERICA	360,806	37,352	0.63%
Total 10 Largest Electric Customers	\$ 9,169,465	857,425	16.08%
Total Electric System Revenues	\$ 57,011,339	444,696,538	100.00%

Gas	Revenues	Volume (Therms)	% of Total
FEDERAL CORRECTIONAL COMPLEX	\$ 974,937	833,252	14.27%
LEESBURG REGIONAL MEDICAL CENTER	813,683	694,306	11.91%
LAKE COUNTY BOARD COMM	235,117	204,862	3.44%
DAB CONSTRUCTORS	180,285	292,956	2.64%
LAKE HARRIS HEALTH SYSTEMS LLC	91,762	77,951	1.34%
LIFESTREAM BEHAVIORAL CENTER	75,853	64,506	1.11%
UNIVERSAL AGGREGATE SOLUTIONS	72,838	62,266	1.07%
GENERAL MILLS	52,838	44,926	0.77%
BEYERS, ROGER A	49,126	41,694	0.72%
LAKES AT LEESBURG HTA 1080	41,442	34,928	0.61%
Total 10 Largest Gas Customers	\$ 2,587,881	2,351,647	37.88%
Total Gas System Revenues	\$ 6,832,052	5,220,669	100.00%

City of Leesburg
 Ten Largest Customers (Revenue Based)
 For the Fiscal Year Ending September 30, 2014

Water & Irrigation	Revenues	Volume (100 Cubic Feet)	% of Total
LAKE HARRIS HEALTH SYSTEMS LLC	\$ 70,632	24,919	1.16%
LEESBURG REGIONAL MEDICAL CENTER	68,376	75,400	1.12%
CITY OF LEESBURG	26,095	22,000	0.43%
RANGE PROPERTIES LLC	24,014	19,488	0.39%
CREATIVE CHOICE HOMES XXVII	23,479	20,145	0.38%
ARLINGTON RIDGE CDD	22,945	19,291	0.38%
COACHWOOD COLONY MHP LLC	21,250	18,217	0.35%
SLEEPY HOLLOW	17,927	15,263	0.29%
SUN MANAGEMENT 2011 LLC	17,077	14,334	0.28%
COMMUNITY HOUSING PARTNERS COR	15,987	14,201	0.26%
Total 10 Largest Water Customers	\$ 307,782	243,258	5.04%
Total Water System Revenues	\$ 6,102,554	2,845,611	100.00%

Wastewater	Revenues	Volume (100 Cubic Feet)	% of Total
LAKE HARRIS HEALTH SYSTEMS LLC	\$ 149,407	24,919	1.74%
LEESBURG REGIONAL MEDICAL CENTER	133,842	75,400	1.56%
ARLINGTON RIDGE CDD	38,342	19,291	0.45%
SUN MANAGEMENT 2011 LLC	37,475	14,334	0.44%
CREATIVE CHOICE HOMES XXVII	36,131	20,145	0.42%
SLEEPY HOLLOW	33,137	15,263	0.39%
COMMUNITY HOUSING PARTNERS COR	24,950	14,201	0.29%
RANGE PROPERTIES LLC	23,849	19,488	0.28%
COACHWOOD COLONY MHP LLC	23,540	18,217	0.27%
CUTRALE CITRUS JUICES USA INC	16,315	flat	0.19%
Total 10 Largest Water Customers	\$ 516,988	221,258	6.02%
Total Wastewater System Revenues	\$ 8,586,402	2,845,611	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.

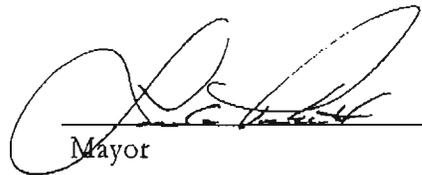
SECTION 3.

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. 12-67

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, REPEALING ORDINANCE NO. 12 – 62 ADOPTED ON SEPTEMBER 24, 2012, IN ITS ENTIRETY; INCREASING RATES FOR THE ELECTRIC, GAS AND SOLID WASTE UTILITIES BY 1.0% OVER RATES EXISTING PRIOR TO ADOPTION OF ORDINANCE NO. 12 – 62; SPECIFYING HOW THE ANNUAL INDEX DRIVEN RATE INCREASE PROVIDED BY §22 – 166 OF THE CODE OF ORDINANCES SHALL BE APPLIED IN CONJUNCTION WITH THE INCREASE IMPOSED IN THIS ORDINANCE, PROVIDING EXCLUSIONS FOR CERTAIN COMPONENTS OF THE BILLS FOR THESE UTILITIES, EXEMPTING DEPOSIT REQUIREMENTS FROM THE RATE INCREASE, REPEALING CONFLICTING ORDINANCES, PROVIDING A SAVINGS CLAUSE, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA:

SECTION I.

Ordinance No. 12 – 62, which was adopted on second reading by the Leesburg City Commission at its regular meeting held on September 24, 2012, is hereby repealed in its entirety, *nunc pro tunc* as of its original effective date.

SECTION II.

§22 – 196 of the Code of Ordinances is amended to increase all rates for electrical service which are in effect as of September 30, 2012 (including any prior adjustments applied under §22 – 166 of this Code), effective as to all bills rendered on or after October 1, 2012, by 1.0%. This increase shall apply to base rates only and shall not apply to the bulk power cost adjustment or any other component of the electric bill, nor shall it apply to deposit requirements. The automatic, index driven rate increase imposed annually by §22 – 166 shall be applied on October 1, 2012, to the rate including the additional 1.0% increase imposed by this Ordinance.

SECTION III.

§22 – 246 of the Code of Ordinances is amended to increase all rates for natural gas service which are in effect as of September 30, 2012 (including any prior adjustments applied under §22 – 166 of this Code), effective as to all bills rendered on or after October 1, 2012, by 1.0%. This increase shall apply to base rates only and shall not apply to the purchased gas adjustment or any other component of the natural gas bill, nor shall it apply to deposit requirements. The increase imposed annually by §22 – 166 shall be applied on October 1, 2012, to the rate including the additional 1.0% increase imposed by this Ordinance.

SECTION IV.

§11 – 29 of the Code of Ordinances is amended to increase all rates for solid waste collection and disposal service which are in effect as of September 30, 2012 (including any prior adjustments applied under §22 – 166 of this Code), effective as to all bills rendered on or after October 1, 2012, by 1.0%. This increase shall not apply to deposit requirements. The increase imposed annually by §22 – 166 shall be applied on October 1, 2012, to the rate including the additional 1.0% increase imposed by this Ordinance.

SECTION V.

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 V.

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 IV.

This Ordinance shall become effective upon its passage and adoption according to law, with the rate increases imposed by this Ordinance to be effective as to all bills rendered for the specified services for the month of October, 2012, and succeeding months until amended by subsequent ordinance.

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 22nd day of October, 2012.

THE CITY OF LEESBURG, FLORIDA

BY: Sara Henderson
MAYOR

Attest: Betty Richardson
CITY CLERK

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING CERTAIN SUBSECTIONS OF §22 – 196 OF THE CODE OF ORDINANCES, PERTAINING TO ELECTRIC RATES, INCREASING THE RATES IN SCHEDULES RS (RESIDENTIAL SERVICE), GS (GENERAL SERVICE NON _ DEMAND), GSD (GENERAL SERVICE DEMAND), AND TOU (TIME OF USE); PROVIDING FOR AUTOMATIC ANNUAL INCREASES OF 5% PER YEAR FOR 2014 AND 2015; SPECIFYING HOW THE ANNUAL 5% RATE INCREASES IN 2013, 2014 AND 2015 ARE TO BE APPLIED IN CONJUNCTION WITH THE AUTOMATIC INCREASES SPECIFIED IN §22 – 166 OF THE CODE OF ORDINANCES; PRESERVING §22 – 196 EXCEPT AS AMENDED HEREBY; REPEALING ANY CONFLICTING ORDINANCES; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA:

SECTION I.

§22 – 196 of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended so that the subsections thereof listed below shall, following the effective date of this Ordinance, read as follows (NOTE: provisions in ~~strike out~~ are being deleted from the existing ordinance, provisions in double underline are being added or amended by this Ordinance, and text not marked remains the same as in the existing ordinance):

(1) *Rate schedule RS, residential service.*

- a. *Availability:* This rate is available to all applicable customers in the service area.
- b. *Applicability:* The residential electric rate applies to an electrical service supplying electricity to a single-family residence. Service provided under this section shall not be shared with or resold to others.
- c. *Character of service:* Service shall be single-phase, sixty (60) cycles and approximately 120/240 volts. If three (3) phases are desired, additional charges must be paid by the customer.
- d. *Limitations:* Service is subject to all of the rules and regulations of this tariff and general rules and regulations of the utility. Standby or resale service is not permitted.
- e. Rate per month.

Customer charge~~\$10.62~~ 11.77
 All kwh, per kwh~~0.08129~~ 0.090108

The rates per month shall become effective with all bills rendered on or after the first day ~~of the month subsequent to adoption~~ November 1, 2013. Such rates per month are subject to the

annual inflation adjustment component pursuant to section 22-166, beginning as of October 1, 2016.

f. *Minimum charge:* The minimum monthly bill shall be the customer charge plus other applicable charges, covered by ordinance, state statutes or federal law.

g. *Terms of payment:* All bills and charges for electric current are due and payable twenty (20) days following date of billing. If not paid within twenty (20) days a carrying charge equal to five (5) percent of the total bill is added. Service is discontinued if bill and carrying charge are not paid on or before thirty (30) days succeeding that in which electricity shall have been furnished by the city as stated in all bills rendered.

h. *Billing adjustments:* See "Bulk Power Cost Adjustment," "Energy Conservation Cost Recovery," and "Tax Adjustment Clause".

i. *Deposits.* Deposits for each account shall be required as set forth more particularly in section 22-181 of this Code.

j. *Reconnection charge:* When service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, the reconnection fee shall be as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code. When service is cut off for meter-tampering, the charge to reconnect shall be as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code plus damages and penalties allowed by state statutes.

(2) Rate schedule GS, general service, nondemand.

a. *Availability.* This rate is available to all applicable customers in the service area.

b. *Applicability.* This rate shall be applicable to all electrical services not covered by any of the other rate categories, residential electrical rate, general service demand rate and flat service rate.

c. *Limitation.* Service is subject to all of the rules and regulations of this tariff and general rules and regulations of the utility. Standby or resale is not permitted.

d. *Rate per month.*

Customer charge\$~~10.62~~ 11.77
All kwh~~0.08847~~ 0.098067

The rates per month shall become effective with all bills rendered on or after the first day of ~~the month subsequent to adoption~~ November 1, 2013. Such rates per month are subject to the annual inflation adjustment component pursuant to section 22-166, beginning as of October 2, 2016.

e. *Minimum charge:* The minimum monthly bill shall be the customer charge plus other applicable charges, covered by ordinance, state statutes or federal law.

f. *Terms of payment:* All bills and charges for electric current are due and payable twenty (20) days following date of billing. If not paid within twenty (20) days a carrying charge equal to five (5) percent of the total bill is added. Service is discontinued if bill and carrying charge are not paid on or before thirty (30) days succeeding that in which electricity shall have been furnished by the city as stated in all bills rendered.

g. *Billing adjustments:* See "Bulk Power Cost Adjustment," "Energy Conservation Cost Recovery," and "Tax Adjustment Clause".

h. *Deposits.* Deposits for each account shall be required as set forth more particularly in section 22-181 of this Code.

i. *Reconnection charge:* When service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, the reconnection fee shall be as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code. When service is cut off for meter tampering, such reconnection charge shall be as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code plus damages and penalties allowed by state statutes.

(3) Rate schedule GSD, general service, demand.

a. *Availability.* This rate is available to all applicable customers in the service area.

b. *Application.*

1. *GSD-1:* 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.
2. *GSD-2:* 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.
3. *GSD-3:* 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.

c. *Special provisions.* Any customer whose demand is greater than twenty (20) kw, but less than fifty (50) kw, may at the option of the customer elect to be billed at the general service rate schedule, GS Code 444.2. If the customer modifies electrical usage to the extent the general service demand rate, GSD Code 444.3, produces lower billing, customer may at its option rescind the election to be billed at the general service rate schedule, GS Code 444.2, provided however, that the option of being billed at the general service rate schedule, GS Code 444.2 shall then no longer be available to such customer.

d. *Character of service.* The service shall be three-phase, sixty (60) cycles and approximately one hundred twenty (120) volts or higher, at utility option.

e. *Limitations.* Standby or resale is not permitted.

f. *Rate per month.*

1. *GSD-1.* Billing demand of 21kW—499kW:

Customer charge\$22.66 25.02
Demand charge10.55 11.38
Energy rate0.04165 0.045991

2. *GDS-2.* Billing demand of 500—1,999 kW:

Customer charge\$40.16 44.34
Demand charge12.05 12.99
Energy rate0.03806 0.042024

3. *GSD-3.* Billing demand of 2,000 kW or more:

Customer charge\$80.32 88.68
Demand charge14.96 16.13
Energy rate0.03304 0.036481

The rates per month shall become effective with all bills rendered on or after the first day of the ~~month subsequent to adoption~~ November, 2013. Such rates per month are subject to the annual inflation adjustment component pursuant to section 22-166, beginning as of October 2, 2016.

g. *Minimum charge.* The minimum monthly charge shall be not less than the sum of customer charge and the demand charge for the currently effective billing demand, plus other applicable charges covered by ordinances, state statutes or federal law.

h. *Billing demand.* The maximum fifteen-minute integrated demand established during the current billing period.

i. *Power factor.* When the power factor is less than ninety (90) percent, the billing demand may be determined upon the basis of ninety (90) percent of the calculated kVa, demand.

j. *Deposits.* Deposits for each account shall be required as set forth more particularly in section 22-181 of this Code.

k. *Reconnection charge.* When 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 as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code. When service is cut off for meter tampering, there shall be a reconnection charge as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code, plus damages and penalties allowed by state statute.

l. *Terms of payment.* All bills and charges for electric current are due and payable twenty (20) days following date of billing. If not paid within twenty (20) days a carrying charge equal to five (5) percent of the total bill is added. Service is discontinued if bill and carrying charge are not paid on or before thirty (30) days succeeding that in which electricity shall have been furnished by the city as stated in all bills rendered.

m. *Term of service.* Service under this rate shall be for a minimum initial term of twelve (12) months from commencement of service and shall continue thereafter until receipt of notice by the city from the customer to disconnect, or upon disconnect by the city as provided by ordinance, or until the customer's demand is below twenty (20) kw for a consecutive twelve-month period. Customers taking service under another rate schedule who elect to transfer to this rate must remain on this rate for a minimum of twelve (12) months. Where special equipment to serve the customer is required, the city may require a specified term of service contract.

n. *Special provisions.*

1. Any customer other than residential whose monthly demand is greater than twenty (20) kw but does not exceed forty-nine (49) kw for more than two (2) months out of the preceding twelve (12) consecutive months ending with the current billing period may, at the option of the customer, elect to be billed at the General Service Rate Schedule, GS Code 4442. Provided, that once a customer has exceeded forty-nine (49) for more than two (2) months out of the preceding twelve (12) consecutive months, no rate change option is available. If the customer modifies electrical usage to the extent the General Service Demand Rate (GSD Code 4443) produces lower billing, customer may, at its option, rescind the election to be billed at the General Service Rate Schedule, GS Code 4442; provided, that the option of being billed at the General Service Rate Schedule, GS Code 4442, shall then no longer be available to such customer.
2. The city may, under the provisions of this rate, require a contract with the customer. Whenever the customer increases his electrical load, which increase requires the city to increase facilities installed for the specific use of the customer, a new term of service may be required.
3. Any church or religious institution may, at their option, regardless of their demand, elect to be billed at the General Service Non Demand Rate and may not rescind such election thereafter for a period of twelve (12) months. This election may be for the sanctuary and related Sunday School or religious educational buildings.

o. *Billing adjustments.* See "Bulk Power Cost Adjustment," "Energy Conservation Cost Recovery," and "Tax Adjustment Clause".

(13) *Rate Schedules TOU – 1 and TOU – 2, Time of Use Rates.*

- a. *Availability.* Available throughout the entire territory served by the City subject to equipment availability. This is an optional service available at the customer's request. Customer may choose either rate schedule TOU-R1 or TOU-R2.

- b. *Applicability.* The residential electric rate applies to an electrical service supplying electricity to a single-family residence. Service provided under this section shall not be shared with or resold to others.
- c. *Character of Service.* Service shall be single-phase, sixty (60) cycles and approximately 120/240 volts. If three (3) phases are desired, additional charges must be paid by the customer.
- d. *Limitations.* Service is subject to all of the rules and regulations of this ordinance and the general rules and regulations of the City's electric utility. Standby or resale service is not permitted. No customer who elects to obtain service under this TOU rate schedule shall be eligible for any other load management credits offered by the City to residential customers.
- e. *Rates per month.* The following rate schedules shall apply to this TOU rate:

Customer Charge \$~~11.10~~ 11.77

Rate per kWh:

	<u>TOU-R1</u>	<u>TOU-R2</u>
Winter – On-peak	\$0.404134 <u>\$0.424341</u>	\$0.265005 <u>\$0.278255</u>
Winter – Off-peak	0.060165 <u>0.063173</u>	0.070985 <u>0.074534</u>
Summer – On-peak	0.352527 <u>0.370153</u>	0.230715 <u>0.242251</u>
Summer – Off-peak	0.062573 <u>0.065702</u>	0.072777 <u>0.076416</u>

Winter – On-peak is defined as the hours from 7 a.m. to 9 a.m. on Monday through Friday during the months of December, January and February, excluding any federal holiday occurring on those days. Winter – Off-peak is defined as all other hours during the months of December, January and February.

Summer – On-peak is defined as the hours from 3 p.m. to 5 p.m. on Monday through Friday during the months of March through October, excluding any federal holiday occurring on those days. Summer – Off-peak is defined as all other hours during the months of March through October.

The rate per month is subject to the annual inflation adjustment component pursuant to §22 - 166. Promptly after each annual inflation adjustment, the City will for informational purposes notify the Florida Public Services Commission in writing of its then current rates including any annual inflation adjustment.

- f. *Minimum Charge.* The minimum monthly bill shall be the customer charge plus other applicable charges, covered by ordinance, state statutes or federal law.

- g. *Maximum Charge.* After the customer's first three billing months under this rate schedule, at the customer's request, the City will calculate the total billings the customer would have been charged under the basic residential rate, Rate RS, and refund to the customer any excess of the actual billings under this rate over such calculated amount.
- b. *Term of Service.* Service under this TOU rate schedule shall be for a minimum initial term of twelve (12) months from commencement of service and shall continue thereafter until receipt of notice by the City from the customer to disconnect, or upon disconnect by the City as provided by City ordinance. Customers taking service under another rate schedule who elect to transfer to this rate must remain on this rate for a minimum of twelve (12) months. A customer taking service under this rate schedule who elects to transfer to another rate will be prohibited from taking service on this rate schedule again for a minimum of twelve (12) months.

SECTION II.

The rates set by this Ordinance shall take effect November 1, 2013, and remain in effect until October 31, 2014. On November 1, 2014, those rates each shall increase by 5%, and the increased rate shall remain in effect until October 31, 2015. Beginning November 1, 2015, the rates in effect from November 1, 2014 through October 31, 2015, each shall increase by 5%, and those increased rates shall remain in effect until September 30, 2016. On October 1, 2016, and each year thereafter, the automatic increases specified by §22 – 166 of the Code of Ordinances shall be applied to each rate schedule listed above. Between the effective date of this Ordinance and October 1, 2016, the annual increases specified in this Ordinance shall take the place of the automatic increases provided by §22 – 166.

SECTION III.

Except as specifically amended by this Ordinance, the provisions of §22 – 196 of the Code of Ordinances shall continue in full force and effect in the form existing prior to this Ordinance, and the rate increases specified in §22 – 166 shall continue to apply annually to any rates not specifically increased by this Ordinance.

SECTION IV.

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 V.

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 VI.

This Ordinance shall become effective upon its passage and adoption according to law, provided that the rate increases hereby imposed shall not take effect until November 1, 2013.

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 22 day of July, 2013.

THE CITY OF LEESBURG, FLORIDA

BY: 
MAYOR

Attest: 
CITY CLERK

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 6-1-20070.464400

(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:

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

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, INCREASING RATES FOR THE WATER AND WASTEWATER UTILITIES BY 1.0% OVER EXISTING RATES, SPECIFYING HOW THE ANNUAL INDEX DRIVEN RATE INCREASE PROVIDED BY §22 - 166 OF THE CODE OF ORDINANCES SHALL BE APPLIED IN CONJUNCTION WITH THE INCREASE IMPOSED IN THIS ORDINANCE, EXEMPTING DEPOSIT REQUIREMENTS FROM THE RATE INCREASE, REPEALING CONFLICTING ORDINANCES, PROVIDING A SAVINGS CLAUSE, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA:

SECTION I.

§22 - 211 of the Code of Ordinances is amended to increase all rates for water service which are in effect as of September 30, 2012 (including any prior adjustments applied under §22 - 166 of this Code), effective as to all bills rendered on or after October 1, 2012, by 1.0%. This increase shall not apply to deposit requirements. The increase imposed annually by §22 - 166 shall be applied on October 1, 2012, to the rate including the additional 1.0% increase imposed by this Ordinance.

SECTION II.

§22 - 227 of the Code of Ordinances is amended to increase all rates for pollution abatement charges which are in effect as of September 30, 2012 (including any prior adjustments applied under §22 - 166 of this Code), effective as to all bills rendered on or after October 1, 2012, by 1.0%. This increase shall not apply to deposit requirements. The increase imposed annually by §22 - 166 shall be applied on October 1, 2012, to the rate including the additional 1.0% increase imposed by this Ordinance.

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 22nd day of October, 2012.

THE CITY OF LEESBURG, FLORIDA

BY: Sanna Henderson
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):

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 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

	<u>Meter Size</u>	
1.	ALL METER SIZES	\$ 20.10

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
----------	-------------	---	---

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>		<u>New Proposed</u>
	Usage Up to 11,000 Gallons		<u>Block Rates (Th. Gall.)</u>
2.	Usage Up to 11,000 Gallons	\$ 1.74200	Up to 15,000 Gall.
	<u>Customer Charge Commercial and Municipal</u>		
	<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	
	<u>Consumption Charge Wastewater Commercial and Municipal</u>		
	<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.

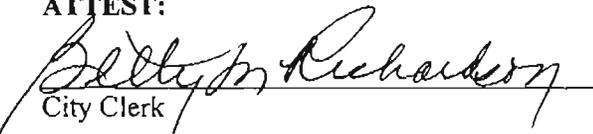
This Ordinance shall become effective upon its passage and adoption according to law.

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



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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>	<u>FY13/FY14</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	\$ 21,245,867	\$ 21,688,574	\$ 20,313,162
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	3,670,954
Coverage ⁽¹⁾	4.32	4.99	5.41	5.50	5.34	5.26	5.21	5.82	5.94	5.53
Second Test	FYE 2005	FYE 2006	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014
Legally Available Non-Ad Valorem Revenues	A \$ 18,764,932	\$ 19,519,040	\$ 21,954,288	\$ 20,272,174	\$ 20,670,628	\$ 19,423,157	\$ 18,966,378	\$ 22,272,758	\$ 21,104,389	\$ 19,521,934
Non-Enterprise Fund Revenues ⁽²⁾	B 22,636,644	23,984,451	27,640,613	26,330,808	26,965,374	25,472,991	24,556,338	27,130,782	25,578,514	23,988,381
Costs of Essential Services	C 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	16,613,455
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	1,850,718	1,850,718	1,786,841	1,786,841	1,789,085
Maximum Annual Debt Service on Covenant Debt	E 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	1,881,869
Available Revenues - $[A - ((A/B) * C) - D] =$	F 5,303,013	4,676,029	7,828,340	5,013,237	5,825,155	4,842,929	4,288,892	6,747,237	6,337,091	4,212,688
Coverage $[F/E]$ ⁽³⁾	2.63	2.32	3.88	2.48	2.88	2.41	2.28	3.62	3.40	2.24

⁽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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
CB&A Worksheet - CB&A Non-Ad Valorem Revenues										
1. Charges for Services (1)	\$	501,759	\$	558,761	\$	633,992	\$	655,224	\$	594,690
2. Intergovernmental (1)	2,783,708	2,634,143	2,769,819	2,326,359	2,258,347	2,403,019	2,648,770	2,144,512	166,926	119,059
3. Licenses and Permits (1)	234,022	135,999	151,094	128,271	112,255	133,435	132,942	151,693	114,949	43,095
4. Fines and Forfeitures (1)	213,821	187,940	152,687	120,716	101,084	122,391	114,949	24,093	5,196,757	1,377,372
5. Investment Income (1)	281,554	144,887	98,646	78,736	68,429	4,580,172	4,426,503	6,053,868	6,180,065	6,263,160
6. Miscellaneous (1)	4,952,339	4,500,274	4,419,416	4,675,228	9,034,052	8,332,236	9,347,764	8,858,030	10,512,308	10,213,669
7. Non Advalorem Taxes (sum of Utility Taxes)	4,828,932	5,187,563	4,675,228	4,686,057	4,426,503	4,686,057	4,426,503	6,053,868	6,180,065	6,263,160
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	10,213,669	10,213,669	10,213,669
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)	(1,529,659)	(1,529,659)	(1,700,943)
Legally Available Non-Ad Valorem Revenues	\$	18,764,932	\$	20,272,174	\$	20,670,628	\$	19,423,157	\$	20,218,976
2 Year Average	16,569,744	19,141,986	20,736,664	21,113,231	20,471,401	20,046,893	19,821,066	21,245,867	21,688,574	20,313,162
Ad Valorem Taxes (2)	\$	3,871,712	\$	4,465,411	\$	5,686,325	\$	6,058,634	\$	6,294,746
Total Revenue	\$	22,636,644	\$	23,984,451	\$	27,640,613	\$	26,330,808	\$	26,965,374
Cost of Essential Services	\$	2,393,514	\$	3,192,720	\$	1,828,424	\$	3,496,612	\$	3,162,527
General Government (1)	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	13,356,129
Public Safety (1)	\$	14,035,437	\$	15,993,630	\$	15,484,386	\$	17,446,181	\$	16,982,852
Total Cost of Essential Services	\$	18,764,932	\$	19,519,040	\$	21,954,288	\$	20,272,174	\$	20,670,628
Legally Available Non-Ad Valorem Revenues	\$	18,764,932	\$	19,519,040	\$	21,954,288	\$	20,272,174	\$	20,670,628
Less MADS on Senior Lien as of 9/30/14	\$	(1,827,066)	\$	(1,827,066)	\$	(1,827,066)	\$	(1,827,066)	\$	(1,850,718)
Less Allocable Essential Services (3)	(11,634,853)	(13,015,945)	(12,298,883)	(13,431,871)	(13,018,407)	(12,729,509)	(13,126,404)	(13,738,680)	(12,980,457)	(13,520,161)
Available Revenues	5,303,013	4,676,028	7,828,339	5,013,237	5,825,155	4,842,929	5,241,853	6,747,237	6,337,091	4,212,688
MADS on Covenant Debt	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	1,881,869
Coverage	2.63	2.32	3.88	2.48	2.88	2.41	2.79	3.62	3.40	2.24

(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 Revenues divided by Total Revenues)

City of Leesburg, Florida

Diverse General Fund Revenue Sources

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	ACTUAL									
Revenues Available	-	-	\$ 21,954,291	\$ 20,272,174	\$ 20,670,625	\$ 19,423,157	\$ 20,218,976	\$ 22,272,758	\$ 21,104,389	\$ 19,521,934
Revenues not available for CB&A:										
Ad Valorem Revenues	\$ 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	\$ 4,466,447
Non-Ad Valorem Revenues:										
Other Taxes	653,839	684,101	622,224	620,290	-	-	-	-	-	-
Intergovernmental Revenue	475,777	477,365	510,361	564,802	518,263	502,674	336,265	318,765	540,190	368,964
Charges For Services	-	2,585	146,745	153,336	133,420	151,785	150,954	132,575	191,550	470,486
Miscellaneous Revenues	594,478	606,740	635,911	653,414	612,623	830,154	765,379	740,804	797,919	861,493
	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	1,700,943
Total not available for CB&A	\$ 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	\$ 6,167,390

CITY OF LEESBURG, FLORIDA

Summary of Maximum Annual Non Ad Valorem Debt Service

Fiscal Year	Series 2008	Series 2009	Series 2009	Series 2009	Series 2013	Aggregate Debt Service
	TIF - CRA Carver	TIF - CRA 441/27	Magnolia Townhomes	Cap Improv	Cap Improv	
2014	\$ 203,822	\$ 801,231	\$ 979,650	\$ 473,405	\$ 1,046,513	\$ 3,504,621
2015	203,993	797,481	979,560	472,526	1,011,613	3,465,172
2016	306,399	903,419	978,450	471,174	1,011,513	3,670,954
2017		900,194	976,320	474,113	1,006,063	3,356,689
2018		901,194		471,578	1,005,163	2,377,934
2019		901,194		473,334	1,003,813	2,378,340
2020		1,005,794		474,381	1,006,863	2,487,037
2021		1,005,794		469,954	998,663	2,474,410
2022		1,109,706		469,818	993,413	2,572,937
2023		1,108,669		468,973	986,913	2,564,554
2024		1,111,144		467,418	988,663	2,567,224
2025		1,211,863		469,917	995,663	2,677,442
2026		1,214,563		466,706	991,663	2,672,931
2027		1,215,600		467,550	999,013	2,682,162
2028		1,214,975		462,684	994,794	2,672,452
2029		1,217,688		461,872	993,794	2,673,353
2030		1,218,500		462,400	994,744	2,675,644
2031		1,220,250			994,644	2,214,894
2032		1,219,750			993,494	2,213,244
2033		1,222,000			985,325	2,207,325
2034		1,221,750			990,706	2,212,456
2035		1,224,000			985,000	2,209,000
2036		1,228,500				1,228,500
	\$ 714,214	\$ 25,175,256	\$ 3,913,980	\$ 7,977,799	\$ 21,978,025	\$ 59,759,275

Maximum:	\$ 3,670,954
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CITY OF LEESBURG, FLORIDA

AGGREGATE SENIOR LIEN EXISTING DEBT SERVICE Bonds Secured by Express Lien on Non-Ad Valorem Revenues

Fiscal Year	Series 2008 CRA-Carver	Series 2009 Cap Improv	Series 2013 Cap Improv	Aggregate Debt Service
2014	\$ 203,822	\$ 473,405	\$ 1,046,513	\$ 1,723,740
2015	203,993	472,526	1,011,613	1,688,131
2016	306,399	471,174	1,011,513	1,789,085
2017		474,113	1,006,063	1,480,175
2018		471,578	1,005,163	1,476,741
2019		473,334	1,003,813	1,477,147
2020		474,381	1,006,863	1,481,243
2021		469,954	998,663	1,468,617
2022		469,818	993,413	1,463,231
2023		468,973	986,913	1,455,885
2024		467,418	988,663	1,456,080
2025		469,917	995,663	1,465,579
2026		466,706	991,663	1,458,369
2027		467,550	999,013	1,466,562
2028		462,684	994,794	1,457,477
2029		461,872	993,794	1,455,665
2030		462,400	994,744	1,457,144
2031			994,644	994,644
2032			993,494	993,494
2033			985,325	985,325
2034			990,706	990,706
2035			985,000	985,000
	\$ 714,214	\$ 7,977,799	\$ 21,978,025	\$ 30,670,038

Maximum	\$ 1,789,085
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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
2014	\$ 801,231	\$ 979,650	\$ 1,780,881
2015	797,481	979,560	1,777,041
2016	903,419	978,450	1,881,869
2017	900,194	976,320	1,876,514
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
	\$ 25,175,256	\$ 3,913,980	\$ 29,089,236

Maximum:	\$ 1,881,869
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CITY OF LEESBURG, FLORIDA

Redevelopment Revenue Note, Series 2008 (CRA for Carver Heights/Montclair TIF Project)¹

Date	Principal	Interest	Debt Service	Annual Debt Service
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	293,598	6,400	299,998	306,399
	\$ 652,189	\$ 62,025	\$ 714,214	\$ 714,214

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, 2008.

Resolution 8349, adopted December 8, 2008, and as amended by Resolution 8357, adopted December 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.

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

Date	Principal	Interest	Debt Service	Annual Debt Service
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	473,336
	\$ 5,577,400	\$ 2,532,305	\$ 8,109,705	\$ 8,109,705

CITY OF LEESBURG, FLORIDA

Tax Increment Revenue Bonds, Series 2009
(CRA for US Highway 441/27 TIF Project)¹

Date	Principal	Interest	Debt Service	Annual Debt Service
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
	\$ 14,420,000	\$ 10,755,256	\$ 25,175,256	\$ 25,175,256

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)

Date	Principal	Interest	Debt Service	Annual Debt Service
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
	\$ 3,660,000	\$ 253,980	\$ 3,913,980	\$ 3,913,980

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.

CITY OF LEESBURG, FLORIDA

Capital Improvement Refunding Revenue Bonds, Series 2013

Date	Principal	Interest	Debt Service	Annual Debt Service
10/1/2013	\$ 520,000	\$ 202,834	\$ 722,834	
4/1/2014		263,256	263,256	\$ 986,090
10/1/2014	495,000	263,256	758,256	
4/1/2015		258,306	258,306	1,016,563
10/1/2015	505,000	258,306	763,306	
4/1/2016		253,256	253,256	1,016,563
10/1/2016	515,000	253,256	768,256	
4/1/2017		245,531	245,531	1,013,788
10/1/2017	530,000	245,531	775,531	
4/1/2018		237,581	237,581	1,013,113
10/1/2018	545,000	237,581	782,581	
4/1/2019		229,406	229,406	1,011,988
10/1/2019	565,000	229,406	794,406	
4/1/2020		220,931	220,931	1,015,338
10/1/2020	580,000	220,931	800,931	
4/1/2021		209,331	209,331	1,010,263
10/1/2021	605,000	209,331	814,331	
4/1/2022		194,206	194,206	1,008,538
10/1/2022	630,000	194,206	824,206	
4/1/2023		178,456	178,456	1,002,663
10/1/2023	665,000	178,456	843,456	
4/1/2024		161,831	161,831	1,005,288
10/1/2024	700,000	161,831	861,831	
4/1/2025		147,831	147,831	1,009,663
10/1/2025	725,000	147,831	872,831	
4/1/2026		133,331	133,331	1,006,163
10/1/2026	755,000	133,331	888,331	
4/1/2027		122,006	122,006	1,010,338
10/1/2027	775,000	122,006	897,006	
4/1/2028		109,897	109,897	1,006,903
10/1/2028	800,000	109,897	909,897	
4/1/2029		96,897	96,897	1,006,794
10/1/2029	830,000	96,897	926,897	
4/1/2030		82,372	82,372	1,009,269
10/1/2030	860,000	82,372	942,372	
4/1/2031		67,322	67,322	1,009,694
10/1/2031	890,000	67,322	957,322	
4/1/2032		51,747	51,747	1,009,069
10/1/2032	915,000	51,747	966,747	
4/1/2033		35,163	35,163	1,001,909
10/1/2033	955,000	35,163	990,163	
4/1/2034		17,853	17,853	1,008,016
10/1/2034	985,000	17,853	1,002,853	1,002,853
	\$ 15,345,000	\$ 6,835,859	\$ 22,180,859	\$ 22,180,859



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