

City of Leesburg



COMPREHENSIVE ANNUAL FINANCIAL REPORT ***Fiscal Year Ending September 30, 2010*** ***City of Leesburg, Florida***



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CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2010

Prepared by:
Finance Department



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CITY OF LEESBURG, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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MISSION STATEMENT

"Dedicated to Our Community, Committed to Service Excellence"

March 28, 2011

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Leesburg, Florida for the fiscal year ended September 30, 2010. In addition to meeting legal requirements of the City Charter, Florida Statutes, and the *Rules of the Auditor General* of the State of Florida, the report maintains the City's continuing commitment to full financial disclosure.

Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the management of the City. This report was compiled by the Accounting Division of the Finance Department, and represents the official report of the City's financial position and operations to the citizens, City Commission, management, rating agencies and other interested parties. We believe the data as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of the various funds; and that all disclosures necessary to enable the reader to gain a complete understanding of the City's financial activities have been included.

To provide a reasonable basis for making these representations, the City has established an internal control structure that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). This internal control framework has been designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance that this financial report is complete and reliable in all material respects.

Pursuant to Florida Statutes, Chapter 11.45 and Chapter 10.550 of the *Rules of the Auditor General* of the State of Florida, an audit of the annual financial statements of the City of Leesburg has been completed by Moore, Stephens, Lovelace, P.A., a firm of independent certified public accountants, whose opinion is included as the first component of the financial section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Leesburg's financial statements for the fiscal year ended September 30, 2010, are fairly presented in conformity with GAAP.



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LEESBURG
The Lakefront City

Post Office Box 490630 • Leesburg, Florida 34740-0630
352/728-9700 • Fax 352/728-9734 • TDD 352/728-4138

- AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER -

The independent audit of the financial statements of the City was performed in conjunction with the federal and state-mandated “Single Audit” designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditors 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 on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the City’s separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement 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

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 on an annual basis. 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, stormwater drainage, the construction and maintenance of streets and infrastructure, library, recreational activities, cultural events, planning, zoning, housing, and administrative services. In addition to general government activities, 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 and wastewater treatment.

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 on page 77 as required supplementary information. For other governmental funds with appropriated annual budgets, these comparisons are presented in the Supplemental Information section of this report, beginning on page 84.

The Lakefront City - 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 38.52 square miles and has a population exceeding 20,000. The City of Leesburg is located in north central Florida midway between the Gulf of Mexico and the Atlantic Ocean, approximately 200 miles southeast of the State Capital, Tallahassee, 80 miles northeast of Tampa, 40 miles northwest of Orlando and 70 miles southwest of Daytona Beach. The City is intersected by State Road 44, U.S. Highway 27, and U.S. Highway 441 with Interstate 75 and the Florida Turnpike close by.

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

Leesburg's geographic location enables the City to offer three parks that include lake access to the beautiful Harris Chain of Lakes, one on Lake Griffin [Herlong Park] and two on Lake Harris [Venetian Gardens and Singletary Park]. Venetian Gardens offers a variety of recreational amenities, including great shoreline fishing opportunities, as seven pedestrian bridges connect islands within this picturesque setting. Other recreational amenities in Venetian Gardens include outdoor volleyball courts, 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, rest rooms 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 USSSA 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 rest rooms. 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 is an 850-acre controlled general aviation airport that houses fixed-wing aircraft and helicopters. The airport is experiencing significant growth in corporate jet-type aircraft. Businesses on airport property employ over 425 people. The airport features two runways, four non-precision instrument approach landings, two RNAV/GPS precision approaches, tie downs, hangar facilities, flight schools, maintenance shops, an upholstery shop, with restaurants and two motels within ½ mile. The Fixed Base Operator offers many services. The City has committed to an aggressive improvement program and has obtained grant funding for the extension of Runway 13/31, as well as overlay of some existing runways. The airport has a Memorandum of Understanding with U.S. Customs and Border Protection, Department of Homeland Security, which designates Leesburg International Airport as a "user fee" airport, allowing for international flights to be inspected and cleared at Leesburg. This agreement will play a key role in attracting new industries to the region, improving the local economy with new access to corporate and chartered flights.

Factors Affecting Financial Condition

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

Local Economy - The City and Lake County, as a whole, have transitioned from agricultural roots to a growth-driven economy that is heavily centered in real estate, retail, personal services, and healthcare. With the economic slowdown, many businesses have become creative in luring customers into their doors. Lake County has emerged as Greater Orlando's new suburban frontier. New residents have been attracted to its subdivisions because of easy access to Orlando, rolling landscape, multiple lakes, and plentiful outdoor recreational opportunities.

Leesburg's top private sector employer is Leesburg Regional Medical Center, boasting a labor force of 3,000. Other principal employers within the City include Lifestream Behavioral Center, the City of Leesburg, Lake County School District and Lake Sumter Community College. These employers account for almost 3.4% of all employment in Lake County. Health care, social assistance and construction are the sectors with the highest employment levels in Lake County. The County is striving to overcome a lack of higher-wage jobs that could improve the local economy. One factor in the County's difficulty in attracting such employers could be related to the education attainment of other suburban counties in Sun Belt locations. Typically, higher-wage employers place cities and counties on their site selection lists who 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 the largest distributor of GE appliances to contractors in the State of Florida. A variety of stores, specialty shops, and commercial businesses serve the convenience and general merchandise shopping demands of Lake County residents, as well as Leesburg. Leesburg's retail shopping center inventory is largely concentrated in three geographic nodes. These include the U.S. Highway 27/County Road 48 area, the U.S. Highway 441 Lake Square Mall area, and the U.S. Highway 27/Talley Road area.

With the slumping real-estate market and rising fuel prices, the unemployment rate has risen to the highest in 34 years. The home-construction slow-down has affected building, retail and financial companies across the county. Lake County's September 2010 unemployment rate decreased slightly to 12.5%, compared to a year ago when the rate was 12.7%.

The population in Lake County nearly doubled from 1980 to 2000 (210,508 persons) and is projected by the State Demographer to again double over the next 25 years and reach a population of 500,000 persons by 2030. From 2000 to 2008, there was a 48% increase in Lake County's population, while the State of Florida grew only 14.7%. Growth in the City of Leesburg has retreated from the peak experienced in 2005-2006. The overall upward trend is expected to resume once the economy recovers, due to the declining inventory of available land in West Orange and South Lake counties.

In September 2010, the City entered into an agreement with Embry-Riddle Aeronautical University–Worldwide (ERAU-W) and Barr Group Aerospace to employ a new concept for the Leesburg International Airport titled the Leesburg Enterprise Aerospace Plan (LEAP). The potential benefits of LEAP include:

- Making greater use of the Leesburg International Airport as an economic development tool to benefit the greater Leesburg community.
- Supporting the creation and retention of local jobs connected to the aerospace industry – an industry where wages are typically 50 to 100% greater than those earned by workers employed in other sectors of manufacturing.

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 the City Commission and City Manager's respect for the citizens whose taxes support our organization and commitment for the thoughtful prioritization and careful management of our financial resources. Also addressed in this Core Value 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 completed based on the street paving work plan. The plan includes a detailed explanation regarding development of revenue projections and assumptions regarding capital needs.

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 in all new subdivisions where it is financially feasible. This eliminates the up-front capital investment by the utility and expands the customer base.

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

- **Electric** – The utility consistently evaluates the costs of outsourcing specific activities. Conversion of overhead utility lines to underground within the City along the major corridors is part of a beautification and economic impact plan. This action will avoid future safety code compliance issues associated with poles and provide other savings. In addition, the utility has begun the implementation of smart grid and other related technologies to reduce energy costs for consumers.
- **Gas** – The City is a member of Florida Gas Utility (FGU), which is made up of natural gas users with a common goal of acquiring gas at a reduced price, if possible. Prior to 2006, the department followed a guideline of extending service to new customers based on a seven-year calculated return on initial investment. All new expansions are now funded by the developer.
- **Communications** – The City continues to expand its fiber optic customer base by connecting new customers who are located close to our existing infrastructure, thereby taking advantage of available fiber optic capacity. Additionally, the City has connected new broadband internet customers during the year. These commercial customers are connected to the City's internet service provider network via the City's fiber optic cable.
- **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 this department, which is responsible for repairs, vehicle bid specifications and purchases. A lease fee, based on useful life, is charged to the user department. This department also maintains the City's two fuel sites.

Cash Management Policies and Practices – The investment policy which was embedded within Resolutions 4342, 4886, 4923 and 5538 was substantially updated in Resolution 8163 and subsequently approved by the Commission on April 14, 2008. The policy includes updates from Florida Statutes 163, 218.415 and 280. Florida Statute 163, Intergovernmental Programs, provides guidance with respect to Local Government Investment Pools (LGIPs). Florida Statute 218.415, Financial Matters Pertaining to Political Subdivisions, provides guidance to local governments regarding investment policies. Florida Statute 280, Security for Public Deposits, provides definitions and guidance with respect to public deposits. Subsequent changes in these statutes have been incorporated into the new policy. Staff also reviewed the Government Finance Officers Association (GFOA) best practices for guidance. The revised policy includes a continuing education requirement of a minimum of eight hours per year for the Finance Director or designee. The Finance Director is responsible for the implementation of the investment policy. Included in the new policy is the ability to invest in LGIPs other than the State of Florida LGIP State Board of Administration (SBA). The policy in all respects provides for the highest

standards of integrity and ethical conduct and reinforces the highest priority of the safety of principal and liquidity of funds. Optimization of investment returns is considered secondary to the requirements of safety and liquidity.

Future levels of interest rates are impossible to predict with any certainty. Therefore, Finance Department staff examines market prices daily and studies trends to enable prudent investment decisions. Funds are invested in accordance with the Investment Policy utilizing short-term maturities (over-night repurchase agreements) to 5-year maturities, which is the maximum maturity allowed by the policy.

The City's cash and investment pool, investment portfolio was \$89,662,256 at September 30, 2010. Average investment yield was less than .5% for the year. The City's investment policy uses the SBA to benchmark its performance.

Cash Reserve Policy – On August 13, 2007, the City Commission adopted Ordinance 07-80, substantially changing the Fund Balance Policy to clearly define terminology used in the policy and to tailor it to the particular needs of the City with respect to each Fund in order to maintain adequate reserves and provide capacity to:

- Provide sufficient cash flow for daily financial needs
- Secure and maintain investment grade bond ratings
- Offset significant economic downturns or revenue shortfalls
- Provide funds for unforeseen expenditures related to emergencies

Creation of Reserves – Ordinance 07-80

The reservation of cash is in addition to all other reserves or designations of fund balance and is created by fund type, as follows:

- General Fund – 20% of the current fiscal year budget
- Special Revenue Funds – none
- Debt Service Fund – as required by bond covenants
- Capital Projects Fund – none
- Enterprise Funds -
 - Electric Utility – $(\text{Total Revenues} - \text{Cost of Purchased Power} + \text{Operating Transfers to the General Fund} + \text{Cost of Surcharge Transfers}) / 365 \text{ days} \times 120 \text{ days}$
 - Gas Utility - $(\text{Total Revenues} - \text{Cost of Purchased Gas} + \text{Operating Transfers to the General Fund} + \text{Cost of Surcharge Transfers}) / 365 \text{ days} \times 90 \text{ days}$
 - Water, Wastewater, Communications and Solid Waste – 25% of current fiscal year budget
- Internal Service Funds – Greater than or equal to zero (break even)

Risk Management - Risk management is the process of managing the City's activities in order to minimize the potential adverse effects of certain types of losses. Various risk management techniques have been implemented to minimize accident-related losses that the City may be exposed to during the ordinary course of operations. The City maintains commercial insurance coverage in amounts management feels is adequate to protect and safeguard the assets of the City. In the opinion of the City's management and legal counsel, legal claims and litigation are not anticipated to have a material impact on the financial position of the City.

- **Workers' Compensation** - The City maintains a self-insured risk management program for workers' compensation, which accumulates resources to meet potential losses associated

with this risk. Additional information can be found in Note 15 of the notes to the financial statements. The workers' compensation program is funded through City contributions in a self-insurance fund, which is managed by the City and an independent third-party administrator. Employee claims up to \$500,000 per occurrence are paid from the assets of the self-insurance fund. Claims in excess of \$500,000 are paid by the City's reinsurance carrier.

- **Employee Healthcare** - The healthcare self-insurance program was established on October 1, 1984, for the payment of employee health and medical claims. The program receives contributions from employees, retirees and the City. There are 3 major types of expenses paid from the health insurance fund, which are medical claims, stop loss coverage and administrative fees. All medical claims are paid by the programs third-party administrator for which they are paid administrative fees. The City's stop loss coverage provides that claims in excess of \$80,000 per covered individual per year are paid by the reinsurer. The aggregate stop loss reinsurance policy indemnifies the City if total claims paid during the year exceed \$5,193,468. The employee healthcare self-insurance program is managed by the City and an independent third-party administrator.

The Workers' Compensation and Healthcare self-insurance programs are reviewed annually for solvency by the City's independent actuaries, as well as the State of Florida. The actuarial reports are also used by the City to determine appropriate funding levels for each program.

Pension and Other Postemployment Benefits - The City froze its General Employees' Pension Fund as of September 30, 2008. In its place, the City implemented a Defined Contribution Plan 401(a) through the International City/County Management Association-Retirement Corporation (ICMA-RC). The remaining two pension trust funds are the Municipal Police Officers' Retirement Trust Fund and the Municipal Firemen's Retirement Trust Fund. All investments are managed by outside fund managers.

As required, an independent actuary engaged by the pension board calculates the amount of the annual contribution the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City relies upon projections provided by an independent actuary to determine the appropriate level of funding for the Police, Fire and General Employee Pension Plans. The annual budget includes the contributions necessary to keep the respective plans actuarially sound and in compliance with applicable laws, rules or regulations. Firefighters and sworn police officers are covered by a defined benefit plan established pursuant to Chapters 175 and 185, Florida Statutes, respectively. The fire employees make a 6.5% contribution and the police officers contribute 7.65% to their respective plans, and the State contributes funds collected from insurance premium excise taxes. The sworn police officers are also participants in the Defined Contribution Plan. Therefore, the firefighters receive pension payments from one plan, while the police officers are part of two pension plans.

The City of Leesburg also provides postretirement healthcare benefits for retirees and their dependents. At the end of the current fiscal year, there were 96 retired employees receiving these benefits, which are currently financed on a pay-as-you-go basis. The City is in the process of defining a plan to fund the costs associated with Other Post Employment Benefits (OPEB).

Additional information on the City of Leesburg's pension arrangements and postemployment benefits can be found in Notes 12 and 14 in the notes to the financial statements.

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, 2009. This was the twentieth consecutive year (fiscal years ended 1990-2009) 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.

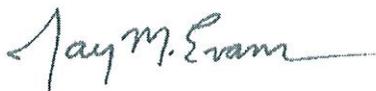
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Leesburg also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2009-10. This was the twelfth 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,



Jay M. Evans
City Manager



Gerald D. Boop
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Leesburg
Florida

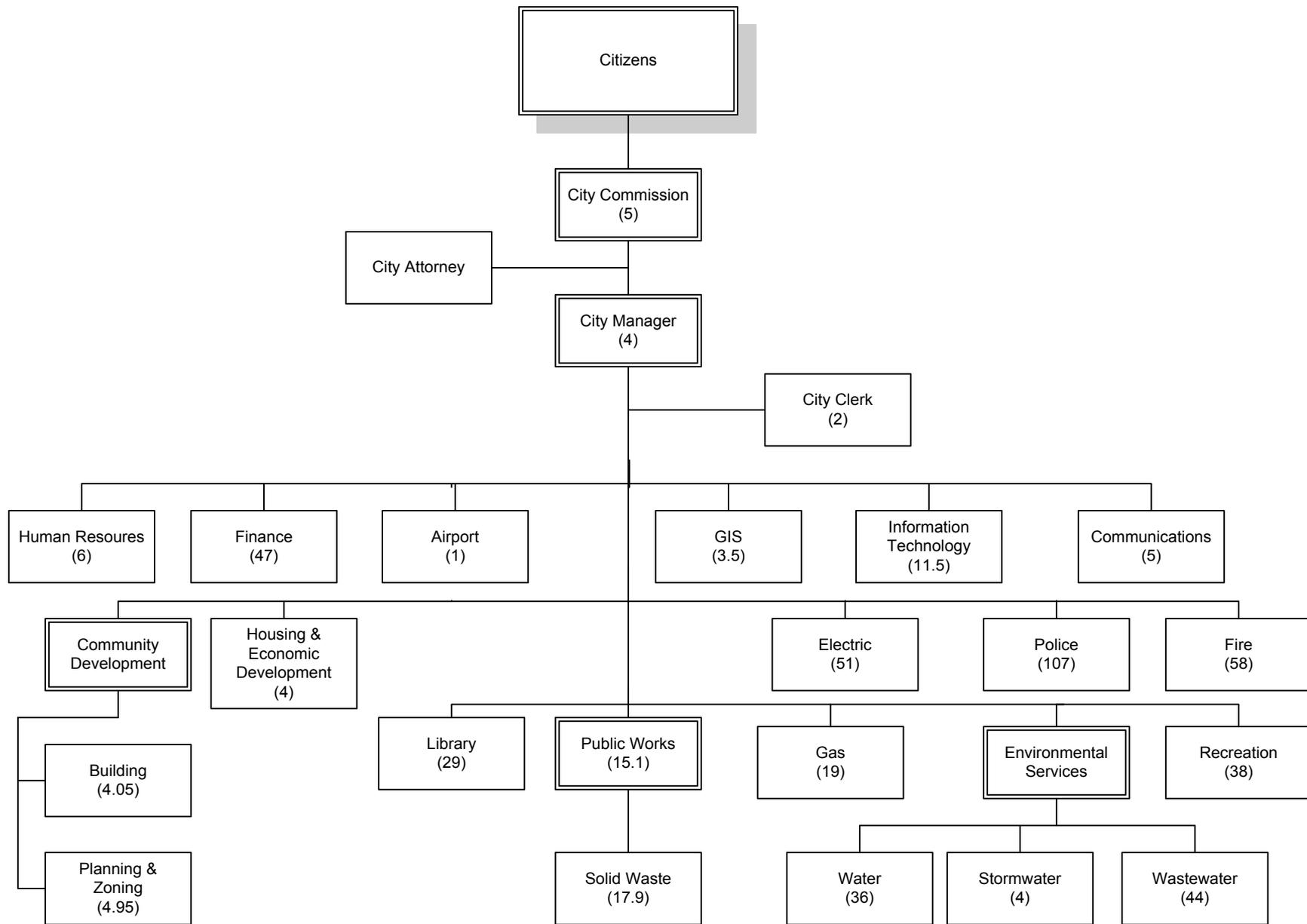
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

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



President

Executive Director



**CITY OF LEESBURG, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2010**

CITY COMMISSION

David Knowles	Seat Five, At-Large	Mayor
Bill Polk	Seat Four, At-Large	Mayor, Pro-Tem
Sanna Henderson	Seat One, District One	Commissioner
John Christian	Seat Two, District Two	Commissioner
Lewis Puckett	Seat Three, District Three	Commissioner

Jay M. Evans
City Manager

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

Jerry Boop
Finance Director

Moore Stephens Lovelace, P.A.
City Auditors

Jakki Cunningham Perry	Human Resources/Safety Director
Gladys E. Johnson	Deputy Finance Director
Stan Carter	Management Information Systems Director
William J. Chrisman	Police Chief
Kevin R. Bowman	Fire Chief
William O. Wiley Jr.	Community Development Director
Kenneth L. Thomas	Housing & Economic Development Director
Lucy B. Gangone	Library Director
Bruce L. Ericson	Recreation & Parks Director
Paul D. Kalv	Director of Electric
Jack G. Rogers Jr.	Director of Gas
Raymond S. Sharp	Director of Environmental Services
Betty M. Richardson	City Clerk



**MOORE STEPHENS
LOVELACE, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

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 year ended September 30, 2010, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2011, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other 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.

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 other supplementary information section, and the statistical section, listed in the table of contents, and the debt disclosure section are presented for additional analysis and are not a required part of the financial statements. The other supplementary 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole. The introductory, statistical, and debt disclosure sections 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.

Moore Stephens Lovelace, P.A.

Certified Public Accountants

Orlando, Florida
March 21, 2011

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

The City of Leesburg, Florida's (the City) management's discussion and analysis presents an overview of the City's financial activities for the fiscal year ended September 30, 2010. Please read it in conjunction with the letter of transmittal, beginning on page i, and the financial statements, beginning on page 17.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2010 by \$212,167,293 (net assets). Of this amount, \$30,405,208 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's governmental net assets decreased by \$4,823,935 from \$76,952,186 to \$72,128,251. Business type net assets increased by \$12,183,448 from \$127,855,594 to \$140,039,042. The combined total net assets of the City increased by \$7,359,513.
- As of September 30, 2010, the City's governmental funds reported combined ending fund balances of \$25,372,510, an increase of \$10,086,928 in comparison with the prior year. The increase was primarily due to a bond issue totaling \$14,605,000 by the U.S. Highway 441/27 community redevelopment agency.
- On September 30, 2010, unreserved, undesignated fund balance for the general fund was \$5,697,109 or 22.5% of total general fund expenditures and transfers out.
- Governmental funds' total revenues decreased by \$1,909,005 from \$28,839,326 to \$26,930,321. The reductions are primarily related to the economy and continuing legislative pressure to reduce property taxes.
- Business-type activities' total revenues, excluding transfers in, decreased by \$2,175,531 from \$103,320,270 to \$101,144,739. The change reflects reduced costs of purchased power and purchased gas, and a decrease in capital grants and contributions.
- The City's total debt as of September 30, 2010, was \$136,272,159. Debt funding included the issuance of revenue bonds by the U.S. Highway 441/27 Community Redevelopment Agency in the amount of \$14,605,000 to help fund the major corridor improvements on Highways 441 and 27. In addition, revenue notes totaling \$21,582,400 were initiated for debt refinancing and to fund capital improvements to the City-owned housing project known as Magnolia Townhomes.

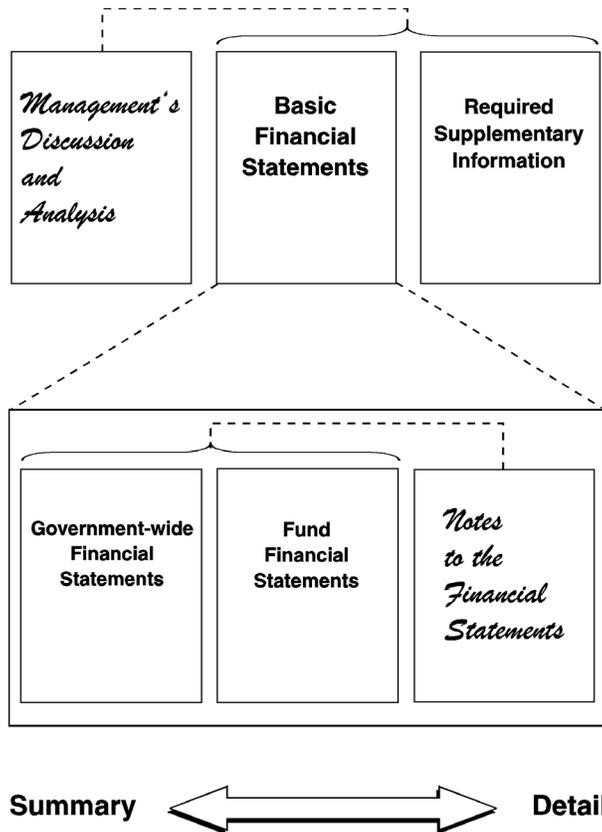
Overview of the Financial Statements

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and a supplemental section that presents combined statements for nonmajor governmental funds and internal service funds.

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

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

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:



Government-wide Financial Statements - The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during fiscal year 2010. All changes in net assets 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 governmental activities include general government, public safety, public works, stormwater, economic development, human services, airport, marina, culture, and recreation. The business-type activities include electric, gas, water, wastewater, communications, solid waste disposal, and housing.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

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

The City established the Greater Leesburg Community Redevelopment Agency, Carver Heights/Montclair Area Community Redevelopment Agency, and U.S. Highway 441/27 Community Redevelopment Agency as blended component units of the City. The Governing Boards are composed of the City Commission plus two members appointed by the City Commission and are appropriately blended as governmental activities on the government-wide financial statements.

The government-wide financial statements can be found on pages 17 and 18 of this report.

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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories:

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-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 government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-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.

The City maintains fourteen individual governmental funds. Separate information for the general fund, capital projects fund, and the community redevelopment agency funds, 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 nine 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. The City adopts an annual appropriated budget for all governmental funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance.

The governmental fund financial statements can be found on pages 19 through 24 of this report.

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 government-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 housing and community revitalization 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 and workers' compensation programs. Because these services predominantly benefit governmental rather

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all of the City's proprietary funds.

The proprietary fund financial statements can be found on pages 25 through 34 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 government-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.

The fiduciary fund financial statements can be found on pages 35 and 36 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37 through 76 of this report.

Infrastructure Assets - The City elected to early-implement the infrastructure portion related to general governmental assets acquired prior to October 1, 1999. Historically, a government's largest group of infrastructure assets, such as roads, bridges, and sidewalks, have not been reported nor depreciated in governmental financial statements. This standard requires that these assets be valued and reported within the governmental column of the government-wide financial statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life, or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government elects the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation.

The City has elected to depreciate its infrastructure assets.

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. Required supplementary information can be found on pages 77 through 83 of this report.

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. Combining statements and individual fund schedules for the nonmajor governmental funds, as well as for the internal service funds, can be found on pages 84 through 100 of this report.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Government-wide Financial Analysis

Statement of Net Assets - As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$212,167,293 at the close of the fiscal year ended September 30, 2010.

At the end of fiscal year 2010, the City is able to report positive balances in all three categories of net assets, both for the government as a whole and for its separate governmental and business-type activities. The following table reflects the condensed Statement of Net Assets for the current year as compared to the prior year:

City of Leesburg's Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and other assets	\$ 33,512,090	\$ 26,132,871	\$ 87,973,201	\$ 83,135,577	\$121,485,291	\$109,268,448
Capital assets (net)	<u>88,154,603</u>	<u>87,612,898</u>	<u>175,912,781</u>	<u>167,679,397</u>	<u>264,067,384</u>	<u>255,292,295</u>
Total assets	<u>121,666,693</u>	<u>113,745,769</u>	<u>263,885,982</u>	<u>250,814,974</u>	<u>385,552,675</u>	<u>364,560,743</u>
Liabilities						
Current and other liabilities	7,036,475	8,335,175	17,992,755	18,723,170	25,029,230	27,058,345
Long-term liabilities	<u>42,501,967</u>	<u>28,458,408</u>	<u>105,854,185</u>	<u>104,236,210</u>	<u>148,356,152</u>	<u>132,694,618</u>
Total liabilities	<u>49,538,442</u>	<u>36,793,583</u>	<u>123,846,940</u>	<u>122,959,380</u>	<u>173,385,382</u>	<u>159,752,963</u>
Net assets						
Invested in capital assets net of related debt	61,099,625	62,536,165	111,328,645	103,441,108	172,428,270	165,977,273
Restricted	3,512,585	2,814,583	5,821,230	6,132,597	9,333,815	8,947,180
Unrestricted	<u>7,516,041</u>	<u>11,601,438</u>	<u>22,889,167</u>	<u>18,281,889</u>	<u>30,405,208</u>	<u>29,883,327</u>
Total net assets	<u>\$ 72,128,251</u>	<u>\$ 76,952,186</u>	<u>\$140,039,042</u>	<u>\$127,855,594</u>	<u>\$212,167,293</u>	<u>\$204,807,780</u>

The largest portion of the City's net assets are reflected in the investment in capital assets (e.g., land, buildings, and equipment) less any related outstanding debt used to acquire those assets. Capital assets total \$264,067,384 or 68.5% of all assets, which total \$385,552,675. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate the debt.

A portion of the City's net assets, \$9,333,815 or 4.4% of total net assets, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net assets totaling \$30,405,208 may be used to meet the City's ongoing obligations to citizens and creditors and to provide funding for various projects.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Statement of Activities - The following table reflects the condensed Statement of Activities for the current year as compared to the prior year. For more detailed information see the Statement of Activities on page 18.

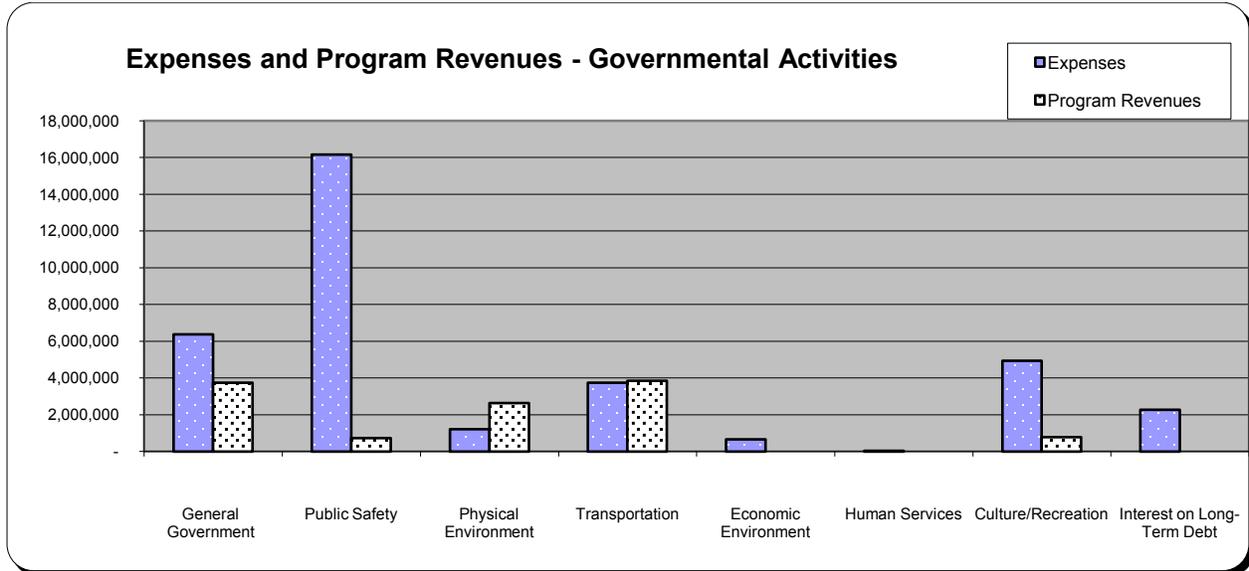
City of Leesburg's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Services	\$ 7,046,462	\$ 7,217,424	\$ 99,206,014	\$ 100,505,333	\$ 106,252,476	\$ 107,722,757
Operating Grants and Contributions	1,522,058	1,447,613	292,907	9,044	1,814,965	1,456,657
Capital Grants and Contributions	3,189,342	4,655,197	1,188,719	1,965,837	4,378,061	6,621,034
General Revenues						
Taxes						
Property Taxes	6,049,834	6,294,746	-	-	6,049,834	6,294,746
Sales Taxes	1,526,403	1,531,527	-	-	1,526,403	1,531,527
Utility Service Taxes	3,214,820	3,126,745	-	-	3,214,820	3,126,745
Communication Service Taxes	1,078,903	1,148,314	-	-	1,078,903	1,148,314
Other Taxes	826,943	1,024,287	-	-	826,943	1,024,287
State-shared Revenues, Unrestricted	1,728,013	1,536,528	-	-	1,728,013	1,536,528
County-shared Revenues, Unrestricted	525,160	569,047	-	-	525,160	569,047
Investment Income	163,166	251,224	113,102	677,534	276,268	928,758
Miscellaneous	175,785	283,484	343,997	162,522	519,782	446,006
Total Revenues	<u>27,046,889</u>	<u>29,086,136</u>	<u>101,144,739</u>	<u>103,320,270</u>	<u>128,191,628</u>	<u>132,406,406</u>
Expenses						
General Government	6,382,361	5,784,598	-	-	6,382,361	5,784,598
Public Safety	16,155,330	15,273,940	-	-	16,155,330	15,273,940
Physical Environment	1,227,739	1,150,387	-	-	1,227,739	1,150,387
Transportation	3,744,933	4,097,419	-	-	3,744,933	4,097,419
Economic Environment	672,501	919,372	-	-	672,501	919,372
Human Services	44,150	70,084	-	-	44,150	70,084
Culture/Recreation	4,941,906	5,271,228	-	-	4,941,906	5,271,228
Interest on Long-Term Debt	2,272,405	1,223,864	-	-	2,272,405	1,223,864
Electric	-	-	60,427,920	66,020,760	60,427,920	66,020,760
Gas	-	-	6,689,610	6,298,715	6,689,610	6,298,715
Water	-	-	6,595,898	6,781,008	6,595,898	6,781,008
Wastewater	-	-	8,298,812	8,148,026	8,298,812	8,148,026
Solid Waste	-	-	2,862,176	3,085,584	2,862,176	3,085,584
Communications	-	-	1,073,772	1,003,830	1,073,772	1,003,830
Housing	-	-	327,956	286,307	327,956	286,307
Total Expenses	<u>35,441,325</u>	<u>33,790,892</u>	<u>86,276,144</u>	<u>91,624,230</u>	<u>121,717,469</u>	<u>125,415,122</u>
Change in Net Assets Before Transfers	(8,394,436)	(4,704,756)	14,868,595	11,696,040	6,474,159	6,991,284
Transfers	3,570,501	7,165,035	(3,570,501)	(7,165,035)	-	-
Change in Net Assets	(4,823,935)	2,460,279	11,298,094	4,531,005	6,474,159	6,991,284
Prior Period Adjustment	-	-	885,354	(1,721,635)	885,354	(1,721,635)
Net Assets - Beginning	76,952,186	74,491,907	127,855,594	125,046,224	204,807,780	199,538,131
Net Assets - Ending	<u>\$ 72,128,251</u>	<u>\$ 76,952,186</u>	<u>\$ 140,039,042</u>	<u>\$ 127,855,594</u>	<u>\$ 212,167,293</u>	<u>\$ 204,807,780</u>

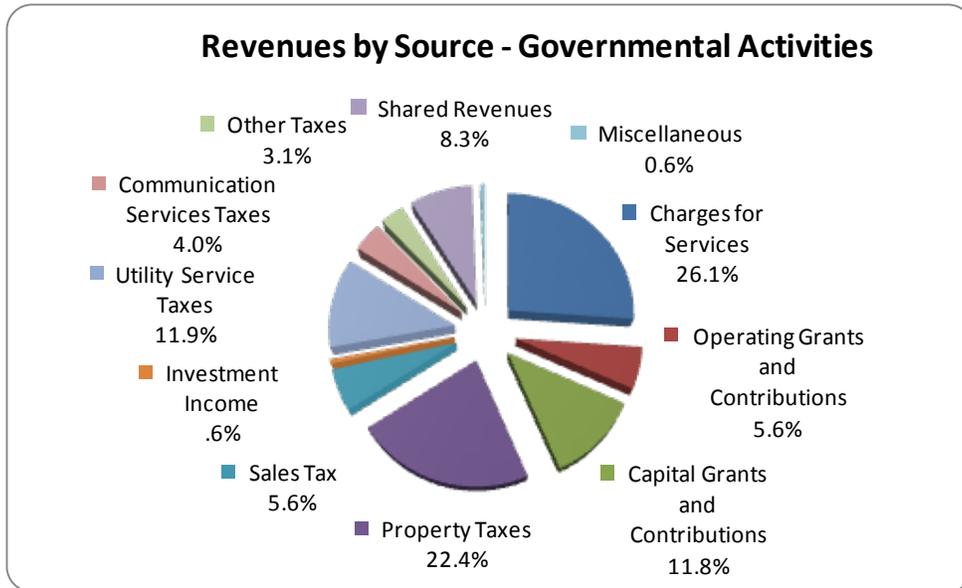
**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Governmental Activities - Governmental activities for the current fiscal year decreased the City's net assets by \$4,823,935, or by 6.3%. The decrease in net assets is primarily attributable to an electric utility overhead line and undergrounding project funded by the U.S. Highway 441/27 community redevelopment agency (CRA). During fiscal year 2010, the agency authorized and issued debt totaling \$14,605,000 for the funding of various capital improvements. As of September 30, 2010, the CRA fund had transferred \$3,514,241 and \$146,837 totaling \$3,661,078 for the electric and communications funds respectively. In addition, \$703,504 was transferred from the capital projects fund to the electric fund for the reimbursement of electrical infrastructure associated with the Sleepy Hollow Recreation Complex.

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 expenditures 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.

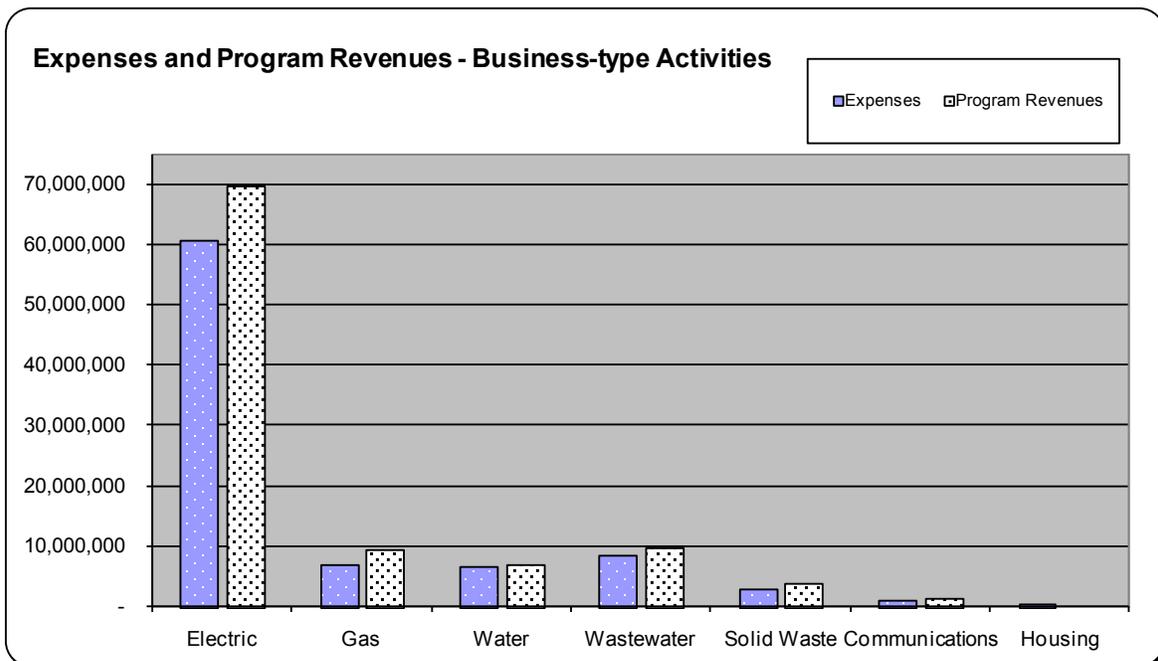


**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

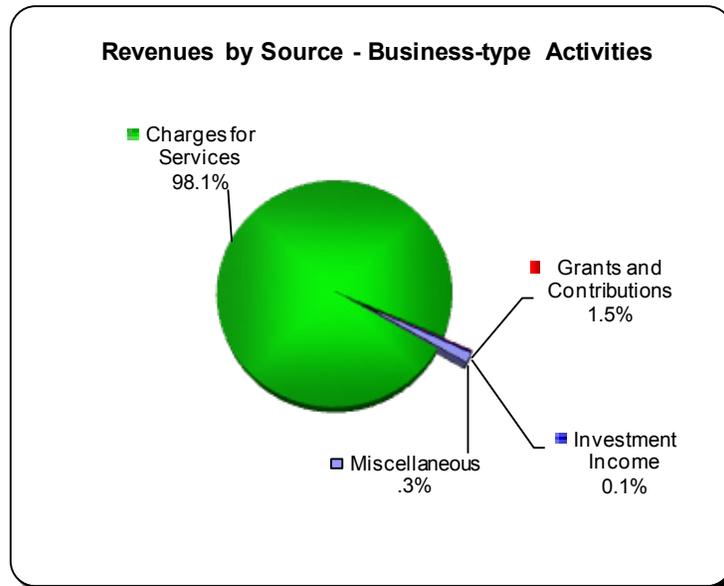


Business-type Activities - Business-type activities for the current fiscal year increased the City's net assets by \$12,183,448, or 9.5%. The increase was primarily related to close fiscal management of available resources and the funding of various projects from the City's governmental activities.

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 98.1% of overall business-type activities.



**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**



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, unreserved 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 2010, the City's governmental funds reported combined ending fund balances of \$25,372,510, an increase of \$10,086,928 from the prior year. This is mainly attributable to the issuance of debt in the Highway 441/27 CRA fund totaling \$14,605,000. The debt was issued to cover costs related to widening and improving the 441 corridor, in conjunction with the Florida Department of Transportation. Unreserved fund balance of the governmental funds is \$9,431,921, 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.

General Fund - The general fund is the primary general government operating fund of the City. At the end of fiscal year 2010, the fund balance of the General Fund was \$7,371,001, of which \$5,697,109 was unreserved. This was an increase of \$1,338,173 from the prior fiscal year unreserved balance of \$4,358,936. This increase is directly attributable to the close monitoring of financial activities and the fiscal oversight of the individual directors and senior management over the use of the City's resources.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. All proprietary funds are reported as major funds. Unrestricted net assets of proprietary funds at the end of the year increased by \$4,607,278, or 25.2%. Each of the utility funds, with the exception of the water fund, showed an increase to the net assets over the prior year. The decrease in the water fund unrestricted net assets of \$582,249 was primarily attributable to a significant reduction in revenues caused by a wetter than normal winter season and the payment of \$483,200 to the City of Palm Coast for the Coquina desalination project related to the renewal of the consumptive use permit.

<u>Fund</u>	Unrestricted Net Assets		
	2010	2009	Change
Electric	\$ 9,932,518	\$ 8,271,822	\$ 1,660,696
Gas	6,862,488	4,994,813	1,867,675
Water	5,930,281	6,512,530	(582,249)
Wastewater	7,796	(1,064,165)	1,071,961
Solid Waste	729,981	115,472	614,509
Communications	75,138	(33,270)	108,408
Housing	(649,036)	(515,313)	(133,723)
Total	<u>\$ 22,889,166</u>	<u>\$ 18,281,889</u>	<u>\$ 4,607,277</u>

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of September 30, 2010, increased by \$8,775,089 to \$264,067,384, or 3.4%. The investment in capital assets includes land, buildings, improvements other than buildings, vehicles, equipment, infrastructure, and construction in progress.

Governmental-type Activities - Construction Work-In-Progress (CWIP) increased \$2,502,909. The net capital asset increase of \$541,705 in the governmental-type activities can be attributed to the following project expenditures in the current year:

Stormwater	\$ 588,289
Airport	3,202,765
Public Works (less transportation)	674,773
Transportation	156,545
Recreation	1,203,561
Debt Arbitrage	7,408

These projects were funded by grants (51%), debt financing (18%), and other sources (31%).

Business-type Activities –

Electric

Lighting projects totaling	\$ 150,196
Electric distribution lines totaling	3,951,368
Peak load reduction equipment totaling	1,646,320
Transformer purchases totaling	677,778
Smart grid technology totaling	131,806

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Gas

Mains, meters and regulators for new customers \$ 177,484

Water

Plant improvements, storage and reuse mains \$ 2,774,881

Wastewater

Plant treatment and disposal, collecting sewers \$ 1,984,961

Communications

Infrastructure extensions \$ 602,178

A portion of the above costs in each utility, except Wastewater, were associated with major corridor improvements on Highways 441 and 27.

City of Leesburg's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 8,433,146	\$ 8,417,899	\$ 13,533,821	\$ 13,245,721	\$ 21,966,967	\$ 21,663,620
Buildings	41,487,606	41,096,104	32,714,885	28,825,837	74,202,491	69,921,941
Improvements Other Than Buildings	19,298,876	17,763,305	158,103,760	152,491,547	177,402,636	170,254,852
Equipment	28,032,888	30,148,590	25,184,264	25,370,886	53,217,152	55,519,476
Infrastructure	35,182,569	34,303,567	-	-	35,182,569	34,303,567
Construction in Progress	17,027,032	14,524,123	23,297,142	20,921,856	40,324,174	35,445,979
	<u>149,462,117</u>	<u>146,253,588</u>	<u>252,833,872</u>	<u>240,855,847</u>	<u>402,295,989</u>	<u>387,109,435</u>
Less: Accumulated Depreciation	(61,307,514)	(58,640,690)	(76,921,091)	(73,176,450)	(138,228,605)	(131,817,140)
Capital Assets, Net	<u>\$ 88,154,603</u>	<u>\$ 87,612,898</u>	<u>\$ 175,912,781</u>	<u>\$ 167,679,397</u>	<u>\$ 264,067,384</u>	<u>\$ 255,292,295</u>

Additional information on the City's capital assets can be found in Note 6 on pages 52 -53 of this report.

Long-term Debt - At the end of fiscal year 2010, the City had total long-term debt outstanding of \$152,642,868, of which \$113,475,000 is attributable to outstanding bonds. Of this outstanding bonds total, \$98,905,000 represents bonds secured solely by specified revenue sources, while \$14,570,000 is secured by tax increment financing. \$30,335,000 of the bonds is applicable to governmental activities, and \$83,140,000 is for the business-type activities. Other long-term debt items include notes payable, leases payable, CR #3 decommissioning cost payable, landfill post closure payable, compensated absences and other post-employment benefits.

Major financing activity associated with governmental activities included refinancing the Series 1999 Capital Improvement Revenue Bonds with the 2009 Capital Improvement Revenue Note which resulted in interest savings of \$355,462 over the term of the new note. In addition Tax Increment Bonds Series 2009 were issued by the U.S. Highway 441/27 community redevelopment agency to fund highway and infrastructure improvements within the CRA corridor.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Major financing activity associated with the City's business type activities included the 2009 Capital Improvement Revenue Refunding Note which replaced a revolving letter of credit obtained from Wachovia through the Florida Municipal Power Agency (FMPA). The Magnolia Townhomes \$4,000,000 Taxable Note was refinanced at \$4,500,000 with substantial interest savings. The Utility System Revenue Refunding Note of \$8,000,000 replaced an existing note coming due with a bullet payment which also resulted in significant interest savings. The 2010 Variable Interest Rate Electric Utility Revenue Note was taken out to fund costs associated with the 50% grant-funded Department of Energy smart grid project.

The City is under constant surveillance and scrutiny from Wall Street rating agencies. Over the past year the following rating changes took place:

	Rating Agencies					
	Moody's		S&P		Fitch	
	From	To	From	To	From	To
Capital	A3	A3	A-	A-	A	AA-
Electric	A2	A2	A-	A+	BBB+	A+
Utility	A2	A2	A-	A+	A-	A+
Implied G.O Rating	A2	Aa3	A+	A+	A	AA-
Covenant to Budget and Appropriate		A3		A+		A+

Key rating drivers for Electric cited from Fitch included management's commitment to and maintenance of sound financial metrics, competitive rates and adherence to financial and operating policies irrespective of the weak economy. (Fitch Ratings Press Release Electric February 17, 2011)

Key rating drivers for the City's Capital Improvement Bonds cited from Fitch included substantial improvement in the City's financial profile and liquidity despite a pressured operating environment, sound and consistent debt service coverage and solid legal provisions. (Fitch Ratings Press Release Capital Improvement Revenue Bonds February 28, 2011)

Additional information on the City's debt can be found in Note 8 on pages 54 - 61 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for Lake County at September 30, 2010, was 12.3%, a slight increase from a rate of 12.2% a year ago. This compares to the national average rate of 9.2% at September 30, 2010.
- The taxable value of commercial and residential property decreased by 6.4% in fiscal year 2010 on the heels of a 4.2% decrease in fiscal year 2009. Taxable values are expected to continue their decline for the foreseeable future.
- Building permits activity remained constant in fiscal year 2010 at 1,944, but experienced a 64.1% decline in estimated construction value per permit from \$18.72 to \$6.73.
- Population increased 1.2% from the prior fiscal year to 20,757 at September 30, 2010.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

The fiscal year 2011 budget process was again impacted by legislative pressure to lower local government spending. The 2010-2011 millage rate remains unchanged at 4.3179 mills. The City continues to experience declining property values and adverse economic conditions continue to suppress other revenue sources. The 2011 budget for the general fund was reduced by \$1,136,397, or 4.7%, to \$22,930,659 from the previous year of \$24,067,056. In addition to a zero-based budgeting approach, 17.75 full time equivalent employees, (FTE's) were eliminated in the general fund and 19 overall. The City continues to withhold educational reimbursement as well as certain bonuses and merit increases for its governmental employees.

Significant variances from original budget include public safety increases of \$106,000 and \$150,000 for police overtime and fire pension costs respectively. Human services were adjusted for allocations to various other line-item budgets. Capital outlay was increased for carryforwards from the previous fiscal year and certain grant-funded equipment. Significant variances between final budgets and actual amounts include lower than expected utility costs of \$229,687 and repairs and maintenance of \$247,820 totaling \$477,507 for transportation. Culture and recreation expenditures were significantly lower as certain programs were canceled due to lack of interest or low participation rates. Capital expenditures finished below budget due to the timing of certain equipment primarily related to fleet purchases which will not be received until fiscal year 2010-11.

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 76% of the electric department's annual operating expenses. Individual billing determinants that comprise the City's total power supply cost include customer charges, energy and demand billing rates for the FMPA-provided portion of our power supply, energy billing rates for the St. Lucie and Crystal River-provided portion of our power supply, and a transmission demand billing rate for all energy delivered to the City.

In order to recommend appropriate retail electric rates to the City Commission, it is important to understand the contribution to our total power supply cost that is attributable to each customer class (Residential, General Service Non-Demand, and General Service Demand). Determining the proper cost allocation across customer classes is critically important in order to ensure that retail rates are developed to recover the appropriate share of our expenses from each customer class. This year, the General Service Demand rate was split into tiers to better meet the needs of our demand customers.

The City's gas utility has sought to reduce infrastructure costs associated with future developments. With the exception of the remaining lots in Arlington Ridge, The Legacy, and Sanders Grove, all future developments are required to fund the installation of mains and services. It is anticipated that the gas utility will be sharing joint trench space with the water department to increase capacity south of town and to provide a loop to the system. Capital maintenance is relatively low as the utility continues to install steel pipe, which increases the useful life of the asset over plastic pipe. For the third year in a row, the utility's annual report submitted to the Department of Transportation reported the City's unaccounted for gas to be zero percent. Two or three percent is not uncommon for the gas industry.

The City's communications utility increased its Ethernet point-to-point service rates by the Gross Domestic Product Implicit Price Deflator Index, effective October 1, 2009. This will result in annual increases in Ethernet rates based on the index. The increase will contribute toward the utility's maintenance costs for the fiber optic network. The increase in rates for FY 2010 was 1.966%. Ethernet point-to-point fiber optic services represented 49% of the utility's total FY 2010 operating revenue. The utility analyzes all new network extensions in order to lessen capital costs, and utilize existing network capacity.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

The City's Solid Waste Utility performed a review of its ongoing operations which has resulted in a restructuring of its daily operations and downsizing of operational equipment. The efficiencies gained from their operational study and program improvements have resulted in a significant increase in liquidity and compliance with the City's cash reserve policy.

The City's General Employee Health Insurance Fund experienced a decrease in net assets of \$1,353,781 which was directly attributable to higher than expected claims payments. The City built and funded a substantial rate increase in its 2010-11 budget. Additionally, retirees are now paying for medical insurance premiums in excess of the \$400.00 rate. In addition, risk management also saw the need to create an onsite wellness center which is expected to reduce long term medical costs through early detection. The City's wellness center is open Monday, Wednesday and Friday, eight hours per day. There is no cost to covered employees or dependents for visits and generic drugs dispensed from the center's formulary.

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.

BASIC FINANCIAL STATEMENTS

CITY OF LEESBURG, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 16,944,245	\$ 25,837,928	\$ 42,782,173
Restricted Assets:			
Temporarily Restricted:			
Cash and Cash Equivalents	12,747,367	33,273,604	46,020,971
Investments	-	5,716,191	5,716,191
Receivables, Net	763,023	13,010,673	13,773,696
Prepaid Items	713,386	544,186	1,257,572
Due from Other Governments	599,655	912,932	1,512,587
Inventories	251,275	3,346,309	3,597,584
Notes Receivable, Employees	75,844	-	75,844
Assets Held for Sale	-	3,510,083	3,510,083
Net Pension Asset	1,417,295	-	1,417,295
Unamortized Bond Issue Costs	-	1,821,295	1,821,295
Capital Assets, Net of Accumulated Depreciation:			
Land	8,433,146	13,533,821	21,966,967
Buildings	32,605,987	27,851,133	60,457,120
Improvements Other Than Building	9,468,128	104,510,944	113,979,072
Machinery and Equipment	5,122,566	6,719,741	11,842,307
Infrastructure	15,497,744	-	15,497,744
Construction in Progress	17,027,032	23,297,142	40,324,174
Total Assets	<u>121,666,693</u>	<u>263,885,982</u>	<u>385,552,675</u>
Liabilities			
Accounts Payable	1,457,128	4,290,800	5,747,928
Accrued Liabilities	1,077,374	1,037,170	2,114,544
Customer Advances for Construction	-	172,093	172,093
Accrued Interest Payable	527,100	2,350,811	2,877,911
Unearned Revenue	410,711	540,226	950,937
Claims Payable	1,799,934	-	1,799,934
Customer Deposits	87,994	4,074,736	4,162,730
Deferred Credit	-	2,916,437	2,916,437
Noncurrent Liabilities:			
Due Within One Year	1,676,234	2,610,482	4,286,716
Due in More Than One Year	37,920,551	103,864,878	141,785,429
Other Postemployment Benefits Liability	4,581,416	1,989,307	6,570,723
Total Liabilities	<u>49,538,442</u>	<u>123,846,940</u>	<u>173,385,382</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	61,099,625	111,328,645	172,428,270
Restricted for:			
Public Safety	233,075	-	233,075
C.U.R.E. Program	3,217	-	3,217
Capital Projects	2,301,643	5,380,230	7,681,873
Debt Service	974,650	-	974,650
Gas Depository Trust	-	441,000	441,000
Unrestricted	7,516,041	22,889,167	30,405,208
Total Net Assets	<u>\$ 72,128,251</u>	<u>\$ 140,039,042</u>	<u>\$ 212,167,293</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, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Governmental Activities							
General Government	\$ 6,382,361	\$ 3,465,531	\$ 277,589	\$ -	\$ (2,639,241)	\$ -	\$ (2,639,241)
Public Safety	16,155,330	463,876	259,009	8,706	(15,423,739)	-	(15,423,739)
Physical Environment	1,227,739	1,556,173	981,054	110,259	1,419,747	-	1,419,747
Transportation	3,744,933	1,006,812	-	2,850,702	112,581	-	112,581
Economic Environment	672,501	-	-	-	(672,501)	-	(672,501)
Human Services	44,150	-	-	-	(44,150)	-	(44,150)
Culture/Recreation	4,941,906	554,070	4,406	219,675	(4,163,755)	-	(4,163,755)
Interest on Long-term Debt	2,272,405	-	-	-	(2,272,405)	-	(2,272,405)
Total Governmental Activities	35,441,325	7,046,462	1,522,058	3,189,342	(23,683,463)	-	(23,683,463)
Business-type Activities							
Electric	60,427,920	68,654,386	-	943,269	-	9,169,735	9,169,735
Gas	6,689,610	9,402,636	-	21,726	-	2,734,752	2,734,752
Water	6,595,898	6,811,308	-	76,749	-	292,159	292,159
Wastewater	8,298,812	9,438,967	292,907	-	-	1,433,062	1,433,062
Solid Waste	2,862,176	3,704,188	-	-	-	842,012	842,012
Communication Services	1,073,772	1,194,529	-	146,975	-	267,732	267,732
Housing	327,956	-	-	-	-	(327,956)	(327,956)
Total Business-type Activities	\$ 86,276,144	\$ 99,206,014	\$ 292,907	\$ 1,188,719	-	14,411,496	14,411,496
General Revenues							
Taxes:							
Property Taxes					6,049,834	-	6,049,834
Sales Taxes					1,526,403	-	1,526,403
Utility Service Taxes					3,214,820	-	3,214,820
Communication Services Taxes					1,078,903	-	1,078,903
Other Taxes					826,943	-	826,943
State-shared Revenues, Unrestricted					1,728,013	-	1,728,013
County-shared Revenues, Unrestricted					525,160	-	525,160
Investment Income					163,166	113,102	276,268
Miscellaneous					175,785	343,997	519,782
Transfers					3,570,501	(3,570,501)	-
Total General Revenues, Special Items and Transfers					18,859,528	(3,113,402)	15,746,126
Change in Net Assets					(4,823,935)	11,298,094	6,474,159
Net Assets, Beginning of Year (Unadjusted)					76,952,186	127,855,594	204,807,780
Prior Period Adjustment					-	885,354	885,354
Net Assets, Beginning of Year (Restated)					76,952,186	128,740,948	205,693,134
Net Assets, End of Year					\$ 72,128,251	\$ 140,039,042	\$ 212,167,293

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

**CITY OF LEESBURG, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

	Major Funds			
	General Fund	Greater Leesburg Community Redevelopment Fund	Carver Heights/ Montclair Area Community Redevelopment Fund	U.S. Highway 441/27 Community Redevelopment Fund
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 7,386,423	\$ 274,290	\$ 102,160	\$ 1,359,412
Receivables, Net	349,550	-	34	-
Restricted Cash	412,095	-	1,354,146	10,802,021
Due from Other Funds	144,463	-	-	-
Due from Other Governments	254,303	-	-	-
Prepaid Items	698,386	-	-	-
Inventory	251,275	-	-	-
Notes Receivable, Employees	75,844	-	-	-
Total Assets	9,572,339	274,290	1,456,340	12,161,433
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	653,326	49	3,055	12,577
Accrued Wages and Payroll Tax	1,049,807	-	-	-
Accrued Interest	-	-	-	-
Unearned Revenue	410,711	-	-	-
Deposits	87,494	-	-	500
Due to Other Funds	-	-	-	-
Total Liabilities	2,201,338	49	3,055	13,077
Fund Balances				
Reserved for:				
Notes Receivable - Employees	75,844	-	-	-
Public Safety and Other Expenditures	233,075	-	-	-
Prepays	698,386	-	-	-
Inventory	251,275	-	-	-
C.U.R.E. Program	3,217	-	-	-
Hwy 441 Pond Maintenance	412,095	-	-	-
Capital Projects	-	274,241	1,169,415	9,312,633
Debt Service	-	-	184,731	1,489,388
Unreserved Reported in:				
General Fund	5,697,109	-	-	-
Special Revenue Funds	-	-	99,139	1,346,335
Total Fund Balances	7,371,001	274,241	1,453,285	12,148,356
Total Liabilities and Fund Balances	\$ 9,572,339	\$ 274,290	\$ 1,456,340	\$ 12,161,433

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

Major Funds

Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,003,584	\$ 3,276,121	\$ 13,401,990
-	191,342	540,926
179,105	-	12,747,367
-	-	144,463
201,383	143,969	599,655
-	-	698,386
-	-	251,275
-	-	75,844
<u>1,384,072</u>	<u>3,611,432</u>	<u>28,459,906</u>
114,976	55,771	839,754
1,105	26,462	1,077,374
-	527,100	527,100
-	-	410,711
-	-	87,994
31,858	112,605	144,463
<u>147,939</u>	<u>721,938</u>	<u>3,087,396</u>
-	-	75,844
-	-	233,075
-	-	698,386
-	-	251,275
-	-	3,217
-	-	412,095
1,236,133	-	11,992,422
-	600,156	2,274,275
-	-	5,697,109
-	2,289,338	3,734,812
<u>1,236,133</u>	<u>2,889,494</u>	<u>25,372,510</u>
<u>\$ 1,384,072</u>	<u>\$ 3,611,432</u>	<u>\$ 28,459,906</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 BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
AS OF SEPTEMBER 30, 2010

Total Fund Balances of Governmental Funds		\$ 25,372,510
 Amounts Reported for Governmental Activities in the Statement of Assets 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	\$ 149,462,117	
Accumulated Depreciation	<u>(61,307,514)</u>	88,154,603
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 assets.		
		1,362,044
Net pension obligation is not an available financial resource and, therefore, is not reported as an asset in the governmental funds.		
		1,417,295
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	(30,335,000)	
Notes Payable	(7,442,159)	
Compensated Absences	(1,551,403)	
Capital Lease Payable	(268,223)	
Net Other Postemployment Benefit Obligation	<u>(4,581,416)</u>	<u>(44,178,201)</u>
Total Net Assets of Governmental Activities		<u><u>\$ 72,128,251</u></u>

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

**CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Major Funds			
	General Fund	Greater Leesburg Community Redevelopment Fund	Carver Heights/ Montclair Area Community Redevelopment Fund	U.S. Highway 441/27 Community Redevelopment Fund
Revenues				
Taxes	\$ 10,735,891	\$ -	\$ -	\$ -
Licenses and Permits	128,270	-	-	-
Intergovernmental	2,326,359	310,184	151,573	511,857
Charges for Services	655,225	-	-	-
Fines and Forfeitures	120,715	-	-	-
Impact Fees	-	-	-	-
Miscellaneous:				
Interest	78,736	1,954	1,775	75,551
Other	4,532,538	-	243	25,314
Total Revenues	<u>18,577,734</u>	<u>312,138</u>	<u>153,591</u>	<u>612,722</u>
Expenditures				
Current:				
General Government	3,476,819	-	-	-
Public Safety	13,564,136	-	-	-
Physical Environment	63,698	-	-	-
Transportation	1,911,023	-	-	-
Economic Environment	259,557	319,717	36,586	-
Human Services	44,150	-	-	-
Culture and Recreation	3,807,355	-	-	-
Capital Outlay	660,307	-	38,131	694,163
Debt Service:				
Principal Payments	32,394	19,292	147,314	35,000
Interest and Fees	12,626	4,755	32,606	1,029,890
(Total Expenditures)	<u>(23,832,065)</u>	<u>(343,764)</u>	<u>(254,637)</u>	<u>(1,759,053)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(5,254,331)</u>	<u>(31,626)</u>	<u>(101,046)</u>	<u>(1,146,331)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	47,121	-	-	-
Issuance of Debt	-	-	-	14,605,000
Payment to bond escrow agent/replacement of Bond Anticipation Note	-	-	-	(1,099,751)
Transfers from Other Funds	8,332,236	252,126	123,599	418,845
Transfers to Other Funds	(1,481,981)	-	(56,540)	(3,661,078)
Total Other Financing Sources (Uses)	<u>6,897,376</u>	<u>252,126</u>	<u>67,059</u>	<u>10,263,016</u>
Net Change in Fund Balances	1,643,045	220,500	(33,987)	9,116,685
Fund Balances, Beginning of Year	<u>5,727,956</u>	<u>53,741</u>	<u>1,487,272</u>	<u>3,031,671</u>
Fund Balances, End of Year	<u>\$ 7,371,001</u>	<u>\$ 274,241</u>	<u>\$ 1,453,285</u>	<u>\$ 12,148,356</u>

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

Major Funds

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 630,727	\$ 1,526,403	\$ 12,893,021
-	293,104	421,374
3,104,826	111,809	6,516,608
-	1,556,173	2,211,398
-	24,276	144,991
-	12,295	12,295
21,795	(15,223)	164,588
2,102	5,849	4,566,046
<u>3,759,450</u>	<u>3,514,686</u>	<u>26,930,321</u>
-	-	3,476,819
-	479,374	14,043,510
-	636,671	700,369
-	-	1,911,023
-	77	615,937
-	-	44,150
-	-	3,807,355
4,534,889	740,376	6,667,866
-	515,000	749,000
-	1,192,528	2,272,405
<u>(4,534,889)</u>	<u>(3,564,026)</u>	<u>(34,288,434)</u>
<u>(775,439)</u>	<u>(49,340)</u>	<u>(7,358,113)</u>
-	-	47,121
-	6,227,400	20,832,400
-	(6,015,000)	(7,114,751)
619,253	1,648,480	11,394,539
<u>(703,504)</u>	<u>(1,811,165)</u>	<u>(7,714,268)</u>
<u>(84,251)</u>	<u>49,715</u>	<u>17,445,041</u>
(859,690)	375	10,086,928
<u>2,095,823</u>	<u>2,889,119</u>	<u>15,285,582</u>
<u>\$ 1,236,133</u>	<u>\$ 2,889,494</u>	<u>\$ 25,372,510</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, 2010

Net Change in Fund Balances - Total Governmental Funds \$ 10,086,928

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	\$ 6,667,866	
Contributions of Capital Assets	24,700	
Net Book Value of Disposals	(702,865)	
Depreciation Expense	<u>(5,447,996)</u>	541,705

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	515,000	
Notes Payable	201,606	
Capital Lease Payable	32,394	
Lawsuit Settlement	<u>30,000</u>	779,000

Bond proceeds are recorded as revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net assets.

Bond Proceeds		(20,832,400)
Payment to Escrow Agent		7,114,751

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

Compensated Absences	33,397	
Changes in Net Pension Obligation	117,348	
Change in Other Postemployment Benefit Liability	<u>(1,198,901)</u>	(1,048,156)

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.

(1,465,763)

Change in Net Assets of Governmental Activities \$ (4,823,935)

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010

	Business-type Activities			
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund	Wastewater Utility Fund
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 12,242,830	\$ 6,142,174	\$ 2,629,664	\$ 2,561,869
Restricted Cash and Cash Equivalents:				
Debt Service Account	1,763,343	263,761	931,728	781,723
Customer Deposits Account	3,501,088	621,372	337,437	5,335
Rate Stabilization	4,592,888	-	-	-
Landfill Escrow	-	-	-	-
Due from Other Funds	-	400,000	2,000,000	-
Due from Other Governments	912,295	-	-	-
Receivables:				
Customer Accounts, Unbilled	3,667,821	306,809	496,577	575,027
Customer Accounts, Billed	6,102,427	341,045	407,585	992,092
(Allowance for Doubtful Accounts)	(502,391)	(46,951)	(49,219)	(79,037)
Miscellaneous Receivables	158,249	-	-	-
Inventory	3,163,183	90,690	92,329	107
Prepaid Items	75,448	11,126	445,365	166
Total Current Assets	35,677,181	8,130,026	7,291,466	4,837,282
Noncurrent Assets:				
Restricted Assets:				
Equity in Pooled Cash and Equivalents:				
Renewal and Replacement Account	1,845,681	-	1,097,370	2,172,768
Impact Fees Account	-	-	17,424	246,987
Depository Trust Account	-	441,000	-	-
Bond Proceeds	5,883,613	2,056,657	5,693,523	10,237
Investments:				
Crystal River Decommissioning Trust Account	5,716,191	-	-	-
Total Restricted Assets	13,445,485	2,497,657	6,808,317	2,429,992
Property, Plant and Equipment:				
Land	3,507,105	370,111	336,155	9,291,750
Buildings	2,516,827	531,146	5,912,964	23,740,092
Improvements Other Than Buildings	79,815,571	12,319,261	35,599,709	23,108,082
Machinery and Equipment	9,253,876	983,392	3,451,362	10,353,495
(Accumulated Depreciation and Amortization)	(33,460,918)	(5,163,291)	(15,052,349)	(20,602,621)
Construction in Progress	8,508,945	2,033,466	7,028,991	4,947,125
Total Property, Plant and Equipment	70,141,406	11,074,085	37,276,832	50,837,923
Other Assets:				
Assets Held for Sale	-	-	-	-
Unamortized Bond Issue Costs	854,482	130,180	482,659	353,974
Total Other Assets	854,482	130,180	482,659	353,974
Total Noncurrent Assets	84,441,373	13,701,922	44,567,808	53,621,889
Total Assets	\$ 120,118,554	\$ 21,831,948	\$ 51,859,274	\$ 58,459,171

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

<u>Total Combined Utility</u>	<u>Business-type Activities</u>				<u>Governmental Activities</u>
	<u>Solid Waste</u>	<u>Communication Services</u>	<u>Housing Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 23,576,537	\$ 1,209,008	\$ 712,043	\$ 340,340	\$ 25,837,928	\$ 3,542,255
3,740,555	-	115,246	493,302	4,349,103	-
4,465,232	12,565	4,142	-	4,481,939	-
4,592,888	-	-	-	4,592,888	-
-	89,650	-	-	89,650	-
2,400,000	-	-	-	2,400,000	-
912,295	637	-	-	912,932	-
5,046,234	208,827	58,228	-	5,313,289	-
7,843,149	277,803	146,368	-	8,267,320	-
(677,598)	(47,826)	(2,761)	-	(728,185)	-
158,249	-	-	-	158,249	222,097
3,346,309	-	-	-	3,346,309	-
532,105	-	12,081	-	544,186	15,000
<u>55,935,955</u>	<u>1,750,664</u>	<u>1,045,347</u>	<u>833,642</u>	<u>59,565,608</u>	<u>3,779,352</u>
5,115,819	-	294,764	-	5,410,583	-
264,411	-	-	-	264,411	-
441,000	-	-	-	441,000	-
13,644,030	-	-	-	13,644,030	-
<u>5,716,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,716,191</u>	<u>-</u>
<u>25,181,451</u>	<u>-</u>	<u>294,764</u>	<u>-</u>	<u>25,476,215</u>	<u>-</u>
13,505,121	28,700	-	-	13,533,821	-
32,701,029	13,856	-	-	32,714,885	-
150,842,623	191,690	7,069,447	-	158,103,760	-
24,042,125	99,893	1,042,246	-	25,184,264	-
(74,279,179)	(121,721)	(2,520,191)	-	(76,921,091)	-
22,518,527	-	778,615	-	23,297,142	-
<u>169,330,246</u>	<u>212,418</u>	<u>6,370,117</u>	<u>-</u>	<u>175,912,781</u>	<u>-</u>
-	-	-	3,510,083	3,510,083	-
1,821,295	-	-	-	1,821,295	-
<u>1,821,295</u>	<u>-</u>	<u>-</u>	<u>3,510,083</u>	<u>5,331,378</u>	<u>-</u>
<u>196,332,992</u>	<u>212,418</u>	<u>6,664,881</u>	<u>3,510,083</u>	<u>206,720,374</u>	<u>-</u>
<u>\$ 252,268,947</u>	<u>\$ 1,963,082</u>	<u>\$ 7,710,228</u>	<u>\$ 4,343,725</u>	<u>\$ 266,285,982</u>	<u>\$ 3,779,352</u>

(Continued)

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010
(Concluded)

	Business-type Activities			
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund	Wastewater Utility Fund
Liabilities				
Current Liabilities:				
Accounts and Retainage Payable	\$ 3,460,273	\$ 156,860	\$ 173,068	\$ 316,335
Accrued Expenses	386,170	368,793	94,715	119,742
Compensated Absences	173,425	60,365	147,311	99,246
Customer Advances for Construction	163,193	-	-	8,900
Due to Other Funds	-	-	-	2,400,000
Unearned Revenue	211,725	164,329	31,150	133,022
SHIP Bridge Loan Payable	-	-	-	-
	<u>4,394,786</u>	<u>750,347</u>	<u>446,244</u>	<u>3,077,245</u>
Current Liabilities Payable from Restricted Assets:				
Customer Deposits	3,501,088	214,169	337,437	5,335
Estimated Landfill Closure Cost Payable	-	-	-	-
Accrued Interest Payable	1,113,349	144,803	545,476	442,033
Current Portion of Bonds and Notes Payable	650,000	118,975	386,287	339,738
Rate Stabilization Deferred Credit	2,916,437	-	-	-
Current Liabilities Payable from Restricted Assets	<u>8,180,874</u>	<u>477,947</u>	<u>1,269,200</u>	<u>787,106</u>
Total Current Liabilities	<u>12,575,660</u>	<u>1,228,294</u>	<u>1,715,444</u>	<u>3,864,351</u>
Noncurrent Liabilities:				
Claims Payable	-	-	-	-
Capital Improvement Revenue Refunding Note 2009	-	-	-	-
Electric Utility Revenue Note 2010	1,850,000	-	-	-
Revenue Bonds Payable, Series 2004	15,320,000	3,541,491	7,366,591	10,206,918
Revenue Bonds Payable, Series 2007	22,400,000	2,466,062	14,129,751	6,224,187
(Unamortized Discount and Loss on Refunding)	4,150	(27,958)	(27,276)	(80,750)
Utility Revenue Refunding Note Payable 2010	-	-	3,628,057	4,361,943
Magnolia Townhomes Note 2009	-	-	-	-
Compensated Absences	141,893	49,390	120,527	81,201
Landfill Postclosure Costs Payable	-	-	-	-
Decommissioning Costs Payable	6,113,690	-	-	-
Other Postemployment Benefits Liability	574,093	239,008	394,160	507,646
Total Noncurrent Liabilities	<u>46,403,826</u>	<u>6,267,993</u>	<u>25,611,810</u>	<u>21,301,145</u>
Total Liabilities	<u>58,979,486</u>	<u>7,496,287</u>	<u>27,327,254</u>	<u>25,165,496</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	49,360,869	7,032,172	17,486,945	30,866,124
Restricted for:				
Capital Projects	1,845,681	-	1,114,794	2,419,755
Gas Depository Trust	-	441,000	-	-
Unrestricted (Accumulated Deficit)	<u>9,932,518</u>	<u>6,862,489</u>	<u>5,930,281</u>	<u>7,796</u>
Total Net Assets	<u>\$ 61,139,068</u>	<u>\$ 14,335,661</u>	<u>\$ 24,532,020</u>	<u>\$ 33,293,675</u>

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

Business-type Activities					Governmental Activities
Total Combined Utility	Solid Waste	Communication Services	Housing Fund	Total	Internal Service Funds
\$ 4,106,536	\$ 71,219	\$ 113,034	\$ 11	\$ 4,290,800	\$ 617,374
969,420	45,071	22,679	-	1,037,170	1,028,292
480,347	40,936	9,685	-	530,968	-
172,093	-	-	-	172,093	-
2,400,000	-	-	-	2,400,000	-
540,226	-	-	-	540,226	-
-	-	-	429,000	429,000	-
<u>8,668,622</u>	<u>157,226</u>	<u>145,398</u>	<u>429,011</u>	<u>9,400,257</u>	<u>1,645,666</u>
4,058,029	12,565	4,142	-	4,074,736	-
-	75,514	-	-	75,514	-
2,245,661	-	41,400	63,750	2,350,811	-
1,495,000	-	80,000	-	1,575,000	-
2,916,437	-	-	-	2,916,437	-
<u>10,715,127</u>	<u>88,079</u>	<u>125,542</u>	<u>63,750</u>	<u>10,992,498</u>	<u>-</u>
<u>19,383,749</u>	<u>245,305</u>	<u>270,940</u>	<u>492,761</u>	<u>20,392,755</u>	<u>1,645,666</u>
-	-	-	-	-	771,642
-	-	925,000	-	925,000	-
1,850,000	-	-	-	1,850,000	-
36,435,000	-	-	-	36,435,000	-
45,220,000	-	-	-	45,220,000	-
(131,834)	-	-	-	(131,834)	-
7,990,000	-	-	-	7,990,000	-
-	-	-	4,500,000	4,500,000	-
393,011	33,493	7,924	-	434,428	-
-	528,594	-	-	528,594	-
6,113,690	-	-	-	6,113,690	-
1,714,907	213,291	61,109	-	1,989,307	-
<u>99,584,774</u>	<u>775,378</u>	<u>994,033</u>	<u>4,500,000</u>	<u>105,854,185</u>	<u>771,642</u>
<u>118,968,523</u>	<u>1,020,683</u>	<u>1,264,973</u>	<u>4,992,761</u>	<u>126,246,940</u>	<u>2,417,308</u>
104,746,110	212,418	6,370,117	-	111,328,645	-
5,380,230	-	-	-	5,380,230	-
441,000	-	-	-	441,000	-
<u>22,733,084</u>	<u>729,981</u>	<u>75,138</u>	<u>(649,036)</u>	<u>22,889,167</u>	<u>1,362,044</u>
<u>\$ 133,300,424</u>	<u>\$ 942,399</u>	<u>\$ 6,445,255</u>	<u>\$ (649,036)</u>	<u>\$ 140,039,042</u>	<u>\$ 1,362,044</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 ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-type Activities			
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund	Wastewater Utility Fund
Operating Revenues				
Charges for Services	\$ 66,048,276	\$ 9,242,305	\$ 6,640,891	\$ 9,291,014
Other	2,606,110	160,331	170,417	147,953
Total Operating Revenues	<u>68,654,386</u>	<u>9,402,636</u>	<u>6,811,308</u>	<u>9,438,967</u>
Operating Expenses				
Power Generation and Transmission	2,762,202	-	-	-
Purchased Energy	44,785,225	3,716,333	-	-
Supply and Pumping	-	-	-	2,153,546
Treatment	-	-	1,444,818	210,442
Distribution and Collection	3,225,567	957,651	1,588,176	2,092,312
Customer Accounts	1,827,808	495,230	603,418	797,283
General and Administrative Operations	3,136,758	1,022,136	781,042	723,463
Depreciation and Amortization	-	-	-	-
Change in Decommissioning/ Postclosure Estimate	3,187,102	371,157	1,666,611	1,526,704
(Total Operating Expenses)	<u>(58,924,662)</u>	<u>(6,562,507)</u>	<u>(6,084,065)</u>	<u>(7,503,750)</u>
Operating Income	<u>9,729,724</u>	<u>2,840,129</u>	<u>727,243</u>	<u>1,935,217</u>
Nonoperating Revenues (Expenses)				
Investment Income	108,200	(22,990)	(33,399)	70,614
Other Nonoperating Income	301,792	5,763	87,012	301,219
Interest Expenses	(1,471,248)	(127,103)	(318,929)	(684,688)
Other Nonoperating Expense	(32,010)	-	(192,904)	(110,374)
Total Nonoperating Revenues (Expenses)	<u>(1,093,266)</u>	<u>(144,330)</u>	<u>(458,220)</u>	<u>(423,229)</u>
Income (Loss) Before Contributions and Transfers	<u>8,636,458</u>	<u>2,695,799</u>	<u>269,023</u>	<u>1,511,988</u>
Transfers and Capital Contributions				
Capital Contributions	943,269	21,726	1,945	500
Transfers from Other Funds	4,217,745	-	-	-
Transfers to Other Funds	(5,776,601)	(1,072,448)	(352,771)	(662,830)
Total Transfers and Capital Contributions	<u>(615,587)</u>	<u>(1,050,722)</u>	<u>(350,826)</u>	<u>(662,330)</u>
Change in Net Assets	8,020,871	1,645,077	(81,803)	849,658
Net Assets, Beginning of Year	52,292,669	12,690,584	24,613,823	32,444,017
Prior Period Adjustment	825,528	-	-	-
Net Assets, Beginning of Year (Adjusted)	<u>53,118,197</u>	<u>12,690,584</u>	<u>24,613,823</u>	<u>32,444,017</u>
Net Assets, End of Year	<u>\$ 61,139,068</u>	<u>\$ 14,335,661</u>	<u>\$ 24,532,020</u>	<u>\$ 33,293,675</u>

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

Business-type Activities					Governmental
Total Combined Utility	Solid Waste	Communication Services	Housing Fund	Total	Internal Service Funds
\$ 91,222,486	\$ 3,664,532	\$ 1,192,392	\$ -	\$ 96,079,410	\$ 4,092,860
3,084,811	39,656	2,137	-	3,126,604	-
<u>94,307,297</u>	<u>3,704,188</u>	<u>1,194,529</u>	<u>-</u>	<u>99,206,014</u>	<u>4,092,860</u>
2,762,202	-	-	-	2,762,202	-
48,501,558	-	-	-	48,501,558	-
2,153,546	-	-	-	2,153,546	-
1,655,260	-	-	-	1,655,260	-
7,863,706	-	-	-	7,863,706	-
3,723,739	-	-	-	3,723,739	-
5,663,399	2,897,993	709,695	355	9,271,442	439,319
-	-	-	42,957	42,957	5,101,402
6,751,574	23,807	294,141	-	7,069,522	-
-	(68,785)	-	-	(68,785)	-
<u>(79,074,984)</u>	<u>(2,853,015)</u>	<u>(1,003,836)</u>	<u>(43,312)</u>	<u>(82,975,147)</u>	<u>(5,540,721)</u>
<u>15,232,313</u>	<u>851,173</u>	<u>190,693</u>	<u>(43,312)</u>	<u>16,230,867</u>	<u>(1,447,861)</u>
122,425	(1,907)	(4,692)	(2,724)	113,102	(30,364)
695,786	8,554	6,568	300	711,208	122,232
(2,601,968)	(30)	(69,936)	(196,657)	(2,868,591)	-
(335,288)	(9,131)	-	(87,987)	(432,406)	-
<u>(2,119,045)</u>	<u>(2,514)</u>	<u>(68,060)</u>	<u>(287,068)</u>	<u>(2,476,687)</u>	<u>91,868</u>
<u>13,113,268</u>	<u>848,659</u>	<u>122,633</u>	<u>(330,380)</u>	<u>13,754,180</u>	<u>(1,355,993)</u>
967,440	-	146,975	-	1,114,415	-
4,217,745	-	146,837	196,657	4,561,239	-
(7,864,650)	(267,090)	-	-	(8,131,740)	(109,770)
<u>(2,679,465)</u>	<u>(267,090)</u>	<u>293,812</u>	<u>196,657</u>	<u>(2,456,086)</u>	<u>(109,770)</u>
10,433,803	581,569	416,445	(133,723)	11,298,094	(1,465,763)
122,041,093	360,830	5,968,984	(515,313)	127,855,594	2,827,807
825,528	-	59,826	-	885,354	-
<u>122,866,621</u>	<u>360,830</u>	<u>6,028,810</u>	<u>(515,313)</u>	<u>128,740,948</u>	<u>2,827,807</u>
<u>\$ 133,300,424</u>	<u>\$ 942,399</u>	<u>\$ 6,445,255</u>	<u>\$ (649,036)</u>	<u>\$ 140,039,042</u>	<u>\$ 1,362,044</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, 2010

	Business-type Activities			
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund	Wastewater Utility Fund
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 69,073,375	\$ 9,324,743	\$ 6,627,817	\$ 9,042,542
Cash Paid to Suppliers for Goods and Services	(52,248,354)	(5,131,498)	(3,645,439)	(3,479,420)
Cash Paid for Insurance Claims	-	-	-	-
Cash Paid to Employees for Services	(3,197,791)	(945,471)	(1,769,438)	(2,181,555)
Net Cash Provided by (Used in) Operating Activities	<u>13,627,230</u>	<u>3,247,774</u>	<u>1,212,940</u>	<u>3,381,567</u>
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	4,217,745	-	-	-
Transfers to Other Funds	(5,776,601)	(1,072,448)	(352,771)	(662,830)
Issuance of/Proceeds from Interfund Loan	-	600,000	500,000	(600,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,558,856)</u>	<u>(472,448)</u>	<u>147,229</u>	<u>(1,262,830)</u>
Cash Flows from Capital and Related Financing Activities				
Interest Paid on Revenue Bonds and Customer Deposits	(1,979,102)	(258,599)	(1,137,663)	(1,047,760)
Acquisition and Construction of Capital Assets	(7,114,671)	(292,350)	(2,581,978)	(1,874,586)
Proceeds/Loss from the Disposition of Capital Assets	181,286	-	(191,757)	(104,688)
Proceeds from Capital Debt	1,850,000	-	-	-
Principal Paid on Capital Debt	(620,000)	(115,326)	(370,027)	(319,646)
Capital Contributions	31,030	21,726	482,445	500
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(7,651,457)</u>	<u>(644,549)</u>	<u>(3,798,980)</u>	<u>(3,346,180)</u>
Cash Flows from Investing Activities				
Interest Received	101,213	(22,990)	(33,399)	70,614
Purchase of Crystal River Decommissioning Investments	(210,566)	-	-	-
Other Investing Activities	88,496	5,763	85,865	295,533
Net Cash Provided by (Used in) Investing Activities	<u>(20,857)</u>	<u>(17,227)</u>	<u>52,466</u>	<u>366,147</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,396,060	2,113,550	(2,386,345)	(861,296)
Cash and Cash Equivalents, Beginning of Year	<u>25,433,383</u>	<u>7,411,414</u>	<u>13,093,491</u>	<u>6,640,215</u>
Cash and Cash Equivalents, End of Year	<u>\$ 29,829,443</u>	<u>\$ 9,524,964</u>	<u>\$ 10,707,146</u>	<u>\$ 5,778,919</u>

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

Total Combined Utility	Business-type Activities				Governmental Activities
	Solid Waste	Communication Services	Housing Fund	Total	Internal Service Funds
\$ 94,068,477	\$ 3,692,510	\$ 1,087,071	\$ -	\$ 98,848,058	\$ 4,031,541
(64,504,711)	(2,061,111)	(235,682)	(42,185)	(66,843,689)	(617,994)
-	-	-	-	-	(4,628,067)
(8,094,255)	(783,353)	(357,672)	(355)	(9,235,635)	-
21,469,511	848,046	493,717	(42,540)	22,768,734	(1,214,520)
4,217,745	-	146,837	196,657	4,561,239	-
(7,864,650)	(267,090)	-	-	(8,131,740)	(109,770)
500,000	(500,000)	-	-	-	-
(3,146,905)	(767,090)	146,837	196,657	(3,570,501)	(109,770)
(4,423,124)	(30)	(28,536)	(232,292)	(4,683,982)	-
(11,863,585)	(23,807)	(602,178)	-	(12,489,570)	-
(115,159)	23,809	-	-	(91,350)	-
1,850,000	-	-	500,000	2,350,000	-
(1,424,999)	-	(36,000)	-	(1,460,999)	-
535,701	(503)	140,855	-	676,053	-
(15,441,166)	(531)	(525,859)	267,708	(15,699,848)	-
115,438	(1,907)	(4,692)	(2,724)	106,115	(30,364)
(210,566)	-	-	-	(210,566)	-
475,657	8,554	6,568	(85,687)	405,092	122,232
380,529	6,647	1,876	(88,411)	300,641	91,868
3,261,969	87,072	116,571	333,414	3,799,026	(1,232,422)
52,578,503	1,224,151	1,009,624	500,228	55,312,506	4,774,677
<u>\$ 55,840,472</u>	<u>\$ 1,311,223</u>	<u>\$ 1,126,195</u>	<u>\$ 833,642</u>	<u>\$ 59,111,532</u>	<u>\$ 3,542,255</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, 2010
(Concluded)

	Business-type Activities			
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund	Wastewater Utility Fund
<u>Reconciliation of Cash and Cash Equivalents to Balance Sheet</u>				
Total Unrestricted Equity in Pooled Cash and Cash Equivalents	\$ 12,242,830	\$ 6,142,174	\$ 2,629,664	\$ 2,561,869
Total Restricted Equity in Pooled Cash and Cash Equivalents	17,586,613	3,382,790	8,077,482	3,217,050
Total Cash and Cash Equivalents, End of Year	<u>\$ 29,829,443</u>	<u>\$ 9,524,964</u>	<u>\$ 10,707,146</u>	<u>\$ 5,778,919</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income (Loss)	\$ 9,729,724	\$ 2,840,129	\$ 727,243	\$ 1,935,217
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	3,187,102	371,157	1,666,611	1,526,704
Decrease (Increase) in Assets:				
Customer Accounts (Net of Allowances)	518,754	(84,331)	(169,190)	(390,422)
Miscellaneous Receivables	51,456			-
Prepaid Items	(67,035)	(9,111)	(442,911)	212
Inventory	186,452	5,988	7,864	-
Increase (Decrease) in Liabilities:				
Accounts Payable	(219,879)	23,119	(663,664)	167,733
Claims Payable	-	-	-	-
Accrued Expenses	(76,568)	9,663	10,917	11,024
Rate Stabilization Deferred Credit	(727,057)	-	-	-
Other Postemployment Benefits Liability	156,231	71,323	108,682	142,646
Decommissioning/Postclosure Payable	326,379	-	-	-
Other	561,671	19,837	(32,612)	(11,547)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 13,627,230</u>	<u>\$ 3,247,774</u>	<u>\$ 1,212,940</u>	<u>\$ 3,381,567</u>

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

Total Combined Utility	Business-type Activities				Governmental Activities
	Solid Waste	Communication Services	Housing Fund	Total	Internal Service Funds
\$ 23,576,537	\$ 1,209,008	\$ 712,043	\$ 340,340	\$ 25,837,928	\$ 3,542,255
32,263,935	102,215	414,152	493,302	33,273,604	-
<u>\$ 55,840,472</u>	<u>\$ 1,311,223</u>	<u>\$ 1,126,195</u>	<u>\$ 833,642</u>	<u>\$ 59,111,532</u>	<u>\$ 3,542,255</u>
\$ 15,232,313	\$ 851,173	\$ 190,693	\$ (43,312)	\$ 16,230,867	\$ (1,447,861)
6,751,574	23,807	294,141	955	7,070,477	-
(125,189)	(20,293)	(107,368)	-	(252,850)	-
51,456	-	-	-	51,456	(61,319)
(518,845)	-	323	-	(518,522)	5,891
200,304	-	-	-	200,304	-
(692,691)	(8,484)	97,688	(183)	(603,670)	214,946
-	-	-	-	-	73,823
(44,964)	5,474	5,046	-	(34,444)	-
(727,057)	-	-	-	(727,057)	-
478,882	54,341	16,982	-	550,205	-
326,379	(68,785)	-	-	257,594	-
537,349	10,813	(3,788)	-	544,374	-
<u>\$ 21,469,511</u>	<u>\$ 848,046</u>	<u>\$ 493,717</u>	<u>\$ (42,540)</u>	<u>\$ 22,768,734</u>	<u>\$ (1,214,520)</u>

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2010

	<u>Employee Retirement Funds</u>
Assets	
Cash and Cash Equivalents	<u>\$ 51,534</u>
Investments, at Fair Value:	
U.S. Government Securities	10,979,044
Corporate Bonds	6,233,114
Corporate Stocks	27,667,141
Money Market	2,481,126
Mutual Funds	<u>5,740,959</u>
Total Investments	<u>53,101,384</u>
Accounts Receivable	89,762
Interest Receivable	<u>101,916</u>
Total Assets	<u><u>53,344,596</u></u>
 Net Assets	
Held in Trust for:	
Employees' Pension Benefits	<u><u>\$ 53,344,596</u></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 ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Employee Retirement Funds
Additions	
Contributions:	
Employer	\$ 2,029,508
State	309,599
Employee	498,549
Total Contributions	2,837,656
Investment Income:	
Net Appreciation in Fair Value of Investments	2,847,996
Interest and Dividend Income	1,378,672
Other Income	24,150
Total Investment Income	4,250,818
Total Additions	7,088,474
Deductions	
Benefit Payments	3,306,006
Refund of Contributions	161,581
Administrative Expense	511,504
(Total Deductions)	(3,979,091)
Net Increase	3,109,383
Net Assets Reserved for Employees'	
Pension Benefits:	
Beginning of Year	50,235,213
End of Year	\$ 53,344,596

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

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Funds and Summary of Significant Accounting Policies

The financial statements of the City of Leesburg, Florida (the City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant City accounting policies are described below:

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 services to its citizens including fire and police protection, electric, gas, water, wastewater, communications, solid waste, parks and recreation, streets, and other general governmental activities. 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. The execution of such policy is the responsibility of the Commission-appointed City Manager.

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. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's Governing Board and: 1) it is able to impose its will on the organization; or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. 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. Management has determined that there are three includable component units:

- 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 Governing Boards are composed of the City Commission plus two members appointed by the City Commission, and are appropriately blended as major governmental funds into the primary government. Separate financial statements are not issued for any of the Redevelopment Agencies.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity, except interfund services provided and used, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Taxes and

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Concluded)

other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and proprietary funds; fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

■ **Government-wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

■ **Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The City operates the following major governmental funds:

- 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.

- The **Greater Leesburg Community Redevelopment Fund**, **Carver Heights/Montclair Area Community Redevelopment Fund**, and **U.S. Highway 441/27 Community Redevelopment Fund** 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.

- 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).

Proprietary funds are financed and operated in a manner similar to private business enterprises and extend outside the City limits in all cases except solid waste. Electric and gas utilities are served to Fruitland Park residents. The City reports the following major proprietary funds:

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

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

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

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

- The **Solid Waste Fund** accounts for the collection, transportation, and disposal of solid waste.

- The **Communication Services Fund** accounts for the provision of communication services; such as, internet, fiber optic connections, and cellular tower rental.

- The **Housing Fund** accounts for financial activities associated with efforts to improve a high-crime and blighted area now known as Magnolia Townhomes, by providing for the development of residential units that will be owned by citizens who qualify under an affordable homes program.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Concluded)**

Additionally, the City reports the following fund types:

- The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.
- The **Debt Service Fund** accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest.
- The **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 two internal service funds for the payment of employee health and medical claims and workers' compensation claims.
- The **Pension Trust Funds** account for the activities of the City's firemen's, general employees', and police officers' retirement systems, which accumulate resources for pension benefit payments to qualified retiring employees. They are excluded from the government-wide financial statements because they are fiduciary in nature and do not represent resources available to the government for operation.

Summary of Significant Accounting Policies

The City conforms all significant accounting policies to GAAP applicable to governmental units. The following is a summary of the more significant principles and practices used in the preparation of these financial statements:

■ **Proprietary Funds**

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Based on the accounting and reporting standards set forth in GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the City has opted not to follow subsequent private sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies *(Continued)*

Summary of Significant Accounting Policies *(Continued)*

■ **Proprietary Funds *(Concluded)***

When both restricted and unrestricted resources are available for use, it is the City's policy to generally use restricted resources first, and then unrestricted resources, as they are needed for their intended purposes; however, this decision is frequently made on a case-by-case basis based upon facts and circumstances.

■ **Transfers**

Transfers are recognized in the accounting period in which the interfund receivable and payable arise. Transfers are made from the utility funds to finance operations of the general fund and between other funds as necessary to cover operations.

■ **Grants - Proprietary Funds**

Unrestricted grants, entitlements or shared revenues received are reported as nonoperating revenues in all proprietary funds.

■ **Cash Equivalents**

For purposes of the statement of cash flows, the City considers all highly liquid investments held outside of the City's pooled cash system (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. All cash and investments held by the pooled cash system are considered cash equivalents for the cash flow statement.

■ **Investments**

In all funds, investments are stated at fair value in accordance with GASB Statement No. 31.

■ **Receivables**

Utility operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered after the last billing date and up to September 30, is estimated and accrued at year-end.

■ **Inventories**

All inventories, including fuel held for consumption, are priced by the weighted-average cost method at the lower of cost or market. Inventory is accounted for by use of the consumption method.

■ **Prepaid Expenses**

Prepays represent payments made to vendors for services that will benefit beyond September 30, 2010. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

■ **Amortization**

Bond issue costs and discounts are amortized over the life of the bonds using the straight-line method.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies *(Continued)*

Summary of Significant Accounting Policies *(Continued)*

■ **Cost Reimbursements**

Certain personal services and operating expenses recorded in various funds and departments are a result of services performed and expenses/expenditures incurred for the benefit of other funds and departments. Cost reimbursements are recorded as a contra-expense in the receiving division of the fund. The funds and departments that benefit from the services and expenses/expenditures record a cost reimbursement as an increase in expenditures or expenses.

■ **Capital Assets**

Capital assets, which include 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 government-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 and 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 and 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.

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 2010, \$1,873,377 of interest was capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10 - 50 Years
Improvements Other than Buildings	15 - 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.

■ **Compensated Absences**

Employees earn personal 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.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies *(Continued)*

Summary of Significant Accounting Policies *(Continued)*

■ **Compensated Absences *(Concluded)***

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

■ **Long-term obligations**

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 assets.

■ **Encumbrances**

Encumbrances represent contractual commitments in the form of purchase orders and contracts. Such encumbrances are not recorded as current year expenditures. They will become expenditures upon vendor performance and will be charged against the ensuing year's budget. Encumbrances outstanding at year-end are deemed canceled and amounts sufficient to re-establish the commitment are included in the appropriations for the subsequent year.

■ **Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted for specific purposes. Designations of fund balances represent tentative management plans that are subject to change.

■ **Property Taxes**

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method state-wide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills.

The tax levy of the City is established by the City Commission prior to October 1 of each year and the Lake County Property Appraiser incorporates the City millages into the total tax levy, which includes the County and the County School Board tax requirements.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Summary of Significant Accounting Policies (Continued)

■ **Property Taxes (Concluded)**

Chapter 193, Florida Statutes, requires that all property shall be assessed at just or fair value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if it meets all of the appropriate requirements of the Florida Statutes.

All taxes are assessed, due, and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. Unpaid taxes become delinquent on April 1 of the subsequent year. Discounts are allowed at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. The taxes paid in March are without discount.

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

The City does not accrue its portion of the County held tax sales certificates or personal property tax warrants because such amounts are not measurable and available as of the balance sheet date.

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of property or by the five-year statute of limitations.

Note 2 - Stewardship, Compliance, and Accountability

■ **Budgetary Information**

The City's procedures in preparing and adopting the annual budget are as follows:

- The City Manager is responsible for preparing a proposed operating budget for all governmental and proprietary funds for the upcoming year prior to September 30 that includes estimated revenues, proposed expenditures, and other financing sources and uses.
- Public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted by 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.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2 - Stewardship, Compliance, and Accountability (Concluded)

■ **Budgetary Information (Concluded)**

- 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.

■ **Excess of Expenditures Over Appropriations**

The following funds contained an excess of expenditures over appropriations during the fiscal year ended September 30, 2010:

Police Forfeitures Fund
 Debt Service Fund

No other individual fund contained an excess of total expenditures over total appropriations during the fiscal year ended September 30, 2010, except insignificant variances. However, within various funds, there may be an excess of expenditures over appropriations at the line item level.

■ **Deficit Fund Equity**

The following individual funds show deficit equity balances at September 30, 2010, in the amounts shown below:

Fund	Type	Deficit
Fire Impact Fee Fund	Nonmajor Governmental Fund	\$ (73,640)
Building Permits Fund	Nonmajor Governmental Fund	(56,592)

■ **Net Assets Restricted by Enabling Legislation**

The government-wide statement of net assets reports \$7,893,811 of restricted net assets, of which \$6,852,655 is restricted by enabling legislation.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 3 - Deposits and Investments

Deposits and investments as of September 30, 2010, are classified in the accompanying financial statements as follows:

Statement of Net Assets		
Cash and Cash Equivalents	\$	42,782,173
Restricted:		
Cash and Cash Equivalents		46,020,971
Investments		5,716,191
Statement of Fiduciary Net Assets		
Cash Equivalents		51,534
Investments		53,101,384
Total Cash and Investments		\$ 147,672,253

Deposits and investments consist of the following:

Governmental and Business-Type Activities		
Cash Deposits	\$	35,445,210
Investments		50,052,696
Investments with Fiscal Agent:		
Debt Service Fund		1,127,341
Utilities CR3 Decommissioning Trust		5,716,191
Utilities Debt Service Account		1,736,897
Utilities Gas Deposit Account		441,000
Fiduciary Net Assets		
Cash		51,534
Defined Benefit Pension Plan Investments		53,101,384
Total Cash and Investments		\$ 147,672,253

Investment Policies

The City's total deposits and investments are comprised of two major components, each with its own set of legal and contract provisions as described below:

■ **Governmental and Business-type Activities**

● **Deposits**

All of the City's deposits are maintained in banks and financial institutions which are covered by the Florida Security for Public Deposits Act (the Act), Chapter 280 of the Florida Statutes. The Act established a multiple financial institution collateral pool with the ability to assess member institutions to provide protection. Accordingly, all of the City's cash deposits are considered to be fully insured.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 3 - Deposits and Investments (Continued)

■ **Governmental and Business-type Activities (Continued)**

● **Investments**

Florida Statutes, the City Charter and 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, 2010, 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 or 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. In addition, the City's investment in Guaranteed Investment Contracts issued by GE Capital were rated AA+ by Standard & Poor's as of September 30, 2010.

As of September 30, 2010, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>		
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>
FLSAFE Investment Pool	\$ 29,829,336	\$ 29,829,336	\$ -
State Board of Administration	1,502,612	1,502,612	-
U.S. Government and Agencies	7,324,250	3,018,750	4,305,500
Guaranteed Investment Contracts	11,396,498	-	11,396,498
Total	<u>\$ 50,052,696</u>	<u>\$ 34,350,698</u>	<u>\$ 15,701,998</u>

Interest Rate Risk—Operating funds invested consist primarily of shorter-term securities, money market mutual funds, or similar investment pools 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 exceeding five years.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 3 - Deposits and Investments (Continued)

■ **Governmental and Business-type Activities (Concluded)**

● **Investments (Concluded)**

Credit Risk—The City’s investment policy does not permit investments in commercial paper or corporate bonds. 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.

Custodial Credit Risk—For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business are prequalified in accordance with the City’s investment policy.

Concentration of Credit Risk—The City’s investments are guaranteed by the U.S. Government or held in FLSAFE and SBA investment pools except for the investment in Guaranteed Investment Contracts. All of the investments listed in the above table, with the exception of SBA, exceed 5% of invested assets.

■ **Fiduciary Net Assets**

As of September 30, 2010, the **Municipal Firemen’s Retirement Plan** (the Plan) had the following investments and maturities:

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 1,202,905	\$ 1,202,905	\$ -	\$ -	\$ -
U.S. Government and Agencies	1,803,381	-	503,862	509,522	789,997
Mutual Funds	1,902,235	1,902,235	-	-	-
Corporate Obligations	1,999,628	71,521	1,112,194	697,123	118,790
Total	6,908,149	\$ 3,176,661	\$ 1,616,056	\$ 1,206,645	\$ 908,787
Corporate Stock	4,033,482				
Total	<u>\$ 10,941,631</u>				

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 3 - Deposits and Investments (Continued)

■ **Fiduciary Net Assets (Continued)**

Interest Rate Risk—The Plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates.

Credit Risk—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.

Custodial Credit Risk—All funds are managed by investment managers. All funds are held by third party custodians and are in the name of the Plan.

Concentration of Credit Risk—Investments in corporate common stock and convertible bonds are limited to 60% of Plan assets. No more than 5% of Plan assets shall be invested in one company. Foreign investments are limited to 10% of Plan assets. No investments exceeded these thresholds at September 30, 2010.

As of September 30, 2010, the **General Employees’ Retirement Plan** (the Plan) had the following investments and maturities:

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 738,022	\$ 738,022	\$ -	\$ -	\$ -
U.S. Government and Agencies	6,242,495	690,354	4,659,266	892,875	-
Mutual Funds	3,838,724	3,838,724	-	-	-
Corporate Obligations	2,509,356	-	1,545,916	963,440	-
Total	13,328,597	\$ 5,267,100	\$ 6,205,182	\$ 1,856,315	\$ -
Corporate Stock	16,518,293				
Total	\$ 29,846,890				

Interest Rate Risk—The Plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates.

Credit Risk—The Plan’s investment policy requires that equity securities be purchased only on nationally recognized exchanges. Purchases of bonds or debt obligations are limited to one of the four highest ratings issued by NRSRO.

Custodial Credit Risk—All funds are managed by investment managers. All funds are held by third party custodians and are required to be held in the name of the Plan.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 3 - Deposits and Investments (Continued)

■ **Fiduciary Net Assets (Concluded)**

Concentration of Credit Risk—Investments in corporate common stock and convertible bonds are limited to 60% of Plan assets and 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. Investments that exceed 5% of Plan assets at September 30, 2010 are U.S. Treasury notes totaling \$3,960,679.

As of September 30, 2010, the **Municipal Police Retirement Plan** (the Plan) had the following investments and maturities:

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 540,199	\$ 540,199	\$ -	\$ -	\$ -
U.S. Government and Agencies	2,933,168	54,378	724,976	673,439	1,480,375
Corporate Obligations	1,724,130	99,669	1,070,727	543,748	9,986
Total	5,197,497	\$ 694,246	\$ 1,795,703	\$ 1,217,187	\$ 1,490,361
Corporate Stock	7,115,366				
Total	<u>\$ 12,312,863</u>				

Interest Rate Risk—The Plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates.

Credit Risk—The Plan’s investment policy requires that equity securities be purchased only on nationally recognized exchanges. Purchases of bonds or debt obligations are limited to one of the three highest ratings issued by Standard & Poor’s or Moody’s.

Custodial Credit Risk—All funds are managed by investment managers. All funds are held by third party custodians and are required to be held in the name of the Plan.

Concentration of Credit Risk—Investments in corporate common stock shall not exceed 70% of Plan assets. No more than 5% of the Plan’s assets may be invested in the common stock of any one company. Investments in foreign equities 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 as of September 30, 2010.

■ **Credit Ratings**

Ratings for the fiduciary funds’ corporate and agency obligations by Standard & Poor’s follows:

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 3 - Deposits and Investments (Concluded)

Credit Ratings (Concluded)

<u>Retirement Plan</u>	<u>Rating</u>				
	<u>Total</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>
Municipal Firemen	\$ 1,999,628	\$ 11,217	\$ 385,748	\$ 1,465,976	\$ 136,687
General Employees	2,509,356	-	654,933	1,854,423	-
Municipal Police Officers	1,724,130	22,620	175,579	824,012	701,919
Totals	\$ 6,233,114	\$ 33,837	\$ 1,216,260	\$ 4,144,411	\$ 838,606

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.

Note 4 - Accounts Receivable

Receivables as of the year-end for the City's individual major funds and nonmajor special revenue funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

<u>Type of Receivable</u>	<u>Carver Heights/ Montclair Area Community Redevelopment</u>				<u>Proprietary Funds</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Fund</u>					
Accounts Receivable, Billed	\$ 418,021	\$ 34	\$ 8,267,320	\$ 111,385		\$ 8,796,760	
Accounts Receivable, Unbilled	-	-	5,313,289	95,008		5,408,297	
Miscellaneous Receivables	-	-	380,346	-		380,346	
Total Accounts Receivable	418,021	34	13,960,955	206,393		14,585,403	
(Allowance for Uncollectible Accounts)	(68,471)	-	(728,185)	(15,051)		(811,707)	
Receivables, Net	\$ 349,550	\$ 34	\$ 13,232,770	\$ 191,342		\$ 13,773,696	

Note 5 - Unearned Revenue

Governmental funds report deferred revenue in conjunction with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. The \$410,711 reported as deferred revenue in the governmental funds consists of the following:

<u>Type of Unearned Revenue</u>	<u>Amount</u>
Occupational License Revenue	\$ 160,511
Customer Deposits and Advance Property Rentals	44,635
Unearned Interest	205,065
Other	500
Total	\$ 410,711

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2010, was as follows:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not being Depreciated				
Land	\$ 8,417,899	\$ 15,247	\$ -	\$ 8,433,146
Construction in Progress	14,524,123	3,840,810	1,337,901	17,027,032
Total Capital Assets Not Being Depreciated	<u>22,942,022</u>	<u>3,856,057</u>	<u>1,337,901</u>	<u>25,460,178</u>
Capital Assets Being Depreciated:				
Buildings	41,096,104	563,162	171,660	41,487,606
Improvements Other than Buildings	17,763,305	1,919,110	383,539	19,298,876
Equipment	30,148,590	813,136	2,928,838	28,032,888
Infrastructure (Roads and Streets)	34,303,567	879,002	-	35,182,569
Total Capital Assets Being Depreciated	<u>123,311,566</u>	<u>4,174,410</u>	<u>3,484,037</u>	<u>124,001,939</u>
Less Accumulated Depreciation for:				
Buildings	(8,049,959)	(953,211)	121,551	(8,881,619)
Improvements Other than Buildings	(9,276,952)	(831,952)	278,156	(9,830,748)
Equipment	(23,243,921)	(2,047,866)	2,381,465	(22,910,322)
Infrastructure (Roads and Streets)	(18,069,858)	(1,614,967)	-	(19,684,825)
Total Accumulated Depreciation	<u>(58,640,690)</u>	<u>(5,447,996)</u>	<u>2,781,172</u>	<u>(61,307,514)</u>
Total Being Depreciated, Net	<u>64,670,876</u>	<u>(1,273,586)</u>	<u>6,265,209</u>	<u>62,694,425</u>
Governmental Activities Capital Assets, Net	<u>\$ 87,612,898</u>	<u>\$ 2,582,471</u>	<u>\$ 7,603,110</u>	<u>\$ 88,154,603</u>

Business-type Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not being Depreciated				
Land	\$ 13,245,721	\$ 290,875	\$ 2,775	\$ 13,533,821
Construction in Progress	20,921,856	9,067,753	6,692,467	23,297,142
Total Capital Assets Not Being Depreciated	<u>34,167,577</u>	<u>9,358,628</u>	<u>6,695,242</u>	<u>36,830,963</u>
Capital Assets Being Depreciated:				
Buildings	28,825,837	4,049,578	160,530	32,714,885
Improvements Other than Buildings	152,491,547	6,646,559	1,034,346	158,103,760
Equipment	25,370,886	1,637,479	1,824,101	25,184,264
Total Capital Assets Being Depreciated	<u>206,688,270</u>	<u>12,333,616</u>	<u>3,018,977</u>	<u>216,002,909</u>
Less Accumulated Depreciation for:				
Buildings	(4,364,930)	(642,243)	(143,421)	(4,863,752)
Improvements Other than Buildings	(50,006,956)	(4,640,348)	(1,054,488)	(53,592,816)
Equipment	(18,804,564)	(1,381,828)	(1,721,869)	(18,464,523)
Total Accumulated Depreciation	<u>(73,176,450)</u>	<u>(6,664,419)</u>	<u>(2,919,778)</u>	<u>(76,921,091)</u>
Total Being Depreciated, Net	<u>133,511,820</u>	<u>5,669,197</u>	<u>99,199</u>	<u>139,081,818</u>
Business-type Capital Assets, Net	<u>\$ 167,679,397</u>	<u>\$ 15,027,825</u>	<u>\$ 6,794,441</u>	<u>\$ 175,912,781</u>

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 6 - Capital Assets (Concluded)

Depreciation Expense-Governmental Activities

General Government and Administration	\$ 1,971,129
Public Safety	398,943
Physical Environment	491,965
Transportation	1,822,158
Economic Environment	40,722
Parks and Recreation	723,079
Total Depreciation Expense-Governmental Activities	\$ 5,447,996

Depreciation Expense-Business-type Activities

Electric Utility	\$ 2,826,693
Gas Utility	364,862
Water Utility	1,645,648
Wastewater Utility	1,509,268
Solid Waste Utility	23,807
Communication Services	294,141
Total Depreciation Expense-Business-type Activities	\$ 6,664,419

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2010, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Gas Utility	Wastewater Utility	\$ 400,000
Water Utility	Wastewater Utility	2,000,000
Total		\$ 2,400,000

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

Interfund Transfers

	Transfer In								
	General Fund	Greater Leesburg Community Redevelopment	Carver Heights Montclair Area Community Redevelopment	U.S. Highway 441/27 Community Redevelopment	Capital Projects	Nonmajor Governmental	Electric Fund	Communication Fund	Housing Fund
Transfers Out									
Carver Heights CRA	\$ 56,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Hwy 441/27 CRA	-	-	-	-	-	-	3,514,241	146,837	-
Capital Projects	-	-	-	-	-	-	703,504	-	-
Electric	5,776,601	-	-	-	-	-	-	-	-
Gas Utility	838,132	-	-	-	234,316	-	-	-	-
Water Utility	352,051	-	-	-	-	720	-	-	-
Wastewater Utility	662,070	-	-	-	-	760	-	-	-
Solid Waste	267,090	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	50,601	59,169	-	-	-
General Fund	-	252,126	123,599	418,845	24,711	466,043	-	-	196,657
Nonmajor Governmental	379,752	-	-	-	309,625	1,121,788	-	-	-
Total Transfers	\$ 8,332,236	\$ 252,126	\$ 123,599	\$ 418,845	\$ 619,253	\$ 1,648,480	\$ 4,217,745	\$ 146,837	\$ 196,657

Interfund transfers are made to finance activities in other funds.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 8 - Long-term Liabilities

Long-term liability activity for the year ended September 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Revenue Bonds and Notes:					
Capital Improvement Revenue Bonds - 1999	\$ 6,180,000	\$ -	\$ (6,180,000)	\$ -	\$ -
Capital Improvement Revenue Bonds - 2004	16,115,000	-	(350,000)	15,765,000	360,000
Tax Increment Bonds - 2009 Hwy 441/27 CRA	-	14,605,000	(35,000)	14,570,000	15,000
Capital Improvement Bond Anticipation Note - 2008	1,099,751	-	(1,099,751)	-	-
Note Payable - 1999 GLCRA	99,340	-	(19,292)	80,048	20,329
Note Payable - 2008 Carver Heights CRA	1,282,025	-	(147,314)	1,134,711	153,880
Note Payable - 2009 Capital Improvement Revenue	-	6,227,400	-	6,227,400	240,000
Total Revenue Bonds and Notes	<u>24,776,116</u>	<u>20,832,400</u>	<u>(7,831,357)</u>	<u>37,777,159</u>	<u>789,209</u>
Other Liabilities:					
Compensated Absences	1,584,800	1,571,375	(1,604,772)	1,551,403	853,271
Suit Settlement	30,000	-	(30,000)	-	-
Capital Lease Payable	300,617	-	(32,394)	268,223	33,754
Total Other Liabilities	<u>1,915,417</u>	<u>1,571,375</u>	<u>(1,667,166)</u>	<u>1,819,626</u>	<u>887,025</u>
Total Governmental Activities	<u>\$ 26,691,533</u>	<u>\$ 22,403,775</u>	<u>\$ (9,498,523)</u>	<u>\$ 39,596,785</u>	<u>\$ 1,676,234</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type Activities					
Revenue Bonds and Notes Payable:					
Electric System Revenue Bonds - 2004	\$ 16,015,000	\$ -	\$ (340,000)	\$ 15,675,000	\$ 355,000
Utility System Revenue Bonds - 2004	22,080,000	-	(475,000)	21,605,000	490,000
Bond Anticipation Note - 2006	8,000,000	-	(8,000,000)	-	-
Utility System Revenue Bond - Series 2007A	22,425,000	-	(315,000)	22,110,000	325,000
Utility System Revenue Bond - Series 2007B	1,070,000	-	(15,000)	1,055,000	20,000
Electric System Revenue Bond - Series 2007A	11,265,000	-	-	11,265,000	-
Electric System Revenue Bond - Series 2007B	11,710,000	-	(280,000)	11,430,000	295,000
Housing Bond Anticipation Note - 2006	4,000,000	-	(4,000,000)	-	-
Less Deferred Refunding and Discounts	(148,417)	-	16,583	(131,834)	-
Notes Payable FMPA Pooled	1,041,000	-	(1,041,000)	-	-
Capital Improvement Revenue Refunding Note - 2009	-	1,005,000	-	1,005,000	80,000
Magnolia Townhomes Note - 2009	-	4,500,000	-	4,500,000	-
Utility System Revenue Refunding Note - 2010	-	8,000,000	-	8,000,000	10,000
Electric Utility Revenue Note - 2010	-	1,850,000	-	1,850,000	-
Total Revenue Bonds and Notes Payable	<u>97,457,583</u>	<u>15,355,000</u>	<u>(14,449,417)</u>	<u>98,363,166</u>	<u>1,575,000</u>
Other Liabilities					
CR#3 Decommissioning Cost Payable	5,787,311	326,379	-	6,113,690	-
Landfill Postclosure Payable	672,893	-	(68,785)	604,108	75,514
Lake County SHIP Bridge Loan	429,000	-	-	429,000	429,000
Compensated Absences	991,517	780,500	(806,621)	965,396	530,968
Total Other Liabilities	<u>7,880,721</u>	<u>1,106,879</u>	<u>(875,406)</u>	<u>8,112,194</u>	<u>1,035,482</u>
Total Business-type Activities	<u>\$ 105,338,304</u>	<u>\$ 16,461,879</u>	<u>\$ (15,324,823)</u>	<u>\$ 106,475,360</u>	<u>\$ 2,610,482</u>

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 8 - Long-term Liabilities (Continued)

The following is a schedule of bonds and notes outstanding at September 30, 2010:

Description of Bonds	Purpose of Issue	Issued	Outstanding	Rates
Governmental Activities				
Revenue Bonds and Revenue Notes:				
Capital Improvement Revenue				
Bonds - 2004	Capital Improvement	\$ 17,110,000	\$ 15,765,000	2.5% - 5.25%
Tax Increment Bonds - 2009				
Hwy 441/27 CRA	Capital Improvement	14,605,000	14,570,000	2%-5%
Capital Improvement Revenue				
Note - 2009	Capital Improvement	6,227,400	6,227,400	4.73%
Note Payable - Carver Heights CRA	Real Estate	1,431,878	1,134,711	4.36%
Note Payable - GLCRA	Real Estate	<u>249,284</u>	<u>80,048</u>	5.25%
Total Governmental Activities		<u>\$ 39,623,562</u>	<u>\$ 37,777,159</u>	
Business-type Activities				
Capital Improvement Revenue Refunding				
Note - 2009	Fiber Optic Cable	\$ 1,005,000	\$ 1,005,000	4.13%
Magnolia Townhomes Note – 2009	Capital Improvement	4,500,000	4,500,000	3.4%
Utility System Revenue Refunding				
Note - 2010	Water/Wastewater	8,000,000	8,000,000	3.85%
Electric Utility Revenue Note – 2010	Electric	1,850,000	1,850,000	unknown
Electric System Revenue Bonds - 2004	Electric Capital Projects	16,670,000	15,675,000	2.75% - 5.00%
Utility System Revenue Bonds - 2004	Gas/Water/Wastewater	22,985,000	21,605,000	2.75% - 5.00%
Utility System Revenue Bond - 2007A	Gas/Water/Wastewater	22,425,000	22,110,000	4.00% - 5.00%
Utility System Revenue Bond - 2007B	Wastewater	1,070,000	1,055,000	5.9%
Electric System Revenue Bond - 2007A	Electric	11,265,000	11,265,000	4.625% - 5.00%
Electric System Revenue Bond - 2007B	Electric	<u>11,710,000</u>	<u>11,430,000</u>	5.64% - 5.90%
Total Business-type Activities		<u>\$ 101,480,000</u>	<u>\$ 98,495,000</u>	

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

Fiscal Year	Bonds Payable			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 375,000	\$ 1,428,916	\$ 1,485,000	\$ 4,031,977
2012	385,000	1,416,591	1,540,000	3,968,393
2013	505,000	1,403,201	1,605,000	3,899,608
2014	525,000	1,384,601	1,675,000	3,826,475
2015	540,000	1,365,289	1,745,000	3,748,995
2016-2020	3,685,000	6,436,271	10,000,000	17,395,956
2021-2025	5,585,000	5,913,464	12,715,000	14,506,199
2026-2030	7,705,000	3,289,890	16,320,000	10,714,500
2031-2035	9,860,000	1,601,101	20,895,000	5,941,335
2036-2039	1,170,000	58,500	15,160,000	782,505
Total	<u>\$ 30,335,000</u>	<u>\$ 24,297,824</u>	<u>\$ 83,140,000</u>	<u>\$ 68,815,943</u>

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 8 - Long-term Liabilities (Continued)

<u>Fiscal Year</u>	<u>Notes Payable</u>			
	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 414,209	\$ 342,071	\$ 90,000	\$ 416,021
2012	382,162	323,863	975,000	494,345
2013	400,478	306,006	1,015,000	474,326
2014	411,108	287,354	1,050,000	439,215
2015	413,204	268,754	1,555,000	393,830
2016-2020	1,628,598	1,073,953	960,000	1,243,684
2021-2025	1,680,000	705,811	3,500,000	506,853
2026-2030	2,112,400	258,769	3,560,000	15,400
2031-2035	-	-	800,000	-
Total	\$ 7,442,159	\$ 3,566,581	\$ 13,505,000	\$ 3,983,674

The debt service maturity schedule above excludes the Electric Utility Revenue Note - 2010 as repayment terms have not been finalized as of September 30, 2010.

Governmental Activity Liabilities

A summary of all governmental long-term debt as of September 30, 2010, follows:

■ **Capital Improvement Bonds, 1999**

The 1999 Capital Improvement Bonds were refunded by the Capital Improvement Revenue Note – 2009.

■ **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. The refunding transaction resulted in a cash flow savings over the next 20 years of \$355,462. Principal payments are due annually beginning October 1, 2010 through 2020. Interest payments are due semiannually at a rate of 4.73% per annum. The note is secured by Sales Tax and Guaranteed Entitlement revenues and a covenant to budget and appropriate from legally available non-ad valorem revenues.

■ **Capital Improvement Bonds, 2004**

The 2004 Capital Improvement Bonds are fully registered bonds and are collateralized by a pledge of the proceeds of the local government half-cent sales tax, the guaranteed entitlement portion of state revenue sharing funds, the public service tax and investment income earned on trust funds held for bond holder. The lien on sales tax and guaranteed entitlement is subordinate to the Series 1999 bonds. The 2004 bonds are not general obligations or indebtedness of the City within the meaning of the Constitution of the State of Florida. The bond ordinances provide for a current sinking fund and debt service reserve. The bonds are callable at various dates at 100% of face value.

■ **Capital Improvement Bond Anticipation Note, 2008**

The 2008 Capital Improvement Bond Anticipation Note (2008 BAN) was issued to finance the cost of undergrounding electric utility lines. This note was refinanced by the Tax Increment Revenue Bonds, Series 2009

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 8 - Long-term Liabilities (Continued)

Governmental Activity Liabilities (Concluded)

■ **Tax Increment Revenue Bonds, Series 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 on October 12, 2009. The bond proceeds will be used to finance the costs of undergrounding electric utility lines, relocation of the City owned electrical distribution and other utility lines and 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 consist of \$3,780,000 Serial Bonds with maturity dates beginning May 1, 2010 through May 1, 2024, and interest rates from 2.00% to 4.375% and two term bonds in the amounts of \$3,755,000 due May 1, 2029, paying 4.75% interest and \$7,070,000 due May 1, 2036, paying 5.00% interest. The bonds are secured by tax increment revenues and a covenant to budget and appropriate from legally available non-ad valorem revenues.

■ **Note Payable (GLCRA)**

The City signed a fifteen-year mortgage for the purchase of the Christley property by the Greater Leesburg Community Redevelopment Fund that extends through May 2014, and will cost \$24,047 annually.

■ **Note Payable (Carver Heights CRA)**

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

■ **Suit Settlement Payable**

During 1998, the City settled a civil rights lawsuit in which it was a codefendant. The settlement called for the City to pay the plaintiff \$634,000, of which \$100,000 was covered by insurance. Additional terms of the settlement call for the City to fund the budget of a local agency \$30,000 per year for ten years until September 30, 2010.

■ **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%.

■ **Compensated Absences**

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

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 8 - Long-term Liabilities (Continued)

Business-type Activity Liabilities

The following is a summary of all long-term liabilities of the proprietary funds at September 30, 2010:

■ **Electric System Revenue Bonds, Series 2004**

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

■ **Utility System Revenue Bonds, Series 2004**

The 2004 bonds are fully registered bonds and are collateralized by a pledge of the net gas, water, and wastewater system revenues. The bond ordinances provide for a current sinking fund and debt service reserve account. The bonds are callable at various dates at 100% of face value.

■ **Bond Anticipation Note, 2006**

In July 2006, the City acquired a water and wastewater utility system from the Plantation of Leesburg Limited Partnership (the Plantation) for the purchase price of \$12,000,000 of which \$8,000,000 was financed by the Plantation at an interest rate of 4.5% with a maturity date of October 1, 2012. This debt was refunded via the Utility System Revenue Refunding Note – 2010.

■ **Utility System Revenue Refunding Note – 2010**

In July 2010, the City issued an \$8,000,000 note to be used solely to refinance the City's Bond Anticipation Note, 2006, which was used to acquire a water and wastewater utility system from the Plantation of Leesburg Limited Partnership. Principal payments are due annually beginning October 1, 2010 and ending October 1, 2025. Interest payments are due semiannually at a rate of 3.85% per annum. The note is payable solely from the net revenues of the Gas System, Sewer System, and Water System on parity with the City's outstanding Utility System Revenue Bonds, Series 2004, Series 2007A and Series 2007B.

■ **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 Series 2007B. Both issues are fully registered. Interest paid on the Series 2007B bonds is not exempt from income tax. The bonds are payable solely from the net revenues of the Electric System on parity with the City's outstanding Electric System Revenue Bonds, Series 2004. The Series 2007 bonds are subject to early redemption prior to maturity. The bond resolutions provides for a sinking fund and debt service reserve account to facilitate payment of principal and interest.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 8 - Long-term Liabilities (Continued)

Business-type Activity Liabilities (Continued)

■ **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 Series 2007B. Both issues are fully registered. Interest paid on the Series 2007B bonds is not exempt from income tax. The Bonds are payable solely from the net revenues of the Gas System, Sewer System and Water System on parity with the City's outstanding Utility System Revenue Bonds, Series 2004. The Series 2007 bonds are subject to early redemption prior to maturity. The bond resolutions provides for a sinking fund and debt service reserve account to facilitate payment of principal and interest.

■ **Note Payable, Florida Municipal Power Agency (FMPA) Pooled Loan Program**

FMPA is the grantor for the loan and acts as agent for the Initial Pooled Loan Project. The loan provides for acquisition, construction, improvement, and repair of various infrastructure improvements located in the City. This note was refunded via the Capital Improvement Revenue Refunding Note - 2009.

■ **Capital Improvement Revenue Refunding Note, 2009**

On October 2, 2009, the City signed a note in the amount of \$1,005,000 to be used solely to refinance the note payable to FMPA which had variable interest rate terms. Principal on the note is payable on each November 1 commencing November 1, 2010 and ending November 1, 2019. Interest payments are due semiannually at a rate of 4.13% per annum. The note is secured by the Communications Enterprise revenues and a covenant to budget and appropriate from legally available non-ad valorem revenues.

■ **Housing Bond Anticipation Note, 2006**

In October 2006, the City issued a \$3,527,632 bond anticipation note to acquire and renovate Magnolia Townhomes. This debt was refinanced by the Magnolia Townhomes Note – 2009.

■ **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, Series 2006 and to finance the cost of capital improvements to the City owned housing project known as Magnolia Townhomes. Principal on the note is payable on each May 1 commencing May 1, 2010 and ending May 1, 2016. Interest payments are due semiannually at a rate of 3.40% per annum. The note is secured by a covenant to budget and appropriate from legally available non-ad valorem revenues.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 8 - Long-term Liabilities (Continued)

Business-type Activity Liabilities (Continued)

■ **Electric Utility Revenue Note – 2010**

The City issued an Electric System Revenue Note in an amount not to exceed \$20,000,000 pursuant to Resolution No. 8688 adopted by the City on July 26, 2010. Draw requests under the Note will be used to finance capital improvements on the City's electric system, including a smart grid investment project. Principal payments on outstanding draws are due annually beginning October 1, 2014 through 2023. Interest payments are due semiannually at a variable rate forecasted at 3.36% per annum beginning October 1, 2010. 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 2004, Series 2007A, and Series 2007B, and grant proceeds from the U.S. Department of Energy and the Florida Energy and Climate Commission. The City expects the final issuance price of the Note, which is the amount of project costs to be financed after taking into account grant proceeds which are anticipated to be \$9,011,188.

■ **Lake County SHIP Bridge Loan**

The City entered into a Memorandum of Understanding with Lake County, whereby Lake County provided State Housing Initiatives Partnership (SHIP) funds as gap financing for the rehabilitation of the Magnolia Townhomes, previously Kristen Court Apartments. The assistance provides a subsidy to the City for rehabilitation of the first 15 units at a rate not to exceed \$28,600 per unit, in the form of a zero percent interest loan which will be repayable as the units are sold. All amounts are due within 36 months if not paid sooner as individual units are sold.

■ **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, 2009	\$ 672,893
Adjustment of Estimate	26,110
Total Annual Costs Paid	<u>(94,895)</u>
Balance, September 30, 2010	604,108
(Current Maturities)	<u>(75,514)</u>
Total	<u><u>\$ 528,594</u></u>

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

The \$528,594 liability recorded represents the estimated costs of postclosure care for fourteen 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.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 8 - Long-term Liabilities (Concluded)

Business-type Activity Liabilities (Concluded)

■ **Estimated Landfill Closure and Postclosure Care Costs (Concluded)**

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 2010:

<u>Transaction Date</u>	<u>Amount</u>
Balance, September 30, 2009	\$ 90,229
Investment Loss	(579)
Balance, September 30, 2010	<u>\$ 89,650</u>

Escrow funds in the amount of \$89,650 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.

■ **Crystal River III Nuclear Decommission Costs Payable**

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

■ **Crystal River III Decommissioning Trust Fund**

Federal law requires that an external trust fund be created to accumulate amounts to pay for the future plant decommissioning. The City contributes to a common trust fund, maintained by FMPA, for all its members that own a portion of the Crystal River III Nuclear Generating Unit. As of September 30, 2010, the City has a balance in the trust fund of \$5,716,191.

■ **Defeased Debt**

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

Utility System Refunding Revenue Bonds, Series 1999 A/B	<u>\$21,485,000</u>
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Note 9 - Pledged Revenues

The City has pledged certain revenues to repay certain bonds and notes outstanding as of September 30, 2010. 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, 2010:

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 9 - Pledged Revenues (Concluded)

Debt Description	Pledged Revenues Used for FY2010 Debt Service Payments					Debt Service Payments Until Debt Maturity	Pledged Through
	Half Cent Sales Tax ¹	Guaranteed Entitlement ²	Public Service Tax ³	Tax Increment Revenues			
				CHCRA ⁴	441/27CRA ⁴		
2004 Capital Improvement Revenue Bonds	\$ 899,922	\$ 209,723				\$ 27,267,168	2035
2009 Capital Improvement Refunding Promissory Note	-	95,731				9,595,836	2029
2009 Capital Improvement Promissory Note (Magnolia Townhomes)	-	3,781	\$ 71,869			5,198,700	2017
2008 Redevelopment Revenue Note	-	-	-	\$ 203,210		1,324,730	2016
2009 Tax Increment Revenue Bonds	-	-	-	-	\$ 354,753	27,365,650	2036
Total Debt Service	\$ 899,922	\$ 309,234	\$ 71,869	\$ 203,210	\$ 354,753	\$ 70,752,084	
Total pledged revenues available for fiscal year 2010 debt service	899,922	309,234	3,214,820	277,039	1,008,994		
Total pledged revenues used for fiscal year 2010 debt service	899,922	309,234	71,869	203,210	354,753		
Fiscal Year 2010 pledged revenues used as a percentage of revenues available	100.00%	100.00%	2.24%	73.35%	35.16%		

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

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

⁴Tax Increment Revenues of the Community Redevelopment Agencies for the Carver Heights/Montclair Avenue Area and the U.S. Highway 441 & 27 Area are the generally applicable taxes attributable to increases in assessed values within the redevelopment areas of the respective Agencies.

Debt Description	Electric Revenues ¹	Gas Revenues ²	Water Revenues ²	Wastewater Revenues ²	TOTAL Gas, Water, Wastewater Revenues	Debt Service Payments Until Debt Maturity	Pledged Through
2004 Electric System Revenue Bonds	\$ 1,090,095					\$ 26,492,088	2035
2007 A Electric System Revenue Bonds	551,906					25,512,007	2038
2007 B Electric System Revenue Bonds	946,921					20,201,146	2032
2004 Utility System Revenue Bonds	-	\$ 253,081	\$ 526,430	\$ 729,403	\$ 1,508,914	36,513,297	2035
2007 A Utility System Revenue Bonds	-	151,851	870,060	319,532	1,341,444	42,753,412	2038
2007 B Utility System Revenue Bonds	-	-	-	77,245	77,245	2,005,785	2034
Total Debt Service	\$ 2,588,922	\$ 404,932	\$ 1,396,490	\$ 1,126,180	\$ 2,927,603	\$ 153,477,735	
Total pledged revenues available for fiscal year 2010 debt service	17,543,179	3,216,061	2,256,774	3,725,166	9,198,002		
Total pledged revenues used for fiscal year 2010 debt service	2,588,922	404,932	1,396,490	1,126,180	2,927,603		
Fiscal year 2010 pledged revenues used as a percentage of revenues available	14.76%	12.59%	61.88%	30.23%	31.83%		

¹Gross 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 system, and investment income excluding capital expansion and system improvement grants.

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.

²Gross Revenues - defined pursuant to Resolution 7143 adopted June 14, 2004, as all income and earnings derived by the City from the ownership, operation, leasing, or use of the system, and investment income excluding capital expansion and system improvement grants. Gross revenues excludes the Plantation Utility System water and wastewater revenues since this is a nonintegrated utility system.

Expenses - defined as operation and maintenance expenses, paid or accrued, less depreciation and amortization expense.

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

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 10 - 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 \$11,445,567 and accumulated depreciation \$1,436,696. The following is a schedule of minimum future lease income on noncancelable operating leases:

Fiscal Year	Amount
2011	\$ 641,680
2012	655,938
2013	658,234
2014	631,582
2015	454,638
2016 - 2020	1,959,433
2021-2025	1,144,710
2026-2030	117,856
Total Minimum Lease Payments	\$ 6,264,071

Note 11 - Electric Power Agreements

Crystal River Unit No. 3 Participation Agreement

The City is a participant in an agreement with Progress Energy Florida. Under terms of the agreement, the City acquired an 0.8244% ownership interest and generation entitlement share in the nuclear steam electric generating unit. Participants are entitled to energy output of the unit based upon their respective generation entitlement share.

Progress Energy Florida has been appointed by the participants to act as their agent and has sole authority to manage, control, maintain, and operate the unit. Operating costs of the unit, in general, are shared in proportion to each generation entitlement share on a monthly basis. Common and external facilities of the generating unit are solely owned by Progress Energy Florida, and participants share in the operating and maintenance expenses of such facilities.

The participation agreement provides for reversion of the ownership interest of the unit to Progress Energy Florida upon retirement from service. The book value of the investment included in utility plant in service on September 30, 2010, was \$18,157 (cost of \$7,590,215 less accumulated depreciation of \$7,572,058).

FMPA

The City is a member of the Florida Municipal Power Agency (FMPA). FMPA was created pursuant to Chapter 163, Parts I and II (The Interlocal Act and The Joint Power 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 in the appointment of one member to the 28-member Board of Directors of FMPA. Furthermore, the City, by agreement, has no equity interest in any of the assets owned by FMPA. The City participates in the following FMPA projects:

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 11 - Electric Power Agreements (Concluded)

FMPA (Concluded)

■ **St. Lucie No. 2 Power Purchase Agreement**

The City, through FMPA, has negotiated an agreement with Florida Power and Light Corporation guaranteeing the City the right to purchase up to 2.326 megawatts of generating capacity from the St. Lucie No. 2 nuclear generating plant. This plant became operational in 1984. The cost of this agreement has been capitalized and is being amortized over the plant's expected useful life.

■ **All-Requirement Power Supply Agreement**

The City has an agreement with FMPA whereby the City purchases its electric power from FMPA on an all-requirement basis. The agreement will remain in effect until October 1, 2020, with two optional successive ten-year renewal periods. Power rates charged to the City by FMPA are subject to a majority vote of the Board of Directors of FMPA.

Note 12 - Defined Benefit Pension Plans (Plan)

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.

Basis of Accounting

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

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:

■ **General Employees Retirement Plan (GERP)**

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

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 12 - Defined Benefit Pension Plans (Continued)

Methods Used to Value Investments (Continued)

■ **General Employees Retirement Plan (GERP) (Concluded)**

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

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

The City accrues and contributes an amount, as determined by an actuary, to fund the annual, normal cost and prior service cost amortized over forty years. The City's contribution was established at 4.31% of the covered payroll for fiscal year 2009-2010.

■ **Municipal Police Retirement Plan (MPRP)**

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

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

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

■ **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.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 12 - Defined Benefit Pension Plan (Continued)

Methods Used to Value Investments (Concluded)

■ **Municipal Firemen's Retirement Plan (MFRP) (Concluded)**

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

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

Membership of each Plan consisted of the following:

Date of Actuarial Valuation:	10/01/09	10/01/09	10/01/09
	GERP	MPRP	MFRP
Retirees and Beneficiaries Receiving Benefits	170	24	19
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	168	9	5
Active Plan Members	381	67	63
Total	719	100	87

Annual Pension Costs and Net Pension Obligation

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

	GERP	MPRP	MFRP
Annual Required Contribution (ARC)	\$ 888,258	\$ 728,290	\$ 1,203,684
Interest on Net Pension Obligation (NPO)	(35,918)	(12,042)	(51,964)
Adjustment to Annual Contribution	-	-	-
Annual Pension Cost	852,340	716,248	1,151,720
Contributions Made	(800,997)	(739,857)	(1,296,802)
Increase/Decrease in NPO	51,343	(23,609)	(145,082)
Net Pension Obligation (Asset), Beginning of Year	(478,911)	(150,527)	(670,509)
Net Pension Obligation (Asset), End of Year	\$ (427,568)	\$ (174,136)	\$ (815,591)

There was no adjustment to the ARC during the year.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 12 - Defined Benefit Pension Plan (Continued)

Other Pension Plan Information

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

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

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</u>
GERP			
09/30/08	\$ 2,332,852	91%	\$ (527,560)
09/30/09	698,407	93%	(478,911)
09/30/10	852,340	94%	(427,568)
MPRP			
09/30/08	\$ 679,485	102%	\$ (169,330)
09/30/09	721,073	97%	(150,527)
09/30/10	716,248	103%	(174,136)
MFRP			
09/30/08	\$ 853,460	116%	\$ (289,009)
09/30/09	1,069,907	136%	(670,509)
09/30/10	1,151,720	113%	(815,591)

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

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Valuation Date	October 1, 2009	October 1, 2009	October 1, 2009
Actuarial Cost Method	Entry Age Normal	Frozen Entry Age	Frozen Initial Liability
Amortization Method	Level Dollar	Level Percentage, Closed	Level Percentage, Closed
Remaining Amortization			
Period	28 Years	25 Years	18 Years
Asset Valuation Method	Market Value	Market Value	Market Value
Actuarial Assumptions:			
Investment Return	7.50%	8.00%	7.75%
Projected Salary Increases	6.00%	6.20%	6.00%
Cost of Living Adjustment (COLA)	None	None	None

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 12 - Defined Benefit Pension Plan (Continued)

Other Pension Plan Information (Concluded)

The most recent actuarial valuation date for each Plan was October 1, 2009. 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	\$ 33,138,960	\$ 13,015,917	\$ 11,011,597
Actuarial Accrued Liability	<u>36,090,413</u>	<u>13,451,873</u>	<u>13,231,246</u>
Unfunded (Overfunded) Status (UAAL)	<u>\$ 2,951,453</u>	<u>\$ 435,956</u>	<u>\$ 2,219,649</u>
Funded Status	91.82%	96.76%	83.22%
Annual Covered Payroll	<u>\$ 15,069,783</u>	<u>\$ 3,479,653</u>	<u>\$ 3,211,696</u>
UAAL as Percent of Payroll	19.59%	12.53%	69.11%

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

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 12 - Defined Benefit Pension Plan (Concluded)

SCHEDULE OF PENSION PLAN NET ASSETS AS OF SEPTEMBER 30, 2010

	Municipal Police Retirement Plan	Municipal Firemen's Retirement Plan	General Employees' Retirement Plan	Total
Assets				
Cash and Cash Equivalents	\$ 12,242	\$ -	\$ 39,292	\$ 51,534
Investments, at Fair Value:				
U.S. Government Securities	2,933,168	1,803,381	6,242,495	10,979,044
Corporate Bonds	1,724,130	1,999,628	2,509,356	6,233,114
Corporate Stocks	7,115,366	4,033,482	16,518,293	27,667,141
Money Market	540,199	1,202,905	738,022	2,481,126
Mutual Funds	1,902,235	1,902,235	3,838,724	5,740,959
Total Investments	<u>12,312,863</u>	<u>10,941,631</u>	<u>29,846,890</u>	<u>53,101,384</u>
Accounts Receivable	35,127	-	54,635	89,762
Interest Receivable	-	42,162	59,754	101,916
Total Assets	<u>12,360,232</u>	<u>10,983,793</u>	<u>30,000,571</u>	<u>53,344,596</u>
Net Assets Reserved for Employees' Pension Benefits	<u>\$ 12,360,232</u>	<u>\$ 10,983,793</u>	<u>\$ 30,000,571</u>	<u>\$ 53,344,596</u>

SCHEDULE OF THE CHANGE IN PENSION PLAN NET ASSETS AS OF SEPTEMBER 30, 2010

Additions				
Contributions:				
Employer	\$ 299,333	\$ 929,178	\$ 800,997	\$ 2,029,508
State	159,139	150,460	-	309,599
Employee	281,385	217,164	-	498,549
Total Contributions	<u>739,857</u>	<u>1,296,802</u>	<u>800,997</u>	<u>2,837,656</u>
Investment Income:				
Net Appreciation (Depreciation) in Fair Value of Investments	896,301	419,425	1,532,270	2,847,996
Interest and Dividend Income	304,399	293,157	781,116	1,378,672
Other Income	10,217	3,682	10,251	24,150
Total Investment Income	<u>1,210,917</u>	<u>716,264</u>	<u>2,323,637</u>	<u>4,250,818</u>
Total Additions	<u>1,950,774</u>	<u>2,013,066</u>	<u>3,124,634</u>	<u>7,088,474</u>
Deductions				
Benefit Payments	584,657	611,984	2,109,365	3,306,006
Refund of Contributions	68,266	93,315	-	161,581
Administrative Expense	119,876	143,739	247,889	511,504
(Total Deductions)	<u>(772,799)</u>	<u>(849,038)</u>	<u>(2,357,254)</u>	<u>(3,979,091)</u>
Net Increase (Decrease)	<u>1,177,975</u>	<u>1,164,028</u>	<u>767,380</u>	<u>3,109,383</u>
Net Assets Reserved for Employees' Pension Benefits:				
Beginning of Year	11,182,257	9,819,765	29,233,191	50,235,213
End of Year	<u>\$ 12,360,232</u>	<u>\$ 10,983,793</u>	<u>\$ 30,000,571</u>	<u>\$ 53,344,596</u>

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2010, the City Commission approved a contribution rate of 2% of compensation. Total contributions amounted to \$408,423 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 retiring 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. The cost of retiree benefits is 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>10/01/09</u>
Retirees and Beneficiaries Receiving Benefits	<u>142</u>
Active Plan Members	<u>485</u>
Total	<u><u>627</u></u>

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 assets.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 14 - Other Postemployment Benefits (OPEB) (Continued)

Annual OPEB Costs and Net OPEB Obligation (Concluded)

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)	\$ 2,574,557
Interest on Net OPEB Obligation (NOO)	192,865
Adjustment to ARC	(242,566)
Annual OPEB Cost	2,524,856
Employer Contributions Made	(775,750)
Increase(Decrease) in NOO	1,749,106
Net OPEB Obligation, Beginning of Year	4,821,617
Net OPEB Obligation, End of Year	\$ 6,570,723

The Annual OPEB Cost per covered employee is \$5,206 or approximately 12.7% of expected payroll. The City's plan is a single-employer plan with no separately issued audited financials.

Schedule of Employer Contributions

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2010	\$ 2,524,856	30.7%	\$ 6,570,723
9/30/2009	2,338,322	30.7%	4,821,617
9/30/2008	3,900,190	17.9%	3,599,726

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.

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
10/1/2009	\$ -	\$ 25,901,949	\$ 25,901,949	0.0%	\$ 19,957,715	129.8%
10/1/2008	-	25,901,949	25,901,949	0.0%	19,957,715	129.8%
10/1/2007	-	42,307,839	42,307,839	0.0%	22,983,533	184.1%

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 14 - Other Postemployment Benefits (OPEB) (Concluded)

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.

The following table summarizes the actuarial methods and assumptions as of the latest actuarial valuation date:

Valuation Date	October 1, 2009
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage, Closed
Remaining Amortization Period	27 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Return	4.00%
Payroll Growth - Police/Fire	3.00%
Payroll Growth - General	0.00%
Health Care Inflation	8% (grading down to 5%)

Note 15 - Self-Insurance Fund

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 and its administrative agent. Employee claims up to \$80,000 per person are paid from the assets of the self-insurance fund; claims in excess of \$80,000, up to a maximum of \$920,000 per employee, per year, are paid from a reinsurance policy purchased by the City. The aggregate stop loss reinsurance policy indemnifies the City if total claims paid during the year exceed the aggregate attachment point.

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 and its administrative agent. 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.

Changes in claims liabilities for the last two years follow:

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 15 - Self-Insurance Fund (Concluded)

	<u>Balance October 1, 2009</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>(Claims Paid)</u>	<u>Balance September 30, 2010</u>
Employee Health				
Insurance Fund	\$ 406,136	\$ 4,229,051	\$ (4,238,239)	\$ 396,948
Workers' Compensation				
Insurance Fund	<u>1,319,975</u>	<u>472,839</u>	<u>(389,828)</u>	<u>1,402,986</u>
	<u>\$ 1,726,111</u>	<u>\$ 4,701,890</u>	<u>\$ (4,628,067)</u>	<u>\$ 1,799,934</u>
	<u>Balance October 1, 2008</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>(Claims Paid)</u>	<u>Balance September 30, 2009</u>
Employee Health				
Insurance Fund	\$ 335,580	\$ 3,001,437	\$ (2,930,881)	\$ 406,136
Workers' Compensation				
Insurance Fund	<u>1,465,073</u>	<u>575,416</u>	<u>(720,514)</u>	<u>1,319,975</u>
	<u>\$ 1,800,653</u>	<u>\$ 3,576,853</u>	<u>\$ (3,651,395)</u>	<u>\$ 1,726,111</u>

Claim liabilities are calculated based on an actuarial valuation, which includes consideration of nonincremental claims adjustment expenses. Management estimates that \$631,344 of Workers' Compensation and \$396,948 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 - Deferred Compensation Fund

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

In October 1997, the GASB issued Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This statement allows the employer to not report the assets and liabilities in their financial statements if the employer has met the new criteria of the Internal Revenue Code Section 457 and does not retain fiduciary accountability for the plan assets.

Accordingly, the City has implemented GASB Statement No. 32, and no longer includes the assets and liabilities of the deferred compensation fund in its financial statements. There is no effect on the City's overall fund balance or retained earnings, as the plan was an agency fund in which plan assets equal liabilities.

It is the opinion of the City that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 17 - 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. The audits of these programs as of and including the year ended September 30, 2010, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the City's compliance with applicable grant requirements will be established at a future date. 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.

During 2008, the City established three \$5,000,000 lines of credit, one each for the General Fund, Electric Fund, and other utilities. The credit lines were unused as of September 30, 2010.

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.

Note 18 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Insurance against losses are provided for the following types of risk:

- General and Automobile Liability
- Commercial Property Damage
- Contractors' Equipment
- Crime

The City is self-insured for workers' compensation and employee health as explained in Note 14. Amounts of settlements, if any, have not exceeded insurance coverage for each of the past three years.

Note 19 - Construction Commitments

As of September 30, 2010, the City had the following commitments related to significant unfinished construction projects:

	Expended as of September 30, 2010	Remaining Commitment
Runway 13/31 Extension	\$ 7,385,698	\$ 1,042,011
Overlay Runway	1,469,593	255,407
Runway 13/31 Obstruction Survey	64,620	42,019
Furniture Country Re-Roof	234,316	65,684
Security Improvements at Airport	27,474	172,526
Windsock at Airport	0	15,000
Lake Pointe Circle	732	33,268
Health Care Clinic	9,039	123,961
Thomas Ave.-Sidewalks	65,574	40,426
US Hwy 441 Streetscape Phase II	115,138	27,862
Road Rebuild-Childs Street	75	79,925
Road Rebuild-McCormack Street	505	74,495
Transportation Projects	662	942,502
Herlong Park Dock Renovations	0	16,096
Stormwater Drainage Improvements	218,621	426,767

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 19 - Construction Commitments (Concluded)

	Expended as of September 30, 2010	Remaining Commitment
Electric Utility:		
Meters	\$ 33,828	\$ 16,172
Distribution Lines	3,951,368	7,187,627
Lights	150,196	964,793
Power Secure Project	1,611,974	19,817
Miscellaneous Subdivisions	2,999	52,923
Reconductoring	0	1,708,000
Substation- Rewind Transformer	72,319	808,399
Gas Utility:		
Mains	27,255	145,765
Arlington Ridge Main	0	100,000
Water Plant at 470 Main	0	1,865,999
Bentley Ridge	0	79,445
Hidden Harbor	0	38,728
Water Utility:		
Hwy 441 Perkins to Griffin	1,329,846	371,130
SR 44 (LRMC/Marina Ext)	0	250,000
Miscellaneous Mains/ Hydrants	12,719	1,228,645
Plantation	0	53,830
Hypochlorite Conversion- 5 Plants	0	32,512
Highland Lake Water Treatment Plant	0	3,493,700
SW Area Booster Pump Station	23,043	21,438
Miscellaneous Plant & Storage	675	214,634
Arlington Ridge/ Legacy Connection	44,231	6,612
City Core System	21,037	21,022
Wastewater Utility:		
Plantation Master Lift Station	305,071	10,236
Headworks Pump Station	1,466,438	168,901
Communication Utility:		
Dead River Road Reroute	51,291	13,709
Perkins to Griffin	150,523	93,268
Fiber to Water Tank Generator	8,557	1,500
Net Enforcer and Router	110,550	13,000
Miscellaneous Equipment	6,050	5,510
Totals	\$ 18,972,017	\$ 22,345,264

CITY OF LEESBURG, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 20 - Prior Period Adjustment

During fiscal year 2009, the U.S. Highway 441/27 CRA contributed \$825,528 and \$59,825 to the electric and communication services funds, respectively, to pay for related capital improvement projects. The City recorded the capital costs pertaining to these projects as an expense in the proprietary funds in keeping with the FERC Uniform System of Accounts. For the year ended September 30, 2010, the City determined that under generally accepted accounting standards promulgated by the Governmental Accounting Standards Board, the capital costs associated with these projects should be recorded as capital assets instead of expenses. The effect of this capitalization of prior year expenses is disclosed as a prior period adjustment to the beginning net assets.



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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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 10,546,205	\$ 10,539,318	\$ 10,735,891	\$ 196,573
Licenses and Permits	125,600	125,600	128,270	2,670
Intergovernmental	2,665,020	2,489,781	2,326,359	(163,422)
Charges for Services	853,271	853,271	655,225	(198,046)
Fines and Forfeitures	159,500	159,500	120,715	(38,785)
Miscellaneous:				
Interest	53,000	53,000	78,736	25,736
Other	4,207,603	4,463,607	4,532,538	68,931
Total Revenues	<u>18,610,199</u>	<u>18,684,077</u>	<u>18,577,734</u>	<u>(106,343)</u>
Expenditures				
Current:				
General Government	3,140,868	3,470,855	3,476,819	(5,964)
Public Safety	13,240,634	13,601,281	13,564,136	37,145
Physical Environment	35,319	38,108	63,698	(25,590)
Transportation	2,396,246	2,590,102	1,911,023	679,079
Economic Environment	263,787	263,787	259,557	4,230
Human Services	956,586	480,403	44,150	436,253
Culture and Recreation	4,372,865	4,401,136	3,807,355	593,781
Capital Outlay	1,238,150	1,649,964	660,307	989,657
Debt Service:				
Principal Payments	45,100	45,100	32,394	12,706
Interest and Fees	-	-	12,626	(12,626)
(Total Expenditures)	<u>(25,689,555)</u>	<u>(26,540,736)</u>	<u>(23,832,065)</u>	<u>2,708,671</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(7,079,356)</u>	<u>(7,856,659)</u>	<u>(5,254,331)</u>	<u>2,602,328</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	47,121	47,121
Transfers from Other Funds	8,663,736	8,750,136	8,332,236	(417,900)
Transfers to Other Funds	(1,584,380)	(1,584,123)	(1,481,981)	102,142
Fund Balance Appropriated	-	690,646	-	(690,646)
Total Other Financing Sources (Uses)	<u>7,079,356</u>	<u>7,856,659</u>	<u>6,897,376</u>	<u>(959,283)</u>
Net Change in Fund Balances	-	-	1,643,045	1,643,045
Fund Balance, Beginning of Year	-	-	5,727,956	5,727,956
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,371,001</u>	<u>\$ 7,371,001</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GREATER LEESBURG COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 326,522	\$ 310,158	\$ 310,184	\$ 26
Interest	-	-	1,954	1,954
Total Revenues	<u>326,522</u>	<u>310,158</u>	<u>312,138</u>	<u>1,980</u>
Expenditures				
Economic Environment:				
Operating Expenditures	338,984	546,184	319,717	226,467
Debt Service	24,047	24,047	24,047	-
(Total Expenditures)	<u>(363,031)</u>	<u>(570,231)</u>	<u>(343,764)</u>	<u>226,467</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,509)</u>	<u>(260,073)</u>	<u>(31,626)</u>	<u>228,447</u>
Other Financing Sources (Uses)				
Transfers from Other Funds	252,651	252,651	252,126	(525)
Reserve - Future Capital	(216,142)	(192,578)	-	192,578
Fund Balance Appropriated	-	200,000	-	(200,000)
Total Other Financing Sources (Uses)	<u>36,509</u>	<u>260,073</u>	<u>252,126</u>	<u>(7,947)</u>
Net Change in Fund Balance	-	-	220,500	220,500
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>53,741</u>	<u>53,741</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,241</u>	<u>\$ 274,241</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CARVER HEIGHTS/MONTCLAIR AREA COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 167,576	\$ 152,501	\$ 151,573	\$ (928)
Miscellaneous Interest and Other	-	-	2,018	2,018
Total Revenues	<u>167,576</u>	<u>152,501</u>	<u>153,591</u>	<u>1,090</u>
Expenditures				
Economic Environment:				
Operating Expenditures	33,136	35,185	36,586	(1,401)
Debt Service	203,270	203,270	179,920	23,350
Capital Outlay	-	1,192,336	38,131	1,154,205
(Total Expenditures)	<u>(236,406)</u>	<u>(1,430,791)</u>	<u>(254,637)</u>	<u>1,176,154</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(68,830)</u>	<u>(1,278,290)</u>	<u>(101,046)</u>	<u>1,177,244</u>
Other Financing Sources (Uses)				
Issuance of Debt	-	1,192,336	-	(1,192,336)
Transfers from Other Funds	124,475	123,599	123,599	-
Transfers to Other Funds	(55,645)	(55,645)	(56,540)	(895)
Reserve - Future Capital	-	-	-	-
Fund Balance Appropriated	-	18,000	-	(18,000)
Total Other Financing (Uses)	<u>68,830</u>	<u>1,278,290</u>	<u>67,059</u>	<u>(1,211,231)</u>
Net Change in Fund Balance	-	-	(33,987)	(33,987)
Fund Balance, Beginning of Year	-	-	1,487,272	1,487,272
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,453,285</u>	<u>\$ 1,453,285</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
U.S. HIGHWAY 441/27 COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 541,511	\$ 511,561	\$ 511,857	\$ 296
Miscellaneous Interest and Other	-	-	100,865	100,865
Total Revenues	<u>541,511</u>	<u>511,561</u>	<u>612,722</u>	<u>101,161</u>
Expenditures				
Economic Environment:				
Operating Expenditures	3,925	153,925	-	153,925
Debt Service	914,487	914,487	1,064,890	(150,403)
Capital Outlay	-	2,519,646	694,163	1,825,483
(Total Expenditures)	<u>(918,412)</u>	<u>(3,588,058)</u>	<u>(1,759,053)</u>	<u>1,829,005</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(376,901)</u>	<u>(3,076,497)</u>	<u>(1,146,331)</u>	<u>1,930,166</u>
Other Financing Sources (Uses)				
Issuance of Debt	-	9,523,289	14,605,000	5,081,711
Replacement of Bond Anticipation Note	-	-	(1,099,751)	(1,099,751)
Transfers from Other Funds	424,856	418,845	418,845	-
Transfers to Other Funds	-	(9,767,080)	(3,661,078)	6,106,002
Reserve - Future Capital	(47,955)	(11,994)	-	11,994
Fund Balance Appropriated	-	2,913,437	-	(2,913,437)
Total Other Financing (Uses)	<u>376,901</u>	<u>3,076,497</u>	<u>10,263,016</u>	<u>7,186,519</u>
Net Change in Fund Balance	-	-	9,116,685	9,116,685
Fund Balance, Beginning of Year	-	-	3,031,671	3,031,671
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,148,356</u>	<u>\$ 12,148,356</u>

**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		
10/1/2009	\$ 33,138,960	\$ 36,090,413	\$ 2,951,453	91.82%	\$ 15,069,783	19.59%
10/1/2008	33,832,920	35,542,768	1,709,848	95.19%	16,547,145	10.33%
10/1/2007	34,934,262	43,691,883	8,757,621	79.96%	17,757,533	49.32%
10/1/2006	31,368,026	33,016,791	1,648,765	95.01%	17,153,906	9.61%
10/1/2005	28,343,644	26,892,348	(1,451,296)	105.40%	15,645,117	-9.28%
10/1/2004	26,217,389	24,105,690	(2,111,699)	108.76%	12,599,144	-16.76%
10/1/2003	25,703,014	23,744,901	(1,958,113)	108.25%	11,842,737	-16.53%
10/1/2002	25,285,323	23,048,129	(2,237,194)	109.71%	11,009,129	-20.32%
10/1/2001	24,823,681	22,587,237	(2,236,444)	109.90%	9,556,403	-23.40%
10/1/2000	23,865,971	24,190,400	324,429	98.66%	9,140,453	3.55%

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		
10/1/2009	\$ 13,015,917	\$ 13,451,873	\$ 435,956	96.76%	\$ 3,479,653	12.53%
10/1/2008	13,185,827	13,661,930	476,103	96.52%	3,509,401	13.57%
10/1/2007	12,734,501	12,913,643	179,142	98.61%	3,603,003	4.97%
10/1/2006	11,635,558	11,828,037	192,479	98.37%	3,316,192	5.80%
10/1/2005	10,613,513	10,817,156	203,643	98.12%	2,929,992	6.95%
10/1/2004	10,074,080	10,270,878	196,798	98.08%	2,899,724	6.79%
10/1/2003	9,924,188	9,884,047	(40,141)	100.41%	2,813,551	-1.43%
10/1/2002	9,758,130	9,789,401	31,271	99.68%	2,566,611	1.22%
10/1/2001	9,521,215	9,452,836	(68,379)	100.72%	2,211,172	-3.09%
10/1/2000	9,117,437	10,187,231	1,069,794	89.50%	2,140,554	49.98%

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		
10/1/2009	\$ 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 three 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		
10/1/2009	\$ -	\$ 25,901,949	\$ 25,901,949	0.00%	\$ 19,957,715	129.8%
10/1/2008	-	25,901,949	25,901,949	0.00%	19,957,715	129.8%
10/1/2007	-	42,307,839	42,307,839	0.00%	22,983,533	184.1%

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

Year Ended	General Employees' Retirement Plan (GERP)		Municipal Police Retirement Plan (MPRP)		Municipal Firemen's Retirement Plan (MFRP)	
	Annual Required Contribution (ARC)	Percentage Contributed	Annual Required Contribution (ARC)	Percentage Contributed	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 737,974	88.0%	\$ 437,542	99.9%	\$ 886,875	132.8%
2008	2,388,162	88.5%	411,998	99.5%	712,875	100.2%
2007	2,183,267	95.7%	376,923	99.1%	672,524	106.0%
2006	1,745,388	108.9%	357,152	98.0%	634,328	59.6%
2005	1,498,661	93.0%	328,829	97.8%	675,527	65.0%
2004	1,200,568	96.9%	254,744	94.7%	451,265	78.0%
2003	1,017,781	70.7%	111,757	100.0%	342,160	91.0%
2002	717,664	96.4%	87,345	100.0%	342,711	105.0%
2001	591,947	107.5%	0	100.0%	208,798	122.0%
2000	496,700	92.0%	0	100.0%	208,798	128.0%

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2010	\$ 2,524,856	30.7%	\$ 6,570,723
9/30/2009	2,338,322	30.7%	4,821,617
9/30/2008	3,900,190	17.9%	3,201,832

Notes to Required Supplementary Information

Retirement Plans and Other Postemployment Benefits (OPEB)

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

Retirement Plans			
	GERP	MPRP	MFRP
Valuation Date	October 1, 2009	October 1, 2009	October 1, 2009
Actuarial Cost Method	Entry Age Normal	Frozen Entry Age	Frozen Initial Liability
Amortization Method	Level Dollar	Level Percentage, Closed	Level Percentage, Closed
Remaining Amortization Period	28 Years	25 Years	18 Years
Asset Valuation Method	Market Value	Market Value	Market Value
Actuarial Assumptions:			
Investment Return	7.50%	8.00%	7.75%
Projected Salary			
Increases	6.00%	6.20%	6.00%
COLA	None	None	None

**CITY OF LEESBURG, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CONTRIBUTIONS FROM EMPLOYER AND OTHERS
(Concluded)**

Notes to Required Supplementary Information (Concluded)

Other Postemployment Benefits

Valuation Date	October 1, 2009
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage, Closed
Remaining Amortization Period	27 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Return	4.00%
Projected Salary Increases – Fire/Police	3.00%
Projected Salary Increases – General	0.00%
Healthcare Inflation	8% (graded down to 5%)

Budgetary Information

The City’s procedures in preparing and adopting the annual budget are as follows:

- The City Manager is responsible for preparing a proposed operating budget for all governmental funds for the upcoming year prior to September 30 that includes estimated revenues, proposed expenditures, and other financing sources and uses.
- Public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through 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.

The following funds contained an excess of expenditures over appropriations during the fiscal year ended September 30, 2010:

Police Forfeitures Fund
Debt Service Fund

No other individual fund contained an excess of total expenditures over total appropriations during the fiscal year ended September 30, 2010, except insignificant differences. However, within various funds, there may be an excess of expenditures over appropriations at the line item level.



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SUPPLEMENTAL INFORMATION

The following supplemental schedules present combining nonmajor fund statements and individual fund budgetary schedules.

**CITY OF LEESBURG, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Special Revenue Funds				
	Stormwater Fund	Police Forfeitures Fund	Police Education Fund	Discretionary Sales Tax Fund	Police Impact Fee Fund
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$ 1,622,670	\$ 9,966	\$ 25,537	\$ 148,064	\$ 146,118
Receivables, Net	189,469	-	-	-	-
Due from Other Governments	924	-	694	142,351	-
Total Assets	1,813,063	9,966	26,231	290,415	146,118
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	47,316	5,142	-	4	2
Accrued Wages and Payroll Tax	10,181	-	-	-	-
Accrued Interest	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	57,497	5,142	-	4	2
Fund Balances					
Reserved for:					
Debt Service	-	-	-	-	-
Unreserved	1,755,566	4,824	26,231	290,411	146,116
Total Fund Balances	1,755,566	4,824	26,231	290,411	146,116
Total Liabilities and Fund Balances	\$ 1,813,063	\$ 9,966	\$ 26,231	\$ 290,415	\$ 146,118

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
\$ -	\$ 196,425	\$ -	\$ 2,148,780	\$ 1,127,341	\$ 3,276,121
-	-	1,873	191,342	-	191,342
-	-	-	143,969	-	143,969
-	196,425	1,873	2,484,091	1,127,341	3,611,432
-	3	3,219	55,686	85	55,771
-	-	16,281	26,462	-	26,462
-	-	-	-	527,100	527,100
73,640	-	38,965	112,605	-	112,605
73,640	3	58,465	194,753	527,185	721,938
-	-	-	-	600,156	600,156
(73,640)	196,422	(56,592)	2,289,338	-	2,289,338
(73,640)	196,422	(56,592)	2,289,338	600,156	2,889,494
\$ -	\$ 196,425	\$ 1,873	\$ 2,484,091	\$ 1,127,341	\$ 3,611,432

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Special Revenue Funds</u>				
	<u>Stormwater</u>	<u>Police</u>	<u>Police</u>	<u>Discretionary</u>	<u>Police</u>
	<u>Fund</u>	<u>Forfeitures</u>	<u>Education</u>	<u>Sales Tax</u>	<u>Impact Fee</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 1,526,403	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	110,259	-	-	-	-
Charges for Services	1,556,173	-	-	-	-
Fines and Forfeitures	-	15,621	8,655	-	-
Impact Fees	-	-	-	-	3,398
Miscellaneous:					
Interest	(6,617)	(824)	(161)	(4,048)	(816)
Other	1,277	-	-	-	-
Total Revenues	<u>1,661,092</u>	<u>14,797</u>	<u>8,494</u>	<u>1,522,355</u>	<u>2,582</u>
Expenditures					
Current:					
Public Safety	-	99,871	10,505	-	35
Physical Environment	636,611	-	-	60	-
Economic Environment	-	-	-	-	-
Capital Outlay	740,376	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and other costs	-	-	-	-	-
(Total Expenditures)	<u>(1,376,987)</u>	<u>(99,871)</u>	<u>(10,505)</u>	<u>(60)</u>	<u>(35)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>284,105</u>	<u>(85,074)</u>	<u>(2,011)</u>	<u>1,522,295</u>	<u>2,547</u>
Other Financing Sources (Uses)					
Issuance of Debt	-	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	-	-
Transfers from Other Funds	-	-	-	-	-
Transfers to Other Funds	(86,400)	-	-	(1,462,762)	(260)
Total Other Financing Sources (Uses)	<u>(86,400)</u>	<u>-</u>	<u>-</u>	<u>(1,462,762)</u>	<u>(260)</u>
Net Change in Fund Balance	197,705	(85,074)	(2,011)	59,533	2,287
Fund Balances, Beginning of Year	<u>1,557,861</u>	<u>89,898</u>	<u>28,242</u>	<u>230,878</u>	<u>143,829</u>
Fund Balances, End of Year	<u>\$ 1,755,566</u>	<u>\$ 4,824</u>	<u>\$ 26,231</u>	<u>\$ 290,411</u>	<u>\$ 146,116</u>

Special Revenue Funds

Fire Impact Fee Fund	Recreation Impact Fee Fund	Building Permits Fund	Total Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,526,403	\$ -	\$ 1,526,403
-	-	293,104	293,104	-	293,104
-	-	1,550	111,809	-	111,809
-	-	-	1,556,173	-	1,556,173
-	-	-	24,276	-	24,276
5,308	3,589	-	12,295	-	12,295
473	(3,693)	463	(15,223)	-	(15,223)
-	-	4,572	5,849	-	5,849
<u>5,781</u>	<u>(104)</u>	<u>299,689</u>	<u>3,514,686</u>	<u>-</u>	<u>3,514,686</u>
(9)	-	368,972	479,374	-	479,374
-	-	-	636,671	-	636,671
-	77	-	77	-	77
-	-	-	740,376	-	740,376
-	-	-	-	515,000	515,000
-	-	-	-	1,192,528	1,192,528
<u>9</u>	<u>(77)</u>	<u>(368,972)</u>	<u>(1,856,498)</u>	<u>(1,707,528)</u>	<u>(3,564,026)</u>
<u>5,790</u>	<u>(181)</u>	<u>(69,283)</u>	<u>1,658,188</u>	<u>(1,707,528)</u>	<u>(49,340)</u>
-	-	-	-	6,227,400	6,227,400
-	-	-	-	(6,015,000)	(6,015,000)
-	-	67,999	67,999	1,580,481	1,648,480
(260)	(261,483)	-	(1,811,165)	-	(1,811,165)
<u>(260)</u>	<u>(261,483)</u>	<u>67,999</u>	<u>(1,743,166)</u>	<u>1,792,881</u>	<u>49,715</u>
5,530	(261,664)	(1,284)	(84,978)	85,353	375
<u>(79,170)</u>	<u>458,086</u>	<u>(55,308)</u>	<u>2,374,316</u>	<u>514,803</u>	<u>2,889,119</u>
<u>\$ (73,640)</u>	<u>\$ 196,422</u>	<u>\$ (56,592)</u>	<u>\$ 2,289,338</u>	<u>\$ 600,156</u>	<u>\$ 2,889,494</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 606,593	\$ 606,593	\$ 630,727	\$ 24,134
Intergovernmental	1,314,075	9,138,443	3,104,826	(6,033,617)
Miscellaneous:				
Interest	-	-	21,795	21,795
Other	-	2,104	2,102	(2)
Total Revenues	<u>1,920,668</u>	<u>9,747,140</u>	<u>3,759,450</u>	<u>(5,987,690)</u>
Expenditures				
Capital Outlays:				
Physical Environment	-	231,870	112,475	119,395
Transportation	2,260,790	11,515,203	3,922,356	7,592,847
Culture and Recreation	-	545,916	500,058	45,858
(Total Expenditures)	<u>(2,260,790)</u>	<u>(12,292,989)</u>	<u>(4,534,889)</u>	<u>7,758,100</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(340,122)</u>	<u>(2,545,849)</u>	<u>(775,439)</u>	<u>1,770,410</u>
Other Financing Sources (Uses)				
Transfers from Other Funds	40,122	1,045,764	619,253	(426,511)
Transfers to Other Funds	-	(703,504)	(703,504)	-
Fund Balance Appropriated	-	164,038	-	(164,038)
Issuance of Debt	300,000	2,039,551	-	(2,039,551)
Total Other Financing Sources (Uses)	<u>340,122</u>	<u>2,545,849</u>	<u>(84,251)</u>	<u>(2,630,100)</u>
Net Change in Fund Balances	-	-	(859,690)	(859,690)
Fund Balance, Beginning of Year	-	-	2,095,823	2,095,823
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,236,133</u>	<u>\$ 1,236,133</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
STORMWATER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 110,259	\$ 388,975	\$ (278,716)
Charges for Services:			
Utility Fees	1,556,173	1,535,000	21,173
Miscellaneous:			
Interest	(6,617)	6,000	(12,617)
Other	1,277	-	1,277
Total Revenues	<u>1,661,092</u>	<u>1,929,975</u>	<u>(268,883)</u>
Expenditures			
Current Operating:			
Physical Environment:			
Personal Services	189,576	166,747	(22,829)
Operating Expenditures	447,035	812,970	365,935
Capital Outlay	740,376	1,844,475	1,104,099
(Total Expenditures)	<u>(1,376,987)</u>	<u>(2,824,192)</u>	<u>1,447,205</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>284,105</u>	<u>(894,217)</u>	<u>1,178,322</u>
Other Financing Sources (Uses)			
Reserve - Future Capital	-	(55,637)	55,637
Fund Balance Appropriated	-	1,036,254	(1,036,254)
Transfers to Other Funds	(86,400)	(86,400)	-
Total Other Financing Sources (Uses)	<u>(86,400)</u>	<u>894,217</u>	<u>(980,617)</u>
Net Change in Fund Balance	197,705	-	197,705
Fund Balance, Beginning of Year	<u>1,557,861</u>	<u>-</u>	<u>1,557,861</u>
Fund Balance, End of Year	<u>\$ 1,755,566</u>	<u>\$ -</u>	<u>\$ 1,755,566</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE FORFEITURES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ 15,621	\$ -	\$ 15,621
Miscellaneous:			
Interest	(824)	-	(824)
Total Revenues	<u>14,797</u>	<u>-</u>	<u>14,797</u>
Expenditures			
Public Safety:			
Operating Expenditures	99,871	81,156	(18,715)
Capital Outlay	-	-	-
(Total Expenditures)	<u>(99,871)</u>	<u>(81,156)</u>	<u>(18,715)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(85,074)</u>	<u>(81,156)</u>	<u>(3,918)</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	81,156	(81,156)
Total Other Financing Sources (Uses)	<u>-</u>	<u>81,156</u>	<u>(81,156)</u>
Net Change in Fund Balance	(85,074)	-	(85,074)
Fund Balances, Beginning of Year	<u>89,898</u>	<u>-</u>	<u>89,898</u>
Fund Balances, End of Year	<u>\$ 4,824</u>	<u>\$ -</u>	<u>\$ 4,824</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE EDUCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ 8,655	\$ -	\$ 8,655
Miscellaneous:			
Interest	(161)	-	(161)
Total Revenues	<u>8,494</u>	<u>-</u>	<u>8,494</u>
Expenditures			
Public Safety:			
Operating Expenditures	10,505	10,350	(155)
(Total Expenditures)	<u>(10,505)</u>	<u>(10,350)</u>	<u>(155)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(2,011)</u>	<u>(10,350)</u>	<u>8,339</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	10,350	(10,350)
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,350</u>	<u>(10,350)</u>
Net Change in Fund Balance	(2,011)	-	(2,011)
Fund Balances, Beginning of Year	<u>28,242</u>	<u>-</u>	<u>28,242</u>
Fund Balances, End of Year	<u>\$ 26,231</u>	<u>\$ -</u>	<u>\$ 26,231</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
DISCRETIONARY SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 1,526,403	\$ 1,500,000	\$ 26,403
Interest	(4,048)	-	(4,048)
Total Revenues	<u>1,522,355</u>	<u>1,500,000</u>	<u>22,355</u>
Expenditures			
Public Safety:			
Operating Expenditures	60	-	(60)
(Total Expenditures)	<u>(60)</u>	<u>-</u>	<u>(60)</u>
Excess of Revenues Over Expenditures	<u>1,522,295</u>	<u>1,500,000</u>	<u>22,295</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	256,688	(256,688)
Transfers to Other Funds	(1,462,762)	(1,756,688)	293,926
Total Other Financing Sources (Uses)	<u>(1,462,762)</u>	<u>(1,500,000)</u>	<u>37,238</u>
Net Change in Fund Balance	59,533	-	59,533
Fund Balances, Beginning of Year	<u>230,878</u>	<u>-</u>	<u>230,878</u>
Fund Balances, End of Year	<u>\$ 290,411</u>	<u>\$ -</u>	<u>\$ 290,411</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ 3,398	\$ -	\$ 3,398
Miscellaneous:			
Interest	(816)	-	(816)
Total Revenues	<u>2,582</u>	<u>-</u>	<u>2,582</u>
Expenditures			
Public Safety:			
Operating Expenditures	35	-	(35)
Capital Outlay	-	4,790	4,790
(Total Expenditures)	<u>(35)</u>	<u>(4,790)</u>	<u>4,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,547</u>	<u>(4,790)</u>	<u>7,337</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	4,790	(4,790)
Transfers to Other Funds	(260)	-	(260)
Total Other Financing Sources (Uses)	<u>(260)</u>	<u>4,790</u>	<u>(5,050)</u>
Net Change in Fund Balance	2,287	-	2,287
Fund Balances, Beginning of Year	<u>143,829</u>	<u>-</u>	<u>143,829</u>
Fund Balances, End of Year	<u>\$ 146,116</u>	<u>\$ -</u>	<u>\$ 146,116</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ 5,308	\$ -	\$ 5,308
Miscellaneous:			
Interest	473	-	473
Total Revenues	<u>5,781</u>	<u>-</u>	<u>5,781</u>
Expenditures			
Operating Expenditures	(9)	-	9
(Total Expenditures)	<u>9</u>	<u>-</u>	<u>9</u>
Excess of Revenues Over Expenditures	<u>5,790</u>	<u>-</u>	<u>5,790</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	(260)	-	(260)
Total Other Financing Sources (Uses)	<u>(260)</u>	<u>-</u>	<u>(260)</u>
Net Change in Fund Balance	5,530	-	5,530
Fund Balances, Beginning of Year	<u>(79,170)</u>	<u>-</u>	<u>(79,170)</u>
Fund Balances, End of Year	<u>\$ (73,640)</u>	<u>\$ -</u>	<u>\$ (73,640)</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
RECREATION IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ 3,589	\$ -	\$ 3,589
Miscellaneous:			
Interest	(3,693)	-	(3,693)
Total Revenues	<u>(104)</u>	<u>-</u>	<u>(104)</u>
Expenditures			
Operating Expenditures	77	-	(77)
(Total Expenditures)	<u>(77)</u>	<u>-</u>	<u>(77)</u>
Excess of Revenues Over Expenditures	<u>(181)</u>	<u>-</u>	<u>(181)</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated		275,387	(275,387)
Transfers to Other Funds	(261,483)	(275,387)	13,904
Total Other Financing Sources (Uses)	<u>(261,483)</u>	<u>-</u>	<u>(261,483)</u>
Net Change in Fund Balance	(261,664)	-	(261,664)
Fund Balances, Beginning of Year	<u>458,086</u>	<u>-</u>	<u>458,086</u>
Fund Balances, End of Year	<u>\$ 196,422</u>	<u>\$ -</u>	<u>\$ 196,422</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BUILDING PERMITS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Licenses and Permits	\$ 293,104	\$ 430,000	\$ (136,896)
Intergovernmental	1,550	8,000	(6,450)
Miscellaneous:			
Interest	463	-	463
Other	4,572	-	4,572
Total Revenues	<u>299,689</u>	<u>438,000</u>	<u>(138,311)</u>
Expenditures			
Public Safety:			
Personal Services	288,568	310,364	21,796
Operating Expenditures	80,404	99,178	18,774
Capital Outlay	-	250	250
(Total Expenditures)	<u>(368,972)</u>	<u>(409,792)</u>	<u>40,820</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(69,283)</u>	<u>28,208</u>	<u>(97,491)</u>
Other Financing Sources (Uses)			
Reserve - Future Capital	-	(43,938)	43,938
Transfers from Other Funds	67,999	15,730	52,269
Total Other Financing Sources (Uses)	<u>67,999</u>	<u>(28,208)</u>	<u>96,207</u>
Net Change in Fund Balance	(1,284)	-	(1,284)
Fund Balances, Beginning of Year	<u>(55,308)</u>	<u>-</u>	<u>(55,308)</u>
Fund Balances, End of Year	<u>\$ (56,592)</u>	<u>\$ -</u>	<u>\$ (56,592)</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Total Revenues	\$ -	\$ -	\$ -
Expenditures			
Debt Service:			
Principal	515,000	535,000	20,000
Interest	1,192,528	1,086,521	(106,007)
(Total Expenditures)	<u>(1,707,528)</u>	<u>(1,621,521)</u>	<u>(86,007)</u>
(Deficiency) of Revenues (Under)			
Expenditures	<u>(1,707,528)</u>	<u>(1,621,521)</u>	<u>(86,007)</u>
Other Financing Sources (Uses)			
Issuance of Debt	6,227,400	-	(6,227,400)
Payment to Bond Escrow Agent	(6,015,000)	-	6,015,000
Transfers from Other Funds	1,580,481	1,621,521	41,040
Total Other Financing Sources (Uses)	<u>1,792,881</u>	<u>1,621,521</u>	<u>(171,360)</u>
Net Change in Fund Balance	85,353	-	85,353
Fund Balance, Beginning of Year	<u>514,803</u>	<u>-</u>	<u>514,803</u>
Fund Balance, End of Year	<u>\$ 600,156</u>	<u>\$ -</u>	<u>\$ 600,156</u>

**CITY OF LEESBURG, FLORIDA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2010**

	General Employees' Health Insurance	Workers' Compensation Insurance	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Current Assets:			
Equity in Pooled Cash and Cash			
Equivalents	\$ 1,832,240	\$ 1,710,015	\$ 3,542,255
Miscellaneous Receivables	191,045	31,052	222,097
Prepaid Items	-	15,000	15,000
Total Current Assets	<u>2,023,285</u>	<u>1,756,067</u>	<u>3,779,352</u>
Total Assets	<u>2,023,285</u>	<u>1,756,067</u>	<u>3,779,352</u>
 Liabilities			
Current Liabilities:			
Accounts Payable	599,005	18,369	617,374
Claims Payable	396,948	631,344	1,028,292
Total Current Liabilities	<u>995,953</u>	<u>649,713</u>	<u>1,645,666</u>
Noncurrent Liabilities			
Claims Payable	-	771,642	771,642
Total Liabilities	<u>995,953</u>	<u>1,421,355</u>	<u>2,417,308</u>
 Net Assets			
Unrestricted	<u>1,027,332</u>	<u>334,712</u>	<u>1,362,044</u>
Total Net Assets	<u>\$ 1,027,332</u>	<u>\$ 334,712</u>	<u>\$ 1,362,044</u>

**CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	General Employees' Health Insurance	Workers' Compensation Insurance	Total
Operating Revenues			
Charges for Services	\$ 3,504,118	\$ 588,742	\$ 4,092,860
Total Operating Revenues	<u>3,504,118</u>	<u>588,742</u>	<u>4,092,860</u>
Operating Expenses			
Claims Expense	4,229,051	472,839	4,701,890
Administrative Expenses	408,324	30,995	439,319
Insurance Premiums	303,166	96,346	399,512
(Total Operating Expenses)	<u>(4,940,541)</u>	<u>(600,180)</u>	<u>(5,540,721)</u>
Operating (Loss)	<u>(1,436,423)</u>	<u>(11,438)</u>	<u>(1,447,861)</u>
Nonoperating Revenues			
Investment Income	(20,326)	(10,038)	(30,364)
Other Nonoperating Income	112,007	10,225	122,232
Total Nonoperating Revenues	<u>91,681</u>	<u>187</u>	<u>91,868</u>
Income Before Operating Transfers	<u>(1,344,742)</u>	<u>(11,251)</u>	<u>(1,355,993)</u>
Net Operating Transfers to Other Funds	<u>(9,039)</u>	<u>(100,731)</u>	<u>(109,770)</u>
Change in Net Assets	(1,353,781)	(111,982)	(1,465,763)
Total Net Assets, Beginning of Year	<u>2,381,113</u>	<u>446,694</u>	<u>2,827,807</u>
Total Net Assets, End of Year	<u><u>\$ 1,027,332</u></u>	<u><u>\$ 334,712</u></u>	<u><u>\$ 1,362,044</u></u>

**CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	General Employees' Health Insurance	Workers' Compensation Insurance	Total
Cash Flows from Operating Activities			
Cash Received from Employees	\$ 3,444,358	\$ 587,183	\$ 4,031,541
Cash Paid to Suppliers for Goods and Services	(497,557)	(120,437)	(617,994)
Cash Paid for Insurance Claims	(4,238,239)	(389,828)	(4,628,067)
Net Cash Provided by (Used in) Operating Activities	(1,291,438)	76,918	(1,214,520)
Cash Flows from Noncapital Financing Activities			
Transfers to Other Funds	(9,039)	(100,731)	(109,770)
Net Cash Provided by (Used in) Noncapital Financing Activities	(9,039)	(100,731)	(109,770)
Cash Flows from Investing Activities			
Investment Income	(20,326)	(10,038)	(30,364)
Other Nonoperating	112,007	10,225	122,232
Net Cash Flows from Investing Activities	91,681	187	91,868
Net Increase (Decrease) in Cash and Cash Equivalents	(1,208,796)	(23,626)	(1,232,422)
Cash and Cash Equivalents, Beginning of Year	3,041,036	1,733,641	4,774,677
Cash and Cash Equivalents, End of Year	\$ 1,832,240	\$ 1,710,015	\$ 3,542,255
<u>Reconciliation of Operating Income (Loss) to Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ (1,436,423)	\$ (11,438)	\$ (1,447,861)
Adjustment to Reconcile Operating Income to Cash Flows Provided by (Used in) Operating Activities:			
Decrease (Increase) in Miscellaneous Receivables	(59,760)	(1,559)	(61,319)
Decrease (Increase) in Prepaid Items	5,891	-	5,891
Increase (Decrease) in Accounts Payable	208,042	6,904	214,946
Increase (Decrease) in Claims Payable	(9,188)	83,011	73,823
Net Cash Provided by (Used in) Operating Activities	\$ (1,291,438)	\$ 76,918	\$ (1,214,520)

STATISTICAL SECTION

(Unaudited)

Statistical schedules differ from financial statements because they usually cover more than one fiscal year and may present nonaccounting 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.

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
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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.	
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Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report (CAFR) for the relevant year. The City implemented GASB Statement 34 for fiscal year 2003/04; schedules presenting government-wide information include information beginning in that year.

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

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

Note: This information is provided as part of the Financial Trend Data and should be presented in a ten year format. The City of Leesburg began accumulating this data in 2004 which is the first year in this presentation.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 63,626,050	\$ 62,536,165	\$ 61,099,625
Restricted	2,587,501	2,814,583	3,512,585
Unrestricted	8,278,356	11,601,438	7,516,041
Total governmental activities net assets	<u>\$ 74,491,907</u>	<u>\$ 76,952,186</u>	<u>\$ 72,128,251</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 106,456,752	\$ 103,374,013	\$ 111,328,645
Restricted	3,644,206	6,132,597	5,821,230
Unrestricted	14,945,266	18,348,984	22,889,167
Total business-type activities net assets	<u>\$ 125,046,224</u>	<u>\$ 127,855,594</u>	<u>\$ 140,039,042</u>
Primary government			
Invested in capital assets, net of related debt	\$ 170,082,802	\$ 165,910,178	\$ 172,428,270
Restricted	6,231,707	8,947,180	9,333,815
Unrestricted	23,223,622	29,950,422	30,405,208
Total primary government net assets	<u>\$ 199,538,131</u>	<u>\$ 204,807,780</u>	<u>\$ 212,167,293</u>

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

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

Note: This information is provided as part of the Financial Trend Data and should be presented in a ten year format.
For the City of Leesburg, 2004 is the first year in this presentation since it was the conversion year to GASB34.

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

Expenses	2008	2009	2010
Governmental activities:			
General Government	\$ 6,738,686	\$ 5,784,598	\$ 6,382,361
Public Safety	17,945,406	15,273,940	16,155,330
Physical Environment	1,249,213	1,150,387	1,227,739
Transportation	3,753,138	4,097,419	3,744,933
Economic Environment	698,052	919,372	672,501
Human Services	72,602	70,084	44,150
Culture and Recreation	6,503,046	5,271,228	4,941,906
Interest on Long-term Debt	1,145,566	1,223,864	2,272,405
Total governmental activities expenses	\$ 38,105,709	\$ 33,790,892	\$ 35,441,325
Business-type activities:			
Electric	\$ 64,081,610	\$ 66,020,760	\$ 60,427,920
Gas	8,239,648	6,298,715	6,689,610
Water	5,847,250	6,781,008	6,595,898
Wastewater	7,639,188	8,148,026	8,298,812
Solid Waste	3,431,491	3,085,584	2,862,176
Communication Services	1,161,766	1,003,830	1,073,772
Housing	516,424	286,307	327,956
Total business-type activities expenses	90,917,377	91,624,230	86,276,144
Total primary government expenses	\$ 129,023,086	\$ 125,415,122	\$ 121,717,469
Program Revenues			
Governmental activities:			
Charges for services:			
General Government	\$ 3,504,864	\$ 3,472,053	\$ 3,465,531
Public Safety	878,024	637,249	463,876
Physical Environment	1,524,355	1,544,948	1,556,173
Transportation	816,221	954,520	1,006,812
Economic Environment	-	-	-
Culture and Recreation	637,220	608,654	554,070
Operating grants and contributions	1,498,098	1,447,613	1,522,058
Capital grants and contributions	4,781,781	4,655,197	3,189,342
Total governmental activities program revenues	\$ 13,640,563	\$ 13,320,234	\$ 11,757,862
Business-type activities:			
Charges for services	\$ 100,856,226	\$ 100,505,333	\$ 99,206,014
Operating grants and contributions	4,525	9,044	292,907
Capital grants and contributions	1,039,657	1,965,837	1,188,719
Total business-type activities program revenues	101,900,408	102,480,214	100,687,640
Total primary government program revenues	\$ 115,540,971	\$ 115,800,448	\$ 112,445,502
Net (expense)/revenue			
Governmental activities	\$ (24,465,146)	\$ (20,470,658)	\$ (23,683,463)
Business-type activities	10,983,031	10,855,984	14,411,496
Total primary government net expense	\$ (13,482,115)	\$ (9,614,674)	\$ (9,271,967)

(Continued)

City of Leesburg, Florida
Changes in Net Assets
Last Seven Years
(unaudited accrual basis of accounting)

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(Concluded)

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

Note: This information is provided as part of the Financial Trend Data and should be presented in a ten year format.
For the City of Leesburg, 2004 is the first year in this presentation since it was the conversion year to GASB34.

City of Leesburg, Florida
Changes in Net Assets
Last Seven Years
(unaudited accrual basis of accounting)

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(Concluded)

	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Property taxes	\$ 6,058,634	\$ 6,294,746	\$ 6,049,834
Other taxes	6,810,598	6,830,873	6,647,069
Intergovernmental revenues, unrestricted	2,293,718	2,105,575	2,253,173
Investment income	90,124	251,224	163,166
Miscellaneous	227,263	283,484	175,785
Transfers	8,632,823	7,165,035	3,570,501
Total governmental activities	<u>\$ 24,113,160</u>	<u>\$ 22,930,937</u>	<u>\$ 18,859,528</u>
Business-type activities:			
Investment income	982,710	677,534	113,102
Miscellaneous	1,957,195	162,522	343,997
Transfers	(8,632,823)	(7,165,035)	(3,570,501)
Total business-type activities	<u>(5,692,918)</u>	<u>(6,324,979)</u>	<u>(3,113,402)</u>
Total primary government general revenues	<u>\$ 18,420,242</u>	<u>\$ 16,605,958</u>	<u>\$ 15,746,126</u>
Change in Net Assets			
Governmental activities	\$ (351,986)	\$ 2,460,279	\$ (4,823,935)
Business-type activities	5,290,113	4,531,005	11,298,094
Total government	<u>\$ 4,938,127</u>	<u>\$ 6,991,284</u>	<u>\$ 6,474,159</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund				
Reserved	\$ 290,728	\$ 773,874	\$ 1,569,642	\$ 586,207
Unreserved	6,573,937	6,249,790	4,104,481	3,278,639
Total general fund	<u>\$ 6,864,665</u>	<u>\$ 7,023,664</u>	<u>\$ 5,674,123</u>	<u>\$ 3,864,846</u>
All other governmental funds				
Reserved	\$ 17,118,320	\$ 17,058,067	\$ 9,211,368	\$ 2,963,875
Unreserved, reported in:				
Stormwater Fund	826,948	713,531	208,901	552,544
Redevelopment Funds	-	-	78,938	943,569
Special Revenue Funds	-	-	-	1,577,648
Total all other governmental funds	<u>\$ 17,945,268</u>	<u>\$ 17,771,598</u>	<u>\$ 9,499,207</u>	<u>\$ 6,037,636</u>

Notes: The increase in the governmental unreserved fund balances is primarily due to the fiscal stewardship of the directors and their staff. Additionally, the quarterly general government financial meetings with the department directors created an awareness which assisted in making decisions that conserved financial resources.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>
General fund			
Reserved	\$ 1,043,782	\$ 1,369,020	\$ 1,673,892
Unreserved	2,978,290	4,358,936	5,697,109
Total general fund	<u>\$ 4,022,072</u>	<u>\$ 5,727,956</u>	<u>\$ 7,371,001</u>
All other governmental funds			
Reserved	\$ 2,403,071	\$ 2,610,626	\$ 14,266,697
Unreserved, reported in:			
Stormwater Fund	1,229,741	1,557,861	1,755,566
Redevelopment Funds	2,319,072	4,572,684	1,445,474
Special Revenue Funds	897,422	816,455	533,772
Total all other governmental funds	<u>\$ 6,849,306</u>	<u>\$ 9,557,626</u>	<u>\$ 18,001,509</u>

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

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

Note: This information is provided as part of the Financial Trend Data and should be presented in a ten year format. For the City of Leesburg, 2004 is the first year in this presentation since it was the conversion year to GASB34.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues			
Taxes	\$ 12,869,231	\$ 13,125,620	\$ 12,893,021
Licenses and Permits	774,430	571,963	421,374
Intergovernmental	8,209,539	8,073,940	6,516,608
Charges for Services	2,083,117	2,178,942	2,211,398
Fines and Penalties	331,313	219,845	144,991
Impact Fees	335,914	133,249	12,295
Interest	297,268	206,424	164,588
Miscellaneous	4,350,653	4,329,343	4,566,046
Total revenues	<u>29,251,465</u>	<u>28,839,326</u>	<u>26,930,321</u>
Expenditures			
General Government	3,496,612	3,162,527	3,476,819
Public Safety	15,021,295	14,428,426	14,043,510
Physical Environment	758,074	705,068	700,369
Transportation	1,853,750	2,032,911	1,911,023
Economic Environment	639,294	868,017	615,937
Human Services	66,475	67,892	44,150
Culture and Recreation	5,187,536	4,433,489	3,807,355
Capital Outlay	8,319,179	7,057,151	6,667,866
Debt Service:			
Principal payments	596,540	699,248	749,000
Interest and fees	1,133,566	1,223,864	2,272,405
Total expenditures	<u>37,072,321</u>	<u>34,678,593</u>	<u>34,288,434</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(7,820,856)</u>	<u>(5,839,267)</u>	<u>(7,358,113)</u>
Other Financing Sources (Uses)			
Sale of Capital Assets	156,929	97,633	47,121
Transfers in	12,189,197	12,185,286	11,394,539
Transfers out	(3,556,374)	(4,561,077)	(7,714,268)
Bond proceeds	-	2,531,629	13,717,649
Total other financing sources (uses)	<u>8,789,752</u>	<u>10,253,471</u>	<u>17,445,041</u>
Net change in fund balances	<u>\$ 968,896</u>	<u>\$ 4,414,204</u>	<u>\$ 10,086,928</u>
Debt service as a percentage of noncapital expenditures	6.0%	7.0%	10.9%

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

Fiscal Year ¹	Less:						Assessed	Total Direct Tax Rate
	Real Property ²	Personal Property	Centrally Assessed Property ³	Tax - Exempt Property				
				Real Property ²	Personal Property	Centrally Assessed ³		
2001	\$ 689,086,977	\$ 232,285,508	\$ 332,879	\$ 204,538,253	\$ 75,293,428	\$ -	\$ 641,873,683	4.5000
2002	715,445,919	231,355,431	369,119	206,877,608	71,494,826	-	668,798,035	4.5000
2003	754,313,985	243,968,265	328,106	219,112,625	94,724,286	-	684,773,445	4.5000
2004	875,334,295	225,356,519	336,057	230,212,863	52,179,737	-	818,634,271	4.5000
2005	953,323,403	272,462,933	349,621	251,575,429	83,290,269	-	891,270,259	4.5000
2006	1,084,329,142	324,381,497	408,548	266,752,420	126,674,899	-	1,015,691,868	4.5000
2007	1,425,384,915	337,206,689	519,776	321,177,532	124,925,272	-	1,317,008,576	4.5000
2008	1,688,428,580	372,375,507	553,180	335,529,839	128,329,323	- ⁴	1,597,498,105	4.2500
2009	1,748,767,789	299,835,709	563,123	412,232,355	106,449,581	112,317	1,530,372,368	4.3179
2010	1,643,094,805	307,393,370	592,083	402,058,703	116,537,221	126,521	1,432,357,813	4.3179

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 Centrally assessed property consists of railroad and telegraph systems which are assessed by the State of Florida.

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 the summer of 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.

Source: Lake County Property Appraiser Recapitulation of Taxes as extended on the Fiscal Tax Years Tax Roll for Leesburg (DR 403)

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

Fiscal Year	City	School District	Lake County	Ambulance District	Northwest Hospital District	Lake County Water Authority	Water Management District	Total
2001	4.5000	8.4950	5.1170	0.5500	1.0000	0.5000	0.4720	20.6340
2002	4.5000	8.2020	5.1170	0.5290	1.0000	0.5000	0.4620	20.3100
2003	4.5000	8.3950	5.9170	0.5290	1.0000	0.4820	0.4620	21.2850
2004	4.5000	8.4400	5.9170	0.5290	1.0000	0.4080	0.4620	21.2560
2005	4.5000	7.9900	5.8170	0.5289	1.0000	0.3831	0.4620	20.6810
2006	4.5000	7.9810	5.7970	0.5290	1.0000	0.3370	0.4620	20.6059
2007	4.5000	7.6480	5.9470	0.5289	1.0000	0.2530	0.4620	20.3389
2008	4.2500	7.6980	4.7410	0.4651	1.0000	0.2130	0.4158	18.7829
2009	4.3179	7.5170	4.7612	0.4651	1.0000	0.2130	0.4158	18.6900
2010	4.3179	7.5320	4.7612	0.4651	1.0000	0.2130	0.4158	18.7050

Source: Lake County Property Appraiser

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

Taxpayer	2010			2001		
	2009 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	2000 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Embarq-Florida, Inc (fka Sprint-Florida)	\$ 38,089,854	1	2.66%	\$ 45,717,117	1	7.63%
Cutrale Citrus Juices, U.S.A., Inc.	30,507,718	2	2.13%	36,482,498	2	6.09%
Lake Port Square, LLC	24,229,092	3	1.69%	25,377,660	3	4.23%
SDG Macerich Properties	22,257,277	4	1.55%			
Redus Arlington Ridge, FL, LLC	15,006,125	5	1.05%			
Lowe's Home Centers, Inc.	10,166,474	6	0.71%	7,450,471	6	1.24%
Leware Const Co of Florida, Inc.	9,529,822	7	0.67%			
City of Leesburg	8,891,442	8	0.62%			
Shoppes of Lake Village, LTD	8,506,944	9	0.59%			
Harbor Vista Developers, LTD	6,740,868	10	0.47%			
Wal-Mart Stores, Inc				8,557,440	4	1.43%
Huntington Banks				7,759,416	5	1.29%
Publix Super Markets, Inc.				6,175,913	7	1.03%
Rodgers Brothers Land Company				4,487,588	8	0.75%
SunTrust Banks of Central Florida				4,427,490	9	0.74%
First Federal Savings Bank of Lake County				4,152,862	10	0.69%
Subtotal	<u>173,925,616</u>		12.14%	<u>150,588,455</u>		25.12%
All Others	<u>1,258,432,197</u>		87.86%	<u>448,886,807</u>		74.88%
Total	<u>\$ 1,432,357,813</u>		100.00%	<u>\$ 599,475,262</u>		100.00%

Note: Taxable Values (Florida Statutes Section 193.011) are as of January 1, 2000 and 2009, 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			Total Collections to Date		
		Amount	Percentage of Levy	Collections for Previous Years of Levy	Amount	Percentage of Levy	
2001	\$ 2,888,432	\$ 2,772,878	96.00%	\$ 16,364	\$ 2,789,242	96.57%	
2002	3,009,591	2,791,790	92.76%	42,742	2,834,532	94.18%	
2003	3,081,481	2,958,618	96.01%	36,530	2,995,148	97.20%	
2004	3,683,854	3,505,122	95.15%	29,223	3,534,345	95.94%	
2005	4,010,716	3,849,333	95.98%	22,379	3,871,712	96.53%	
2006	4,570,613	4,413,454	96.56%	51,957	4,465,411	97.70%	
2007	5,859,148	5,655,750	96.53%	31,044	5,686,794	97.06%	
2008	6,789,367	6,210,604	91.48%	(151,970) ¹	6,058,634	89.24%	
2009	6,607,995	6,318,550	95.62%	(23,804) ²	6,294,746	95.26%	
2010	6,184,778	5,958,860	96.35%	90,974	6,049,834	97.82%	

Notes: ¹During 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.

²During 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
2001	\$ 2,789,242	\$ 668,357	\$ 1,210,133	\$ 123,115	\$ 1,813,930	\$ -	\$ 6,604,777
2002	2,834,532	702,803	1,266,879	50,007	1,858,623	899,359	7,612,203
2003	2,995,147	752,781	1,254,754	61,345	2,124,715	973,652	8,162,394
2004	3,534,345	827,156	1,445,759	86,870	2,601,302	998,171	9,493,603
2005	4,246,002	804,206	1,465,816	91,994	2,908,350	1,054,808	10,571,176
2006	4,465,410	834,878	1,807,292	95,503	2,706,875	1,118,540	11,028,498
2007	5,686,324	822,027	1,672,965	86,244	2,858,214	1,062,448	12,188,222
2008	6,058,634	620,290	1,623,035	101,585	3,058,468	1,099,675	12,561,687
2009	6,294,746	624,118	1,531,527	116,382	3,126,745	1,148,314	12,841,832
2010	6,049,834	630,727	1,526,403	109,857	3,214,820	1,078,903	12,610,543

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

Year	Taxable Values	HISTORICAL REVENUES		
		Ambulance	Lake County Water Authority	City of Leesburg
2001	\$ 106,970,887	\$ 109,333	\$ 9,646	\$ 86,818
2002	107,435,264	108,417	9,601	86,412
2003	112,950,832	126,622	9,466	88,397
2004	117,630,226	160,398	10,153	111,976
2005	124,303,137	186,119	11,236	131,981
2006	139,749,128	225,634	12,020	160,508
2007	152,321,905	315,942	12,737	226,539
2008	156,159,630	324,351	13,305	269,219
2009	148,158,153	337,409	14,084	285,507
2010	132,822,347	297,721	12,463	252,126

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.

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

Year	Taxable Values	HISTORICAL REVENUES		
		Ambulance	Lake County Water Authority	City of Leesburg
2001	\$ 57,980,259	\$ -	\$ -	\$ -
2002	58,561,002	-	-	-
2003	60,314,527	3,556	266	2,483
2004	58,243,566	14,294	905	9,979
2005	63,884,250	1,587	96	1,126
2006	77,776,543	35,481	1,890	25,240
2007	89,281,278	118,028	4,758	84,629
2008	96,310,253	154,909	6,380	129,100
2009	88,132,712	186,390	7,798	158,077
2010	81,604,263	145,433	6,140	123,599

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.

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

Year	Taxable Values	HISTORICAL REVENUES		
		Ambulance	Lake County Water Authority	City of Leesburg
2005	\$ 352,255,087	\$ -	\$ -	\$ -
2006	417,811,099	-	-	-
2007	479,923,989	390,852	15,756	280,252
2008	482,782,230	631,920	26,061	527,335
2009	454,799,607	634,919	26,593	539,090
2010	388,395,355	490,899	20,958	418,845

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.

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

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ²
	Capital Improvement Bonds	Notes Payable	Utility System Revenue Bonds	Notes Payable			
2001	\$ 7,290,000	\$ 222,142	\$ 26,129,529	\$ -	\$ 33,641,671	8.35%	\$ 25,140
2002	7,170,000	209,455	26,199,171	-	33,578,626	8.05%	25,901
2003	7,045,000	196,085	25,763,392	6,077,000	39,081,477	8.85%	27,106
2004	24,025,000	181,997	38,502,435	1,300,000	64,009,432	13.28%	28,893
2005	23,890,000	167,151	38,607,756	1,240,000	63,904,907	12.01%	30,456
2006	23,750,000	231,237	39,655,000	13,277,000	76,913,237	12.83%	31,812
2007	23,280,000	172,166	86,125,001	12,683,632	122,260,799	18.44%	33,266
2008	22,795,000	117,646	85,355,000	13,041,000	121,308,646	19.45%	31,044
2009	22,295,000	99,339	84,565,000	13,041,000	120,000,339	19.21%	30,460
2010	30,335,000	7,442,159	83,140,000	15,355,000	136,272,159	20.83%	31,520

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Totals do not include amortization of deferrals and discounts.

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

²Florida Research and Economic Database (<http://fred.labormarketinfo.com>) 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

<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			\$ 37,777,159
<u>Overlapping Debt</u>			
Lake County			
Board of County Commissioners	\$ 29,820,000	7.49%	2,233,720
School District	\$ 38,807,804	7.49%	2,906,967
Subtotal - Overlapping Debt			<u>5,140,686.29</u>
Total Direct and Overlapping Debt			<u><u>\$ 42,917,845</u></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

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

The City of Leesburg has no general obligation debt outstanding as of September 30, 2010.

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.



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**City of Leesburg
Pledged Revenue Coverage**

**Series 2004 Capital Improvement Revenue Bonds Last Seven Fiscal Years¹
Series 2009 Capital Improvement Refunding Promissory Note Last One Year²**

	<u>FY ENDING SEPT. 30, 2004</u>	<u>FY ENDING SEPT. 30, 2005</u>	<u>FY ENDING SEPT. 30, 2006</u>	<u>FY ENDING SEPT. 30, 2007</u>
Half-Cent Sales Tax	\$ 919,290	\$ 997,079	\$ 1,093,773	\$ 1,001,858
Guaranteed Entitlement	<u>309,234</u>	<u>309,234</u>	<u>309,234</u>	<u>309,234</u>
Net Revenues Available	1,228,524	1,306,313	1,403,007	1,311,092
Debt Service on 1999 Bonds	\$ 498,420	\$ 497,615	\$ 496,315	\$ 494,645
Debt Service on Refunding Promissory Note, Series 2009				
Combined Refunded & Refunding Debt Service				
Debt Service Coverage	2.46 X	2.63 X	2.83 X	2.65 X
2009 Senior Lien Note ² Required Minimum Coverage	1.30 X ³	1.30 X ³	1.30 X ³	1.30 X ³
Net Revenues Available after Debt	\$ 730,104	\$ 808,698	\$ 906,692	\$ 816,447
Plus Public Service Tax	<u>2,601,301</u>	<u>2,955,112</u>	<u>2,770,827</u>	<u>2,858,214</u>
Net Revenues Available	3,331,405	3,763,810	3,677,519	3,674,661
Debt Service on Series 2004 Bonds	\$ 126,286	\$ 797,595	\$ 797,595	\$ 1,114,470
Debt Service Coverage on Series 2004	26.38 X	4.72 X	4.61 X	3.30 X
Required Minimum Coverage	1.30 X ³	1.30 X ³	1.30 X ³	1.30 X ³
Net Revenues Available after Debt Service on 1999, 2004 Bonds, and 2009 Note				\$ 2,560,191

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 2004 bonds.

Definitions

¹ **Series 2004**

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

² **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 below.

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.

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.

³ 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.

**City of Leesburg
Pledged Revenue Coverage**

**Series 2004 Capital Improvement Revenue Bonds Last Seven Fiscal Years¹
Series 2009 Capital Improvement Refunding Promissory Note Last One Year²**

	<u>FY ENDING SEPT. 30, 2008</u>	<u>FY ENDING SEPT. 30, 2009</u>	<u>FY ENDING SEPT. 30, 2010</u>
Half-Cent Sales Tax	\$ 964,117	\$ 898,594	\$ 899,922
Guaranteed Entitlement	<u>309,234</u>	<u>309,234</u>	<u>309,234</u>
Net Revenues Available	1,273,351	1,207,828	1,209,156
Debt Service on Refunded 1999 Bonds	\$ 497,476	\$ 494,796	\$ 332,398
Debt Service on Refunding Promissory Note, Series 2009			<u>95,731</u>
Combined Refunded & Refunding Debt Service			\$ 428,129
Debt Service Coverage	2.56 X	2.44 X	2.82 X
2009 Senior Lien Note ² Required Minimum Coverage	1.30 X ³	1.30 X ³	1.30 X ³
Net Revenues Available after Debt	\$ 775,875	\$ 713,032	\$ 781,028
Plus Public Service Tax	<u>3,058,468</u>	<u>3,126,745</u>	<u>3,214,820</u>
Net Revenues Available	3,834,343	3,839,777	3,995,847
Debt Service on Series 2004 Bonds	\$ 1,111,220	\$ 1,111,020	\$ 1,109,645
Debt Service Coverage on Series 2004	3.45 X	3.46 X	3.60 X
Required Minimum Coverage	1.30 X ³	1.30 X ³	1.30 X ³
Net Revenues Available after Debt Service on 1999, 2004 Bonds, and 2009 Note	\$ 2,723,123	\$ 2,728,757	\$ 2,886,202

Definitions (continued)

Excluded debt service:

Series 2007 \$5,000,000 Committed Credit Facility, none drawn as of September 30, 2010.



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City of Leesburg
Pledged Revenue Coverage
Series 2008 Carver Heights/Montclair Area CRA Last 2 Years

	<u>FY ENDING</u> <u>SEPT. 30, 2009</u>	<u>FY ENDING</u> <u>SEPT. 30, 2010</u>
Revenue:		
City of Leesburg	\$ 158,077	\$ 123,599
Lake County	194,188	151,573
Other	4,100	1,866
Total Revenues	<u>356,365</u>	<u>277,039</u>
Debt Service on 2008 Note	\$ 195,340	\$ 200,534
Debt Service Coverage on Series 2008 Note	1.82	1.38
Net Revenues Available after Debt Service on 2008 Note	\$ 161,024	\$ 76,505

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.

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

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

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 2004 bonds.

Definitions

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.

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.

¹ **Series 2004**

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

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

³ **Series 2007A & 2007B**

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

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

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

	FY ENDING SEPT. 30, 2008	FY ENDING SEPT. 30, 2009	FY ENDING SEPT. 30, 2010
Gross Revenues	\$ 70,302,636	\$ 71,566,530	\$ 73,280,305
Less Operation and Maintenance Expenses	<u>59,761,821</u>	<u>61,012,704</u>	<u>55,737,126</u>
Net Revenues Available	10,540,815	10,553,826	17,543,179
Debt Service on 2004 Bonds	\$ 1,095,875	\$ 1,090,975	\$ 1,090,095
Debt Service on 2007A Bonds	see note ⁴	551,906	551,906
Debt Service on 2007B Bonds	<u> </u>	<u>\$ 682,713</u>	<u>\$ 946,921</u>
Total Debt Service Series 2004 & 2007	\$ 1,095,875	\$ 2,325,594	\$ 2,588,922
Debt Service Coverage 2004, 2007A&B Bonds	9.62 X	4.54 X	6.78 X
Required Minimum Coverage	1.25 X	1.25 X	1.25 X
Total Net Revenues less Electric Utility Debt Service	\$ 9,444,940	\$ 8,228,232	\$ 14,954,257

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

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

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 2004 bonds.

Definitions

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

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

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

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 in October 2004 and are due semi-annually each 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 \$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.

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

	<u>FY ENDING</u> <u>SEPT. 30, 2008</u>	<u>FY ENDING</u> <u>SEPT. 30, 2009</u>	<u>FY ENDING</u> <u>SEPT. 30, 2010</u>
Gross Revenues	\$ 26,425,520	\$ 25,543,939	\$ 25,782,014
Less Expenses	<u>19,022,708</u>	<u>16,634,389</u>	<u>16,584,012</u>
Net Revenues Available	\$ 7,402,812	\$ 8,909,550	\$ 9,198,002
Debt Service on 2004 Bonds	\$ 1,507,914	\$ 1,509,114	\$ 1,508,914
Debt Service on 2007A Bonds	see note ⁴	1,039,044	1,341,444
Debt Service on 2007B Bonds	see note ⁴	<u>63,130</u>	<u>77,245</u>
Total Debt Service Series 2004 & 2007	\$ 1,507,914	\$ 2,611,288	\$ 2,927,603
Debt Service Coverage 2004, 2007A&B Bonds	4.91 X	3.41 X	3.14 X
Required Minimum Coverage	1.15 X	1.15 X	1.15 X
Plus Capacity Charges	\$ 1,821,414	\$ 764,192	\$ 367,211
Debt Service Coverage 2004, 2007A and B Bonds	6.12 X	3.70 X	3.27 X
Required Minimum Coverage including Capacity Charges	1.25 X	1.25 X	1.25 X
Total Net Revenues less Utility System Debt Service	\$ 7,716,312	\$ 7,062,454	\$ 6,637,610

CITY OF LEESBURG, FLORIDA

Anti-Dilution Test - Base Method

<u>First Test</u>		<u>FY2004/FY2005</u>	<u>FY2005/FY2006</u>	<u>FY2006/FY2007</u>	<u>FY2007/FY2008</u>	<u>FY2008/FY2009</u>	<u>FY2009/FY2010</u>	
2 Year Average Legally Available Non-Ad Valorem Revenues		\$ 16,569,744	\$ 19,141,986	\$ 20,736,664	\$ 21,113,231	\$ 20,471,401	\$ 20,046,893	
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	
Coverage ⁽¹⁾		4.32	4.99	5.41	5.50	5.34	5.26	
<u>Second Test (FY 10)</u>		<u>FYE 2004</u>	<u>FYE 2005</u>	<u>FYE 2006</u>	<u>FYE 2007</u>	<u>FYE 2008</u>	<u>FYE 2009</u>	<u>FYE 2010</u>
Legally Available Non-Ad Valorem Revenues	A	\$ 14,374,556	\$ 18,764,932	\$ 19,519,040	\$ 21,954,288	\$ 20,272,174	\$ 20,670,628	\$ 19,423,157
Non-Enterprise Fund Revenues ⁽²⁾	B	17,908,901	22,636,644	23,984,451	27,640,613	26,330,808	26,965,374	25,472,991
Costs of Essential Services	C	11,343,425	14,035,437	15,993,630	15,484,386	17,446,181	16,982,852	16,694,437
MADS Secured by a Lien on Pledgeable Non-Ad Valorem Revenues	D	1,827,066	1,827,066	1,827,066	1,827,066	1,827,066	1,827,066	1,850,718
Maximum Annual Debt Service on Covenant Debt	E	2,019,868	2,019,868	2,019,868	2,019,868	2,019,868	2,019,868	2,009,790
Available Revenues - $((A/B) * C) - D$ =	F	3,442,706	5,303,013	4,676,029	7,828,340	5,013,237	5,825,155	4,842,929
Coverage [F / E] ⁽³⁾		1.70	2.63	2.32	3.88	2.48	2.88	2.41

⁽¹⁾ 1.10 times coverage required - Additional Bonds Test

⁽²⁾ line A plus Ad Valorem Taxes as shown on page 127 titled "Historical No-Ad Valorem Revenues Worksheet"

⁽³⁾ 2.00 times coverage required - Additional Bonds Test

CITY OF LEESBURG, FLORIDA

Historical Non-Ad Valorem Revenues Worksheet

	2004	2005	2006	2007	2008	2009	2010
CB&A Worksheet - CB&A Non-Ad Valorem Revenues							
1. Charges for Services (1)				\$ 501,759	\$ 558,761	\$ 633,992	\$ 655,224
2. Intergovernmental (1)				2,783,708	2,634,143	2,769,819	2,326,359
3. Licenses and Permits (1)				234,022	135,999	151,094	128,271
4. Fines and Forfeitures (1)				213,821	187,940	152,687	120,716
5. Investment Income (1)				281,554	144,887	98,646	78,736
6. Miscellaneous (1)				4,952,339	4,500,274	4,419,416	4,580,172
7. Non Advalorem Taxes (sum of Utility Taxes and Other Taxes less restricted) (1)				4,828,932	5,187,563	4,675,228	4,686,057
8. Utility and Business Unit Transfers (1)				10,073,394	8,914,449	9,034,052	8,332,236
9. less funds detailed in worksheet "Diverse General Fund Revenue Sources"				(1,915,241)	(1,991,842)	(1,264,306)	(1,484,613)
Legally Available Non-Ad Valorem Revenues	\$ 14,374,556	\$ 18,764,932	\$ 19,519,040	\$21,954,288	\$20,272,174	\$20,670,628	\$19,423,157
2 Year Average		16,569,744	19,141,986	20,736,664	21,113,231	20,471,401	20,046,893
Advalorem Taxes (2)	3,534,345	3,871,712	4,465,411	5,686,325	6,058,634	6,294,746	6,049,834
Total Legally Available Revenue	\$ 17,908,901	\$ 22,636,644	\$ 23,984,451	\$ 27,640,613	\$ 26,330,808	\$ 26,965,374	\$ 25,472,991
Cost of Essential Services							
General Government (1)	1,045,098	2,393,514	3,192,720	1,828,424	3,496,612	3,162,527	3,130,308
Public Safety (1)	10,298,327	11,641,923	12,800,910	13,655,962	13,949,569	13,820,325	13,564,129
Total Cost of Essential Services	\$ 11,343,425	\$ 14,035,437	\$ 15,993,630	\$ 15,484,386	\$ 17,446,181	\$ 16,982,852	\$ 16,694,437
Legally Available Non-Ad Valorem Revenues	\$ 14,374,556	\$ 18,764,932	\$ 19,519,040	\$ 21,954,288	\$ 20,272,174	\$ 20,670,628	\$ 19,423,157
Less MADS on Senior Lien as of 9/30/09	(1,827,066)	(1,827,066)	(1,827,066)	(1,827,066)	(1,827,066)	(1,827,066)	(1,850,718)
Less Allocable Essential Services (3)	(9,104,785)	(11,634,853)	(13,015,945)	(12,298,883)	(13,431,871)	(13,018,407)	(12,729,509)
Available Revenues	\$ 3,442,705	\$ 5,303,013	\$ 4,676,028	\$ 7,828,339	\$ 5,013,237	\$ 5,825,155	\$ 4,842,929
MADS on Covenant Debt	\$ 2,019,868	\$ 2,019,868	\$ 2,019,868	\$ 2,019,868	\$ 2,019,868	\$ 2,019,868	\$ 2,009,790
Coverage	1.70	2.63	2.32	3.88	2.48	2.88	2.41

(1) Source is the Statement of Revenues - 2007, 2008, 2009 and 2010 CAFR

(2) Source is the Statement of Activities - 2007, 2008, 2009 and 2010 CAFR

(3) This is a calculation: Total Cost of Essential Services multiplied by (Legally Available Non-Ad Valorem Revenue divided by Total Revenues)

CITY OF LEESBURG, FLORIDA

Diverse General Fund Revenue Sources

	2004	2005	2006	2007	2008	2009	2010
	ACTUAL						
General Fund Revenues Available for CB&A	\$ -	\$ -	\$ -	\$ 21,954,291	\$ 20,272,174	\$ 20,670,625	19,423,157
Revenues not available for CB&A:							
Ad Valorem Revenues	3,534,345	3,871,712	4,465,411	5,686,325	6,058,634	6,294,746	6,049,834
Non-Ad Valorem Revenues:							
Other Taxes	636,177	653,839	684,101	622,224	620,290	0	-
Intergovernmental Revenue	405,985	475,777	477,365	510,361	564,802	518,263	502,674
Charges For Services	0	0	2,585	146,745	153,336	133,420	151,785
Miscellaneous Revenues	523,450	594,478	606,740	635,911	653,414	612,623	830,154
Total Non-Ad Valorem Revenues	\$ 1,565,612	\$ 1,724,094	\$ 1,770,791	\$ 1,915,241	\$ 1,991,842	\$ 1,264,306	1,484,613
Totals for Revenues not available for CB&A	\$ 5,099,957	\$ 5,595,806	\$ 6,236,202	\$ 7,601,566	\$ 8,050,476	\$ 7,559,052	7,534,447

CITY OF LEESBURG, FLORIDA

**AGGREGATE CB&A DEBT SERVICE
Maximum Annual Non-Ad Valorem Debt Service**

Period Ending	Series 2004 Cap Improv	Series 2008 TIF - CRA Carver¹	Series 2009 Cap Improv	Series 2009 Communications	Series 2009 TIF - CRA 441/27¹	Series 2009 Magnolia Townhomes	Aggregate Debt Service
2011	\$ 1,118,485	\$ 203,353	\$ 528,880	\$ 124,850	\$ 695,431	\$ 153,000	\$ 2,824,000
2012	1,121,460	203,503	478,474	123,203	695,131	153,000	2,774,771
2013	1,123,370	203,659	478,778	124,692	799,831	978,720	3,709,050
2014	1,123,370	203,822	478,608	125,975	801,231	979,650	3,712,657
2015	1,122,808	203,993	477,966	127,052	797,481	979,560	3,708,858
2016	1,120,608	206,399	476,850	127,922	903,419	978,450	3,813,647
2017	1,122,808	-	480,143	123,585	900,194	976,320	3,603,050
2018	1,118,743	-	477,845	124,249	901,194	-	2,622,030
2019	1,122,143	-	479,956	124,706	901,194	-	2,627,998
2020	1,120,175	-	481,357	124,956	1,005,794	-	2,732,282
2021	1,122,613	-	477,167	-	1,005,794	-	2,605,574
2022	1,118,475	-	477,386	-	1,109,706	-	2,705,567
2023	1,123,025	-	476,895	-	1,108,669	-	2,708,589
2024	1,120,738	-	475,695	-	1,111,144	-	2,707,576
2025	1,121,875	-	478,667	-	1,211,863	-	2,812,405
2026	1,121,175	-	475,811	-	1,214,563	-	2,811,549
2027	1,118,638	-	477,128	-	1,215,600	-	2,811,365
2028	1,119,263	-	472,617	-	1,214,975	-	2,806,854
2029	1,121,738	-	472,278	-	1,217,688	-	2,811,703
2030	1,122,313	-	473,336	-	1,218,500	-	2,814,148
2031	1,121,638	-	-	-	1,220,250	-	2,341,888
2032	1,118,600	-	-	-	1,219,750	-	2,338,350
2033	1,123,200	-	-	-	1,222,000	-	2,345,200
2034	1,119,913	-	-	-	1,221,750	-	2,341,663
2035	-	-	-	-	1,210,125	-	1,210,125
2036	-	-	-	-	1,227,750	-	1,227,750
2037	-	-	-	-	14,625	-	14,625
	\$ 26,907,168	\$ 1,224,730	\$ 9,595,836	\$ 1,251,188	\$ 27,365,650	\$ 5,198,700	\$ 71,543,271

Maximum: \$ 3,813,647

CITY OF LEESBURG, FLORIDA

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

Period Ending	Series 2004 Cap Improv	Series 2008 CRA-Carver	Series 2009 Cap Improv	Aggregate Debt Service
2011	\$ 1,118,485	\$ 203,353	\$ 528,880	\$ 1,850,718
2012	1,121,460	203,503	478,474	1,803,437
2013	1,123,370	203,659	478,778	1,805,807
2014	1,123,370	203,822	478,608	1,805,800
2015	1,122,808	203,993	477,966	1,804,766
2016	1,120,608	206,399	476,850	1,803,856
2017	1,122,808	-	480,143	1,602,951
2018	1,118,743	-	477,845	1,596,588
2019	1,122,143	-	479,956	1,602,099
2020	1,120,175	-	481,357	1,601,532
2021	1,122,613	-	477,167	1,599,780
2022	1,118,475	-	477,386	1,595,861
2023	1,123,025	-	476,895	1,599,920
2024	1,120,738	-	475,695	1,596,433
2025	1,121,875	-	478,667	1,600,542
2026	1,121,175	-	475,811	1,596,986
2027	1,118,638	-	477,128	1,595,765
2028	1,119,263	-	472,617	1,591,879
2029	1,121,738	-	472,278	1,594,015
2030	1,122,313	-	473,336	1,595,648
2031	1,121,638	-	-	1,121,638
2032	1,118,600	-	-	1,118,600
2033	1,123,200	-	-	1,123,200
2034	1,119,913	-	-	1,119,913
	<u>\$ 26,907,168</u>	<u>\$ 1,224,730</u>	<u>\$ 9,595,836</u>	<u>\$ 37,727,733</u>
			Maximum:	<u>\$ 1,850,718</u>

CITY OF LEESBURG, FLORIDA
AGGREGATE CB&A DEBT SERVICE
Maximum Annual Covenant Debt Service

Period Ending	Series 2009 Communications	Series 2009 CRA 441/27	Series 2009 Magnolia Townhomes	Aggregate Debt Service
2011	\$ 124,850	\$ 695,431	\$ 153,000	\$ 973,281
2012	123,203	695,131	153,000	971,334
2013	124,692	799,831	978,720	1,903,243
2014	125,975	801,231	979,650	1,906,856
2015	127,052	797,481	979,560	1,904,093
2016	127,922	903,419	978,450	2,009,790
2017	123,585	900,194	976,320	2,000,099
2018	124,249	901,194	-	1,025,442
2019	124,706	901,194	-	1,025,899
2020	124,956	1,005,794	-	1,130,750
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	-	1,210,125	-	1,210,125
2036	-	1,227,750	-	1,227,750
2037	-	14,625	-	14,625
	\$ 1,251,188	\$ 27,365,650	\$ 5,198,700	\$ 33,815,538
			Maximum:	\$ 2,009,790

CITY OF LEESBURG, FLORIDA

Capital Improvement Revenue Bonds, Series 2004

Dated Date: 4/1/2009

Delivery Date: 4/1/2009

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
4/1/2011			\$ 374,242.50	\$ 374,242.50	
10/1/2011	\$ 370,000	3.250%	374,242.50	744,242.50	\$ 1,118,485.00
4/1/2012			368,230.00	368,230.00	
10/1/2012	385,000	3.400%	368,230.00	753,230.00	1,121,460.00
4/1/2013			361,685.00	361,685.00	
10/1/2013	400,000	3.750%	361,685.00	761,685.00	1,123,370.00
4/1/2014			354,185.00	354,185.00	
10/1/2014	415,000	3.750%	354,185.00	769,185.00	1,123,370.00
4/1/2015			346,403.75	346,403.75	
10/1/2015	430,000	4.000%	346,403.75	776,403.75	1,122,807.50
4/1/2016			337,803.75	337,803.75	
10/1/2016	445,000	4.000%	337,803.75	782,803.75	1,120,607.50
4/1/2017			328,903.75	328,903.75	
10/1/2017	465,000	4.100%	328,903.75	793,903.75	1,122,807.50
4/1/2018			319,371.25	319,371.25	
10/1/2018	480,000	4.500%	319,371.25	799,371.25	1,118,742.50
4/1/2019			308,571.25	308,571.25	
10/1/2019	505,000	4.350%	308,571.25	813,571.25	1,122,142.50
4/1/2020			297,587.50	297,587.50	
10/1/2020	525,000	5.250%	297,587.50	822,587.50	1,120,175.00
4/1/2021			283,806.25	283,806.25	
10/1/2021	555,000	5.250%	283,806.25	838,806.25	1,122,612.50
4/1/2022			269,237.50	269,237.50	
10/1/2022	580,000	5.250%	269,237.50	849,237.50	1,118,475.00
4/1/2023			254,012.50	254,012.50	
10/1/2023	615,000	5.250%	254,012.50	869,012.50	1,123,025.00
4/1/2024			237,868.75	237,868.75	
10/1/2024	645,000	5.250%	237,868.75	882,868.75	1,120,737.50
4/1/2025			220,937.50	220,937.50	
10/1/2025	680,000	5.250%	220,937.50	900,937.50	1,121,875.00
4/1/2026			203,087.50	203,087.50	
10/1/2026	715,000	5.250%	203,087.50	918,087.50	1,121,175.00
4/1/2027			184,318.75	184,318.75	
10/1/2027	750,000	5.250%	184,318.75	934,318.75	1,118,637.50
4/1/2028			164,631.25	164,631.25	
10/1/2028	790,000	4.750%	164,631.25	954,631.25	1,119,262.50
4/1/2029			145,868.75	145,868.75	
10/1/2029	830,000	4.750%	145,868.75	975,868.75	1,121,737.50
4/1/2030			126,156.25	126,156.25	
10/1/2030	870,000	5.250%	126,156.25	996,156.25	1,122,312.50
4/1/2031			103,318.75	103,318.75	
10/1/2031	915,000	5.250%	103,318.75	1,018,318.75	1,121,637.50
4/1/2032			79,300.00	79,300.00	
10/1/2032	960,000	5.250%	79,300.00	1,039,300.00	1,118,600.00
4/1/2033			54,100.00	54,100.00	
10/1/2033	1,015,000	5.250%	54,100.00	1,069,100.00	1,123,200.00
4/1/2034			27,456.25	27,456.25	
10/1/2034	665,000	5.250%	27,456.25	1,092,456.25	1,119,912.50
	<u>\$ 15,405,000</u>		<u>\$ 11,502,167.50</u>	<u>\$ 26,907,167.50</u>	<u>\$ 26,907,167.50</u>

CITY OF LEESBURG, FLORIDA

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

Dated Date: 5/1/2009
Delivery Date: 5/1/2009

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/1/2010			24,736.70	24,736.70	
5/1/2011	153,880	4.360%	24,736.70	178,616.70	203,353.40
11/1/2011			21,382.12	21,382.12	
5/1/2012	160,739	4.360%	21,382.12	182,121.12	203,503.24
11/1/2012			17,878.01	17,878.01	
5/1/2013	167,903	4.360%	17,878.01	185,781.01	203,659.02
11/1/2013			14,217.72	14,217.72	
5/1/2014	175,387	4.360%	14,217.72	189,604.72	203,822.44
11/1/2014			10,394.28	10,394.28	
5/1/2015	183,204	4.360%	10,394.28	193,598.28	203,992.56
11/1/2015			6,400.44	6,400.44	
5/1/2016	193,598	4.360%	6,400.44	199,998.44	206,398.88
	<u>\$ 1,034,711.00</u>		<u>\$ 190,018.54</u>	<u>\$ 1,224,729.54</u>	<u>\$ 1,224,729.54</u>

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

Dated Date: 12/4/2009
 Delivery Date: 12/4/2009

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
4/1/2011			\$ 141,602.01	\$ 141,602.01	\$ 141,602.01
10/1/2011	\$ 200,000.00	4.730%	141,602.01	341,602.01	
4/1/2012			136,872.01	136,872.01	478,474.02
10/1/2012	210,000.00	4.730%	136,872.01	346,872.01	
4/1/2013			131,905.51	131,905.51	478,777.52
10/1/2013	220,000.00	4.730%	131,905.51	351,905.51	
4/1/2014			126,702.51	126,702.51	478,608.02
10/1/2014	230,000.00	4.730%	126,702.51	356,702.51	
4/1/2015			121,263.01	121,263.01	477,965.52
10/1/2015	240,000.00	4.730%	121,263.01	361,263.01	
4/1/2016			115,587.01	115,587.01	476,850.02
10/1/2016	255,000.00	4.730%	115,587.01	370,587.01	
4/1/2017			109,556.26	109,556.26	480,143.27
10/1/2017	265,000.00	4.730%	109,556.26	374,556.26	
4/1/2018			103,289.01	103,289.01	477,845.27
10/1/2018	280,000.00	4.730%	103,289.01	383,289.01	
4/1/2019			96,667.01	96,667.01	479,956.02
10/1/2019	295,000.00	4.730%	96,667.01	391,667.01	
4/1/2020			89,690.26	89,690.26	481,357.27
10/1/2020	305,000.00	4.730%	89,690.26	394,690.26	
4/1/2021			82,477.01	82,477.01	477,167.27
10/1/2021	320,000.00	4.730%	82,477.01	402,477.01	
4/1/2022			74,909.01	74,909.01	477,386.02
10/1/2022	335,000.00	4.730%	74,909.01	409,909.01	
4/1/2023			66,986.26	66,986.26	476,895.27
10/1/2023	350,000.00	4.730%	66,986.26	416,986.26	
4/1/2024			58,708.76	58,708.76	475,695.02
10/1/2024	370,000.00	4.730%	58,708.76	428,708.76	
4/1/2025			49,958.26	49,958.26	478,667.02
10/1/2025	385,000.00	4.730%	49,958.26	434,958.26	
4/1/2026			40,853.01	40,853.01	475,811.27
10/1/2026	405,000.00	4.730%	40,853.01	445,853.01	
4/1/2027			31,274.76	31,274.76	477,127.77
10/1/2027	420,000.00	4.730%	31,274.76	451,274.76	
4/1/2028			21,341.76	21,341.76	472,616.52
10/1/2028	440,000.00	4.730%	21,341.76	461,341.76	
4/1/2029			10,935.76	10,935.76	472,277.52
10/1/2029	462,400.00	4.730%	10,935.76	473,335.76	
4/1/2030			-	-	473,335.76
	<u>\$ 5,987,400.00</u>		<u>\$ 3,221,158.38</u>	<u>\$ 9,208,558.38</u>	<u>\$ 9,208,558.38</u>

CITY OF LEESBURG, FLORIDA

**Capital Improvement Refunding Revenue Note, Series 2009
(Communications Enterprise Project)**

Dated Date: 10/2/2009
Delivery Date: 10/2/2009

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/1/2010	\$ 80,000	4.130%	\$ 44,850.08	\$ 124,850.08	\$ 124,850.08
5/1/2011			19,101.25	19,101.25	
11/1/2011	85,000	4.130%	19,101.25	104,101.25	123,202.50
5/1/2012			17,346.00	17,346.00	
11/1/2012	90,000	4.130%	17,346.00	107,346.00	124,692.00
5/1/2013			15,487.50	15,487.50	
11/1/2013	95,000	4.130%	15,487.50	110,487.50	125,975.00
5/1/2014			13,525.75	13,525.75	
11/1/2014	100,000	4.130%	13,525.75	113,525.75	127,051.50
5/1/2015			11,460.75	11,460.75	
11/1/2015	105,000	4.130%	11,460.75	116,460.75	127,921.50
5/1/2016			9,292.50	9,292.50	
11/1/2016	105,000	4.130%	9,292.50	114,292.50	123,585.00
5/1/2017			7,124.25	7,124.25	
11/1/2017	110,000	4.130%	7,124.25	117,124.25	124,248.50
5/1/2018			4,852.75	4,852.75	
11/1/2018	115,000	4.130%	4,852.75	119,852.75	124,705.50
5/1/2019			2,478.00	2,478.00	
11/1/2019	120,000	4.130%	2,478.00	122,478.00	124,956.00
	<u>\$ 1,005,000</u>		<u>\$ 246,187.58</u>	<u>\$ 1,251,187.58</u>	<u>\$ 1,251,187.58</u>

that closed on October 2, 2009 that refinanced the outstanding promissory Note Payable to Florida Municipal Power Agency (FMPA). The pledged revenues for this Note are the Communications Enterprise Revenues and Non-Ad Valorem Revenues budgeted, appropriated and set aside for the payment of debt service on the Note.

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

Dated Date: 11/12/2009
Delivery Date: 11/12/2009

Date	Principal	Coupon	Interest	Debt Service	Fiscal Annual Debt Service
11/1/2010	-		\$ 340,215.63	\$ 340,215.63	
5/1/2011	\$ 15,000.00	2.000%	340,215.63	355,215.63	\$ 695,431.26
11/1/2011	-		340,065.63	340,065.63	
5/1/2012	15,000.00	2.000%	340,065.63	355,065.63	695,131.26
11/1/2012	-		339,915.63	339,915.63	
5/1/2013	120,000.00	3.000%	339,915.63	459,915.63	799,831.26
11/1/2013	-		338,115.63	338,115.63	
5/1/2014	125,000.00	3.000%	338,115.63	463,115.63	801,231.26
11/1/2014	-		336,240.63	336,240.63	
5/1/2015	125,000.00	3.250%	336,240.63	461,240.63	797,481.26
11/1/2015	-		334,209.38	334,209.38	
5/1/2016	235,000.00	3.500%	334,209.38	569,209.38	903,418.76
11/1/2016	-		330,096.88	330,096.88	
5/1/2017	240,000.00	3.750%	330,096.88	570,096.88	900,193.76
11/1/2017	-		325,596.88	325,596.88	
5/1/2018	250,000.00	4.000%	325,596.88	575,596.88	901,193.76
11/1/2018	-		320,596.88	320,596.88	
5/1/2019	260,000.00	4.000%	320,596.88	580,596.88	901,193.76
11/1/2019	-		315,396.88	315,396.88	
5/1/2020	375,000.00	4.000%	315,396.88	690,396.88	1,005,793.76
11/1/2020	-		307,896.88	307,896.88	
5/1/2021	390,000.00	4.125%	307,896.88	697,896.88	1,005,793.76
11/1/2021	-		299,853.13	299,853.13	
5/1/2022	510,000.00	4.125%	299,853.13	809,853.13	1,109,706.26
11/1/2022	-		289,334.38	289,334.38	
5/1/2023	530,000.00	4.250%	289,334.38	819,334.38	1,108,668.76
11/1/2023	-		278,071.88	278,071.88	
5/1/2024	555,000.00	4.375%	278,071.88	833,071.88	1,111,143.76
11/1/2024	-		265,931.25	265,931.25	
5/1/2025	680,000.00	4.750%	265,931.25	945,931.25	1,211,862.50
11/1/2025	-		249,781.25	249,781.25	
5/1/2026	715,000.00	4.750%	249,781.25	964,781.25	1,214,562.50
11/1/2026	-		232,800.00	232,800.00	
5/1/2027	750,000.00	4.750%	232,800.00	982,800.00	1,215,600.00
11/1/2027	-		214,987.50	214,987.50	
5/1/2028	785,000.00	4.750%	214,987.50	999,987.50	1,214,975.00
11/1/2028	-		196,343.75	196,343.75	
5/1/2029	825,000.00	4.750%	196,343.75	1,021,343.75	1,217,687.50
11/1/2029	-		176,750.00	176,750.00	
5/1/2030	865,000.00	5.000%	176,750.00	1,041,750.00	1,218,500.00
11/1/2030	-		155,125.00	155,125.00	
5/1/2031	910,000.00	5.000%	155,125.00	1,065,125.00	1,220,250.00
11/1/2031	-		132,375.00	132,375.00	
5/1/2032	955,000.00	5.000%	132,375.00	1,087,375.00	1,219,750.00
11/1/2032	-		108,500.00	108,500.00	
5/1/2033	1,005,000.00	5.000%	108,500.00	1,113,500.00	1,222,000.00
11/1/2033	-		83,375.00	83,375.00	
5/1/2034	1,055,000.00	5.000%	83,375.00	1,138,375.00	1,221,750.00
11/1/2034	-		57,000.00	57,000.00	
5/1/2035	1,110,000.00	5.000%	43,125.00	1,153,125.00	1,210,125.00
11/1/2035	-		43,125.00	43,125.00	
5/1/2036	1,170,000.00	5.000%	14,625.00	1,184,625.00	1,227,750.00
11/1/2036	-		14,625.00	14,625.00	
5/1/2037	-		-	-	14,625.00
	<u>\$ 14,570,000.00</u>		<u>\$ 12,795,650.14</u>	<u>\$ 27,365,650.14</u>	<u>\$ 27,365,650.14</u>

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)**

Dated Date: 11/3/2009
Delivery Date: 11/3/2009

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/1/2010			\$ 76,500.00	\$ 76,500.00	
5/1/2011			76,500.00	76,500.00	\$ 153,000.00
11/1/2011			76,500.00	76,500.00	
5/1/2012			76,500.00	76,500.00	153,000.00
11/1/2012	\$ 840,000.00	3.400%	76,500.00	916,500.00	
5/1/2013			62,220.00	62,220.00	978,720.00
11/1/2013	870,000.00	3.400%	62,220.00	932,220.00	
5/1/2014			47,430.00	47,430.00	979,650.00
11/1/2014	900,000.00	3.400%	47,430.00	947,430.00	
5/1/2015			32,130.00	32,130.00	979,560.00
11/1/2015	930,000.00	3.400%	32,130.00	962,130.00	
5/1/2016			16,320.00	16,320.00	978,450.00
11/1/2016	960,000.00	3.400%	16,320.00	976,320.00	
5/1/2017					976,320.00
	<u>\$ 4,500,000.00</u>		<u>\$ 698,700.00</u>	<u>\$ 5,198,700.00</u>	<u>\$ 5,198,700.00</u>

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
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 ³		
					Lake County	Florida	United States
2001	16,033	\$ 403,070	\$ 25,140	45.7	3.4%	3.4%	4.8%
2002	16,104	417,110	25,901	46.5	4.7%	5.5%	5.4%
2003	16,290	441,557	27,106	45.9	4.8%	5.2%	6.1%
2004	16,679	481,906	28,893	46.0	4.2%	4.9%	5.1%
2005	17,467	531,975	30,456	45.1	3.6%	3.8%	5.1%
2006	18,842	599,402	31,812	42.4	3.0%	3.3%	4.3%
2007	19,934	663,124	33,266	46.4	4.7%	4.4%	4.8%
2008	20,093	623,767	31,044	42.4	7.5%	7.0%	6.5%
2009	20,506	624,613	30,460	42.1	12.7%	11.5%	9.4%
2010	20,757	654,261	31,520	43.5	12.5%	12.2%	9.3%

Sources: All information reported from available statistics as of December 2010.

¹ Florida Bureau of Economic and Business Research (BEBR).

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. For Fiscal Year 2010, the latest information provided on this website was for 2008.

³ State of Florida, Department of Labor and Employment Security, Bureau of Labor Market Information (<http://fred.labormarketinfo.com>).

⁴ U.S. Census Bureau 2005-2009 5-year estimates (<http://factfinder.census.gov>)

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

Employer ¹	2010			2001		
	Employees ¹	City Rank	Percentage of Total County Employment	Employees ¹	City Rank	Percentage of Total County Employment
Central Florida Health Alliance (fka LRMC)	3,000	1	2.18%	1,902	1	1.99%
Lake County School District (fka LCSB)	671	2	0.49%	528	3	0.38%
Lifestream Behavioral Center	550	3	0.40%	400	6	0.29%
City of Leesburg	521	4	0.38%	455	5	0.33%
Lake Sumter Community College	521	4	0.38%			
Lake Port Properties	400	6	0.29%	379	7	0.28%
Publix (2 stores)	275	7	0.20%			
Lake-Sumter EMS, Inc.	260	8	0.19%			
Electric Services, Inc.	232	9	0.17%			
Leware Construction Company	220	10	0.16%			
Embarq-Florida, Inc (fka Sprint-Florida)				643	2	0.47%
Wal-Mart Stores, Inc.				465	4	0.34%
Hewitt Contracting				250	8	0.18%
Avante Group, Inc.				190	9	0.14%
Cutrale Citrus Juices USA, Inc				190	9	0.14%
Lake Sumter EMS, Inc				160	10	0.12%
Total	<u>6,650</u>		<u>4.83%</u>	<u>5,562</u>		<u>4.65%</u>
Lake County Labor Force ²	<u>137,719</u>			<u>95,519</u>		

Source: ¹Economic Development Commission of Mid Florida, Inc.

²Labor Force data obtained for Lake County from Florida Labor Market Statistics, <http://fred.labormarketinfo.com>

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

<u>Function</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General government										
Legislative	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Executive	7.00	7.00	7.00	7.00	7.00	7.00	8.00	5.00	5.00	5.00
Finance	41.00	41.00	43.00	44.00	43.00	47.00	51.50	50.00	50.00	48.00
Human Resources	5.00	5.00	5.00	6.00	6.00	6.00	6.50	6.00	6.00	6.00
MIS	8.00	8.00	10.00	11.00	14.00	12.00	12.00	12.00	12.00	11.50
Police										
Officers	62.10	62.10	66.25	72.25	73.25	77.25	76.75	72.00	72.25	72.25
Civilians	24.75	24.75	25.75	25.75	25.75	26.00	30.00	34.25	34.00	34.00
Fire										
Firefighters and officers	36.00	36.00	37.00	43.00	49.00	56.00	68.00	66.00	66.00	65.00
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	7.00	7.00	7.34	8.34	8.50	12.00	13.00	7.00	7.00	4.50
Other	27.50	20.50	16.00	18.00	20.50	25.00	26.00	16.10	16.10	18.10
Planning & Zoning	12.00	12.00	11.66	11.66	14.00	18.00	20.00	5.50	5.50	5.70
Housing & Economic										
Development	3.00	3.00	4.00	4.00	4.00	4.00	5.00	3.00	3.00	4.00
Library	22.30	22.30	23.00	23.00	23.80	28.25	28.75	22.00	25.47	20.32
Recreation	39.75	39.75	43.75	43.65	45.65	51.00	56.50	52.00	52.00	42.00
Airport				1.00	1.00	1.00	1.00	1.00	1.00	1.00
Subtotal for Governmental										
Funds	301.40	294.40	305.75	324.65	341.45	376.50	409.00	357.85	361.32	343.37
Electric	55.00	55.00	53.50	47.50	49.50	49.50	55.00	50.00	50.00	50.00
Gas	16.00	16.00	16.50	17.50	22.50	22.50	21.00	19.00	19.00	19.00
Water	22.50	22.50	23.59	27.00	28.50	30.50	30.50	34.50	34.50	37.00
Wastewater	37.50	37.50	38.91	37.00	38.00	41.50	43.50	46.50	46.50	45.00
Stormwater	6.50	6.50	5.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Communications				2.00	3.00	5.00	5.00	5.00	5.00	5.00
Solid Waste	19.00	19.00	19.00	19.00	18.00	18.00	19.00	19.90	19.90	17.90
Carver Heights CRA								1.00	1.00	-
Building Permits							9.50	6.50	6.50	4.30
Subtotal for Business Type										
Funds	156.50	156.50	157.00	154.00	163.50	171.00	187.50	186.40	186.40	182.20
Total	457.90	450.90	462.75	478.65	504.95	547.50	596.50	544.25	547.72	525.57

Source: City Annual Budget

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Responses to calls for service	41,000	39,560	41,534	44,060	54,659	52,061	50,893	47,078	44,459	47,345
Part I crimes	1,500	1,363	1,236	1,365	1,563	1,532	1,429	1,565	1,572	1,312
Traffic crashes & citations	9,070	6,890	8,130	7,491	10,844	8,356	6,553	6,567	6,271	6,729
Fire										
Emergency responses	4,900	5,182	4,669	4,230	4,440	4,693	5,264	5,831	6,395	7,384
Inspections	810	1,822	1,805	1,900	1,351	1,278	1,392	1,344	1,803	1,601
Pre-fire plans	N/A	311	254	164	578	455	468	306	107	80
Solid Waste										
Residential tons taken to incinerator	5,200	5,672	6,000	6,108	1,832	7,730	8,167	8,167	7,457	8,047
Residential tons of recyclables	812	416	400	486	101	406	402	402	390	408
Hand commercial collected	1,149	1,126	608	786	164	763	784	784	864	695
Commercial dumpster collected	8,762	9,541	7,693	9,840	2,865	11,729	11,293	11,293	12,598	13,302
Fleet Maintenance										
Vehicles owned by the City	N/A	610	644	625	673	655	696	584	609	593
Percent maintained by Fleet	N/A	53%	90%	100%	100%	100%	100%	100%	100%	100%
Preventive maintenance complete	N/A	302	640	710	550	656	675	557	450	506
Community Development										
Building permits issued within the City	430	311	406	2,122	3,666	4,599	2,878	2,238	1,943	1,944
Construction value of permits (thousands)	\$ 39,185	\$ 43,973	\$ 23,483	\$ 42,477	\$ 135,535	\$ 162,042	\$ 86,858	\$ 82,479	\$ 36,367	\$ 13,079
Culture and Recreation										
Youth programs	97	72	83	85	54	144	131	166	150	36
Number of bookings at rental facilities	582	539	501	608	829	760	6,935	6,331	5,782	5,476
Total service hours	2,000	1,469	1,645	1,298	N/A	2,786	22,101	27,035	28,213	28,156
Participants using the pools	10,700	7,029	8,082	11,360	10,137	16,525	23,633	12,818	16,903	16,791
Library service hours	3,360	3,350	3,390	3,292	3,346	3,482	3,270	3,296	2,402	2,607
Circulation - adults	201,706	216,761	224,067	250,516	258,695	252,150	265,918	273,159	274,996	275,690
Circulation - juvenile	33,286	32,840	31,222	34,416	59,367	68,984	77,636	83,589	86,610	79,208
Internet use	21,636	15,929	34,146	33,198	34,985	44,264	65,210	138,985	141,556	129,735
Electric										
Number of residential customers	15,336	15,551	15,801	16,425	17,013	17,439	17,841	17,732	17,666	21,043
Average daily consumption (KWh)	35.37	34.00	36.67	33.70	35.23	36.14	33.86	33.11	32.65	29.64
Gas										
Number of residential customers	8,047	8,186	8,421	8,845	9,130	9,607	10,116	11,300	11,259	11,279
Average daily consumption (therms)	0.77	0.60	0.73	0.67	0.63	0.58	0.53	0.43	0.57	0.68
Water										
Number of residential customers	9,163	9,372	9,633	10,056	10,491	14,504	15,426	13,885	15,616	18,181
Average daily consumption (gallons)	332.83	310.33	284.38	311.65	293.68	286.18	322.30	478.44	530.00	462.00
Wastewater										
Number of residential customers	N/A	9,357	9,609	10,185	10,618	14,051	15,515	12,861	17,032	17,032
Average daily sewage treatment (gallons)	N/A	177.34	196.30	210.97	232.13	207.89	318.44	207.39	174.00	159.98

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Police stations	2	2	1	1	1	1	1	1	1	1
Fire stations	2	2	3	3	3	4	4	4	4	4
Solid Waste										
Collection trucks	20	24	22	24	23	21	23	23	19	17
Annexation Acres	3,720.96	126.22	1,025.04	125.49	1,005.12	1,704.21	2,374.07	271.04	1.63	93.60
Corporate Limits:										
Acres	17,731.25	17,857.47	18,882.51	19,008.00	20,013.12	21,717.33	24,371.00	24,642	24,652.66	24,787
Square Miles	27.71	27.90	29.50	29.70	31.26	33.78	38.08	38.50	38.52	38.70
Streets										
Paved (miles)	80.9	80.9	84.1	84.1	79.0	79.0	79.0	79.0	79.0	82.2
Unpaved (miles)	3.2	3.2	3.2	3.2	1.7	1.7	1.7	1.7	1.7	1.9
Culture and Recreation										
Rental facilities	3	3	3	3	6	6	224	225	225	225
Museum	1	1	1	1	1	1	1	1	1	1
Parks facilities managed	10	10	22	22	50	50	22	23	23	23
Parks acreage	226	226	280	280	290	290	300	300	300	300
Library facilities	1	1	1	1	1	1	1	1	1	1
Volumes in collection	174,607	170,427	114,492	133,604	139,394	140,990	132,914	128,849	129,882	134,961
Electric										
Primary electric lines	365	371	376	382	389	392	392	392	440	444
within the city (miles)										
Overhead conductor replaced	N/A	38,769	35,000	12,769	20,825	N/A	1,000	41,392	9,870	54,506
(feet)										
Underground primary conductor	N/A	22,000	33,000	270	16,450	37,500	3,000	25,519	24,975	5,000
replaced (feet)										
Gas										
Gas mains	205	211	218	226	227	236	237	238	239	240
Gate stations	2	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles)	332	332	325	325	255	295	350	302	375	375
Maximum capacity (millions	7.5	7.9	9.1	9.1	9.1	28.0	28	28	28	28
of gallons)										
Deep wells	15	15	15	17	17	20	21	21	21	21
Wastewater										
Sewers force mains (miles)	103	103	103	103	61	63	77	81	81	81
Sewers gravity lines (miles)	70	70	70	116	130	133	165	169	169	169
Lift stations	100	100	102	110	114	124	146	173	162	163
Disposal plants	2	2	2	2	2	2	2	3	3	3
Maximum capacity (millions	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.87	8.37	8.37
of gallons per day)										
Communication										
Fiber optics cable (miles)	38	50	70	140	158	166	169	171	173	189

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.

Sources: Various city departments



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DEBT DISCLOSURE
CITY OF LEESBURG, FLORIDA
SEPTEMBER 30, 2010



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HISTORICAL STATEMENT OF PLEDGED REVENUES AND PRO FORMA DEBT SERVICE COVERAGE

The information in the following table sets forth the historical Pledged Revenues, and the coverage provided by Sales Tax and Guaranteed Entitlements of debt service on 1999 Bonds through 2009. On November 30, 2009, these bonds were refunded by the Capital Improvement Refunding Promissory Note, Series 2009 with the same pledged revenues and coverage requirements. The table also sets forth the coverage provided by Pledged Revenues for the indicated years of maximum amount debt service on the Series 2004 Bonds for such years.

City of Leesburg, Florida Historical Operating Results	Amounts expressed in thousands								
Description	Fiscal Year Ended September 30								
	2003	2004	2005	2006	2007	2008	2009	2010	
Half-Cent Sales Tax	\$ 822	\$ 919	\$ 997	\$ 1,094	\$ 1,002	\$ 964	\$ 899	\$ 900	
Guaranteed Entitlement	309	309	309	309	309	309	309	309	
Miscellaneous Revenues	2	5	3	-	-	-	-	-	
Total	<u>\$ 1,134</u>	<u>\$ 1,233</u>	<u>\$ 1,309</u>	<u>\$ 1,403</u>	<u>\$ 1,311</u>	<u>\$ 1,273</u>	<u>\$ 1,208</u>	<u>\$ 1,209</u>	
Debt Service on 1999 Bonds through 2009	\$ 499	\$ 498	\$ 498	\$ 496	\$ 495	\$ 497	\$ 500	\$ 332	
Debt Service on 2009 Bonds beginning 2010	-	-	-	-	-	-	-	96	
Half-Cent Sales Tax and Guaranteed Entitlement less Debt Service on 1999 Bonds/2009 Note	<u>\$ 635</u>	<u>\$ 735</u>	<u>\$ 812</u>	<u>\$ 907</u>	<u>\$ 816</u>	<u>\$ 776</u>	<u>\$ 708</u>	<u>\$ 781</u>	
Public Services Tax	<u>2,125</u>	<u>2,601</u>	<u>2,955</u>	<u>2,771</u>	<u>2,858</u>	<u>3,058</u>	<u>3,127</u>	<u>3,215</u>	
Total	<u>\$ 2,759</u>	<u>\$ 3,336</u>	<u>\$ 3,767</u>	<u>\$ 3,678</u>	<u>\$ 3,675</u>	<u>\$ 3,834</u>	<u>\$ 3,835</u>	<u>\$ 3,996</u>	
Annual Debt Service on Series 2004 Bonds	\$ -	\$ 126	\$ 798	\$ 798	\$ 1,114	\$ 1,111	\$ 1,111	\$ 1,110	
Debt Service Coverage	2.27	26.42	4.72	4.61	3.30	3.45	3.45	3.60	
Required Coverage ²	1.25	1.30	1.30	1.30	1.30	1.30	1.30	1.30	

Notes:

¹Small variances may exist in this schedule due to rounding.

²On July 21, 2004, the required coverage changed based on the new Capital Improvement Revenue Bonds, Series 2004.

Historical Operating Results - Electric Utility

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. The historical operating results for the Electric System for each of the eight fiscal years ended September 30, 2003 through 2010 are shown in the table below.

City of Leesburg, Florida Historical Operating Results	Amounts expressed in thousands							
Description	Fiscal Year Ended September 30							
	2003	2004	2005	2006	2007	2008	2009	2010
Operating Revenues	\$ 40,019	\$ 45,347	\$ 49,716	\$ 60,197	\$ 60,077	\$ 69,371	\$ 70,986	\$ 68,654
Less: Operating Expenses ¹	<u>33,430</u>	<u>38,456</u>	<u>42,428</u>	<u>52,211</u>	<u>51,343</u>	<u>59,762</u>	<u>61,013</u>	<u>55,737</u>
Net Operating Revenues	\$ 6,589	\$ 6,891	\$ 7,287	\$ 7,986	\$ 8,734	\$ 9,609	\$ 9,973	\$ 12,917
Other Income ²	<u>799</u>	<u>731</u>	<u>588</u>	<u>491</u>	<u>785</u>	<u>932</u>	<u>581</u>	<u>408</u>
Total Available for Debt Service	\$ 7,388	\$ 7,623	\$ 7,875	\$ 8,477	\$ 9,519	\$ 10,541	\$ 10,554	\$ 13,325
Debt Service								
Series 1999A ³	1,160	351	-	-	-	-	-	-
Series 2004 Bonds ⁴	-	-	-	-	780	1,096	1,091	1,090
Series 2007A and 2007B Bonds ⁵	-	-	-	-	-	1,235	1,235	1,499
Total Electric System Debt Service	\$ 1,160	\$ 351	\$ -	\$ -	\$ 780	\$ 2,331	\$ 2,326	\$ 2,589
Capital Contribution/Impact Fees	<u>158</u>	<u>296</u>	<u>2,060</u>	<u>1,158</u>	<u>772</u>	<u>622</u>	<u>274</u>	<u>31</u>
Amount Available for Working Capital, Transfer to the General Fund & Capital Improvements	\$ 6,386	\$ 7,568	\$ 9,936	\$ 9,635	\$ 9,511	\$ 8,832	\$ 8,502	\$ 10,767
Total Transfers In/(Out)	<u>(4,972)</u>	<u>(8,856)</u>	<u>(6,865)</u>	<u>(5,314)</u>	<u>(6,577)</u>	<u>(5,729)</u>	<u>(4,843)</u>	<u>(1,559)</u>
Net Funds Available from Operations	\$ 1,414	\$ (1,288)	\$ 3,071	\$ 4,321	\$ 2,934	\$ 3,103	\$ 3,659	\$ 9,209
Debt Service Coverage:⁶								
Debt Service Coverage on Bonds	6.37	21.74	-	-	12.21	4.52	4.54	5.15
Required Coverage Test	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

Historical Operating Results - Electric Utility

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 Amounts shown exclude depreciation and amortization expense.

² The amounts shown are as defined in the Bond Resolution and exclude interest earnings on Construction Fund balances.

³ Allocable to the Electric System. 1999A Bonds defeased by revenues of the System.

⁴ **Series 2004** - First three years of payments for these bonds are interest only. Payments began on October 1, 2004, and are due semiannually April 1 and October 1 thereafter. The annualized interest payments for fiscal years 2004, 2005 and 2006 were \$166,793, \$779,813 and \$779,813 respectively, and were paid 100% from the Capitalized Interest fund of \$1,726,418.

⁵ **Series 2007A & 2007B** - In Resolution 7064 adopted July 23, 2007, the City amended Resolution 7141 for the purpose of authorizing the issuance of the Electric System Revenue Bonds, Series 2007A and Taxable Electric System Revenue Bonds, Series 2007B ("Series 2007 Bonds") on a parity with the City's outstanding Electric System Revenue Bonds, Series 2004. First payment due on October 1, 2007, for these bonds is interest only and will be paid 100% from the Capitalized Interest fund of \$1,341,602. 2007A - \$67,889 2007B - \$87,236 Total interest due \$155,125.

⁶ Excludes revenues from capacity charges per Bond Resolution.

Historical Operating Results - Gas Utility

City of Leesburg, Florida Historical Operating Results	Amounts expressed in thousands							
Description	Fiscal Year Ended September 30							
	2003	2004	2005	2006	2007	2008	2009	2010
Operating Revenues	\$ 6,674	\$ 7,601	\$ 8,605	\$ 10,324	\$ 8,575	\$ 10,071	\$ 8,255	\$ 9,403
Less: Operating Expenses	6,342	7,231	7,581	8,983	6,868	7,760	5,701	6,191
Net Operating Revenues	\$ 331	\$ 370	\$ 1,025	\$ 1,340	\$ 1,707	\$ 2,312	\$ 2,554	\$ 3,213
Other Income	102	78	55	78	127	97	73	-(17)
Total Available for Debt Service	\$ 433	\$ 448	\$ 1,079	\$ 1,418	\$ 1,834	\$ 2,408	\$ 2,627	\$ 3,231
Debt Service								
Series 1999A and 1999B Bonds	142	43	-	-	-	-	-	-
Series 2004 Bonds	-	-	-	-	180	253	253	253
Series 2007A and 2007B Bonds	-	-	-	-	-	125	118	152
Total Debt Service	\$ 142	\$ 43	\$ -	\$ -	\$ 180	\$ 378	\$ 371	\$ 405
Capital Contribution/Impact Fees	-	-	4	-	-	195	115	22
Amount Available for Working Capital, Transfer to the General Fund & Capital Improvements	\$ 291	\$ 405	\$ 1,083	\$ 1,418	\$ 1,654	\$ 2,225	\$ 2,371	\$ 2,848
Total Transfers In/(Out)	(634)	(767)	(1,138)	(820)	(851)	(1,072)	(863)	(1,072)
Net Funds Available from Operations	\$ (343)	\$ (362)	\$ (54)	\$ 598	\$ 803	\$ 1,153	\$ 1,508	\$ 1,775
Debt Service Coverage:								
Debt Service Coverage on Bonds	3.05	10.44	-	-	10.17	6.38	7.08	7.98
Required Coverage Test	1.15	1.15	1.15	1.15	1.15	1.15	1.15	2.15
Notes:								
See notes on Combined Totals Sheet								

Historical Operating Results - Water Utility

City of Leesburg, Florida Historical Operating Results	Amounts expressed in thousands							
Description	Fiscal Year Ended September 30							
	2003	2004	2005	2006	2007	2008	2009	2010
Operating Revenues	\$ 3,961	\$ 4,490	\$ 4,401	\$ 5,565	\$ 7,383	\$ 6,996	\$ 6,874	\$ 6,811
Less: Operating Expenses	2,778	3,403	3,451	3,883	4,891	4,958	4,879	4,417
Net Operating Revenues	\$ 1,183	\$ 1,087	\$ 951	\$ 1,682	\$ 2,492	\$ 2,038	\$ 1,995	\$ 2,394
Other Income	241	176	127	148	178	161	95	-22
Total Available for Debt Service	\$ 1,424	\$ 1,263	\$ 1,078	\$ 1,831	\$ 2,670	\$ 2,199	\$ 2,090	\$ 2,373
Debt Service								
Series 1999A and 1999B Bonds	339	103	-	-	-	-	-	-
Series 2004 Bonds	-	-	-	-	375	526	526	526
Series 2007A and 2007B Bonds	-	-	-	-	-	715	674	870
Total Debt Service	\$ 339	\$ 103	\$ -	\$ -	\$ 375	\$ 1,241	\$ 1,200	\$ 1,396
Capital Contribution/Impact Fees	347	811	1,097	2,467	1,624	680	822	77
Amount Available for Working Capital, Transfer to the General Fund & Capital Improvements	\$ 1,432	\$ 1,972	\$ 2,175	\$ 4,297	\$ 3,919	\$ 1,637	\$ 1,711	\$ 1,053
Total Transfers In/(Out)	(1,765)	(811)	(1,785)	(568)	(793)	(804)	(828)	(353)
Net Funds Available from Operations	\$ (334)	\$ 1,161	\$ 390	\$ 3,729	\$ 3,126	\$ 833	\$ 883	\$ 700
Debt Service Coverage:								
Debt Service Coverage on Bonds	4.20	12.31	-	-	7.12	1.77	1.74	1.70
Required Coverage Test	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Notes:								
See notes on Combined Totals Sheet								

Historical Operating Results - Wastewater Utility

City of Leesburg, Florida Historical Operating Results	Amounts expressed in thousands							
Description	Fiscal Year Ended September 30							
	2003	2004	2005	2006	2007	2008	2009	2010
Operating Revenues	\$ 4,609	\$ 5,868	\$ 7,079	\$ 7,908	\$ 9,157	\$ 9,630	\$ 9,426	\$ 9,439
Less: Operating Expenses	3,687	4,279	4,780	5,399	6,041	6,305	6,054	5,977
Net Operating Revenues	\$ 923	\$ 1,588	\$ 2,299	\$ 2,510	\$ 3,116	\$ 3,325	\$ 3,372	\$ 3,462
Other Income	93	145	123	237	539	82	591	95
Total Available for Debt Service	\$ 1,016	\$ 1,733	\$ 2,423	\$ 2,747	\$ 3,656	\$ 3,407	\$ 3,963	\$ 3,557
Debt Service								
Series 1999A and 1999B Bonds	241	73	-	-	-	-	-	-
Series 2004 Bonds	-	-	-	-	520	729	729	730
Series 2007A and 2007B Bonds	-	-	-	-	-	263	311	397
Total Debt Service	\$ 241	\$ 73	\$ -	\$ -	\$ 520	\$ 991	\$ 1,040	\$ 1,127
Capital Contribution/Impact Fees	601	1,219	2,679	1,826	1,012	1,142	-	293
Amount Available for Working Capital, Transfer to the General Fund & Capital Improvements	\$ 1,376	\$ 2,879	\$ 5,102	\$ 4,572	\$ 4,148	\$ 3,558	\$ 2,923	\$ 2,724
Total Transfers In/(Out)	(331)	(404)	(1,045)	(497)	(664)	(733)	(724)	(663)
Net Funds Available from Operations	\$ 1,046	\$ 2,475	\$ 4,057	\$ 4,075	\$ 3,484	\$ 2,825	\$ 2,199	\$ 2,061
Debt Service Coverage:								
Debt Service Coverage on Bonds	-	-	-	-	7.03	3.44	3.81	3.16
Required Coverage Test	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Notes:								
See notes on Combined Totals Sheet								

Historical Operating Results - Combined Gas, Water & Wastewater Utilities

The historical operating results for the System by individual utility for each of the eight fiscal years ended September 30, 2003 through 2010 are shown in the table below.

City of Leesburg, Florida Historical Operating Results	Amounts expressed in thousands							
Description	Fiscal Year Ended September 30							
	2003	2004	2005	2006	2007	2008	2009	2010
Operating Revenues	\$ 15,244	\$ 17,958	\$ 20,086	\$ 23,797	\$ 25,116	\$ 26,697	\$ 24,555	\$ 25,653
Less: Operating Expenses	12,807	14,913	15,811	18,265	17,800	19,023	16,634	16,585
Net Operating Revenues	<u>\$ 2,437</u>	<u>\$ 3,045</u>	<u>\$ 4,275</u>	<u>\$ 5,532</u>	<u>\$ 7,316</u>	<u>\$ 7,674</u>	<u>\$ 7,921</u>	<u>\$ 9,069</u>
Other Income	436	400	305	463	844	340	758	91
Total Available for Debt Service	<u>\$ 2,873</u>	<u>\$ 3,445</u>	<u>\$ 4,580</u>	<u>\$ 5,995</u>	<u>\$ 8,160</u>	<u>\$ 8,014</u>	<u>\$ 8,679</u>	<u>\$ 9,160</u>
Debt Service								
Series 1999A and 1999B Bonds ¹	722	218	-	-	-	-	-	-
Series 2004 Bonds ²	-	-	-	-	1,075	1,508	1,509	1,509
Series 2007A and 2007B Bonds ³	-	-	-	-	-	1,102	1,102	1,419
Total Debt Service	<u>\$ 722</u>	<u>\$ 218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,075</u>	<u>\$ 2,610</u>	<u>\$ 2,611</u>	<u>\$ 2,928</u>
Capital Contribution/Impact Fees	<u>\$ 948</u>	<u>\$ 2,030</u>	<u>\$ 3,781</u>	<u>\$ 4,292</u>	<u>\$ 2,636</u>	<u>\$ 2,016</u>	<u>\$ 937</u>	<u>\$ 392</u>
Amount Available for Working Capital, Transfer to the General Fund & Capital Improvements	<u>\$ 3,099</u>	<u>\$ 5,257</u>	<u>\$ 8,360</u>	<u>\$ 10,287</u>	<u>\$ 9,721</u>	<u>\$ 7,420</u>	<u>\$ 7,006</u>	<u>\$ 6,624</u>
Total Transfers In/(Out)	<u>(2,730)</u>	<u>(1,982)</u>	<u>(3,968)</u>	<u>(1,885)</u>	<u>(2,309)</u>	<u>(2,609)</u>	<u>(2,415)</u>	<u>(2,088)</u>
Net Funds Available from Operations	<u>\$ 369</u>	<u>\$ 3,275</u>	<u>\$ 4,392</u>	<u>\$ 8,402</u>	<u>\$ 7,413</u>	<u>\$ 4,811</u>	<u>\$ 4,591</u>	<u>\$ 4,536</u>
Debt Service Coverage:⁴								
Debt Service Coverage on Bonds	-	-	-	-	7.59	3.07	3.32	3.13
Required Coverage Test	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15

Historical Operating Results - Combined Gas, Water & Wastewater Utilities

Notes:

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

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

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

¹ **Series 1999** - Allocable to the System. 1999A and 1999B Bonds defeased by revenues of the System.

² **Series 2004** - 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 \$229,963, \$1,075,151 and \$1,075,151, respectively, and were paid 100% from the Capitalized Interest Fund of \$2,380,265.

³ **Series 2007A & 2007B** - In Resolution 7965 adopted July 23, 2007, the City amended Resolution 7143 for the purpose of authorizing the issuance of the Utility System Revenue Bonds, Series 2007A and Taxable Utility System Revenue Bonds, Series 2007B ("Series 2007 Bonds") on a parity with the City's outstanding Utility System Revenue Bonds, Series 2004. First payment due on October 1, 2007, for these bonds is interest only and will be paid 100% from the Capitalized Interest Fund of \$675,038 2007A - \$66,384 2007B - \$4,034 Total interest due - \$140,834

⁴ Excludes revenues from capacity charges per Bond Resolution.



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CITY OF LEESBURG, FLORIDA

Electric System

Inter-Utility Comparison of Typical Monthly Electric Bills ^[1]

Line No.	Comparable Utility	Fuel Adj. (\$/1000 kWh)	Usage			
			500 kWh	1,000 kWh	2,000 kWh	3,000 kWh
Residential Service						
1	City of Leesburg, Florida	\$38.00	\$70.46	\$130.27	\$249.88	\$369.49
<u>Florida Municipalities or Cooperatives:</u>						
2	City of Gainesville	56.30	61.60	132.25	290.55	448.85
3	City of Lakeland	55.87	60.34	112.69	224.88	339.56
4	City of Ocala	39.57	66.77	124.20	163.77	203.34
5	Orlando Utilities Commission	42.07	63.91	119.82	251.64	383.46
6	Sumter Electric Cooperative, Inc.	9.40	71.28	128.05	241.60	355.15
7	City of Tallahassee	62.46	67.18	127.97	249.55	371.13
<u>Investor-Owned Utilities ^[2]:</u>						
8	Florida Power and Light	38.57	49.27	92.63	199.36	306.09
9	Progress Energy	46.11	66.25	123.73	259.61	395.49
10	Tampa Electric Company	54.46	60.21	109.91	229.32	348.73
11	Average		62.45	117.91	232.59	347.58
12	Minimum		49.27	92.63	163.77	203.34
13	Max		71.28	132.25	290.55	448.85
General Service (Nondemand)						
			500 kWh	1,000 kWh	2,000 kWh	3,000 kWh
14	City of Leesburg, Florida	\$38.00	\$74.07	\$137.48	\$264.30	\$391.11
<u>Florida Municipalities or Cooperatives:</u>						
15	City of Gainesville	56.00	94.00	162.00	312.00	476.00
16	City of Lakeland	55.87	64.44	118.89	227.78	336.66
17	City of Ocala	39.57	69.57	126.91	241.60	356.29
18	Orlando Utilities Commission	44.84	68.93	127.61	244.97	362.33
19	Sumter Electric Cooperative, Inc.	9.40	73.28	130.05	243.60	357.15
20	City of Tallahassee	62.46	60.74	113.47	218.94	324.41
<u>Investor-Owned Utilities ^[2]:</u>						
21	Florida Power and Light	0.00	55.33	103.77	200.65	297.53
22	Progress Energy	49.23	69.31	127.02	242.45	357.88
23	Tampa Electric Company	57.78	63.62	116.73	222.96	329.19
24	Average		69.81	126.62	242.00	359.13
25	Minimum		55.33	103.77	200.65	297.53
26	Max		94.00	162.00	312.00	476.00

CITY OF LEESBURG, FLORIDA

Electric System

Inter-Utility Comparison of Typical Monthly Electric Bills ^[1]

Line No.	Comparable Utility	Fuel Adj. (\$/1000 kWh)	Usage			
			50 kW 20,000 kWh	150 kW 40,000 kWh	300 kW 120,000 kWh	500 kW 200,000 kWh
General Service Demand						
27	City of Leesburg, Florida	\$38.00	\$2,143.22	\$4,791.28	\$12,746.02	\$21,228.26
<u>Florida Municipalities or Cooperatives:</u>						
28	City of Gainesville	56.00	2,652.50	5,717.50	15,665.00	26,075.00
29	City of Lakeland	55.87	1,901.15	4,122.30	11,256.90	18,704.50
30	City of Ocala	39.57	2,088.35	4,542.25	12,482.85	21,063.45
31	Orlando Utilities Commission	44.84	1,947.00	4,264.00	11,532.00	19,200.00
32	Sumter Electric Cooperative, Inc.	9.40	1,972.10	4,176.70	11,557.60	19,226.00
33	City of Tallahassee	62.46	1,851.09	4,133.49	10,798.09	17,955.69
<u>Investor-Owned Utilities ^[2]:</u>						
34	Florida Power and Light	50.32	1,720.74	3,846.54	10,242.24	17,113.13
35	Progress Energy	49.23	1,981.79	4,196.99	11,832.79	19,713.59
36	Tampa Electric Company	76.22	2,318.50	5,000.50	13,626.00	22,672.00
37	Average		2,072.77	4,483.35	12,274.42	20,470.96
38	Minimum		1,720.74	3,846.54	10,242.24	17,113.13
39	Max		2,652.50	5,717.50	15,665.00	26,075.00

Notes:

- [1] Amounts shown are based on the rates for single phase service and reflect when applicable, inside city service. In addition, where applicable amounts include fuel adjustments and environmental charges but do not include taxes or franchise fees.
- [2] Amounts shown include the energy conservation, capacity and environmental cost recovery charges where appropriate, as filed with the Florida Public Service Commission (FPSC).

CITY OF LEESBURG, FLORIDA

Natural Gas System

Inter-Utility Comparison of Typical Monthly Natural Gas Bills ^[1]

Line No.	Comparable Utility	Usage					
		Residential (Therms)					
		10	30	50	70	90	100
1	City of Leesburg, Florida	\$17.63	\$38.36	\$59.09	\$79.82	\$100.55	\$110.92
<u>Florida Municipalities:</u>							
2	Energy Services of Pensacola	23.49	55.90	88.32	120.73	153.15	169.36
3	City of Gainesville	20.08	41.21	62.34	83.47	104.60	115.16
4	City of Tallahassee	25.47	57.20	88.93	120.66	152.39	168.25
<u>Regulated Natural Gas Companies:</u>							
5	City Gas Company of Florida ^[2]	23.85	55.56	87.27	118.97	150.68	164.07
6	Peoples Gas System, Inc. ^[3]	27.04	57.11	87.18	117.25	147.32	162.35
7	St. Joe Natural Gas Company	31.34	68.03	104.71	141.39	178.08	196.42
8	Average	25.21	55.83	86.46	117.08	147.70	162.60
9	Minimum	20.08	41.21	62.34	83.47	104.60	115.16
10	Max	31.34	68.03	104.71	141.39	178.08	196.42
		Commercial (Therms)					
		100	300	500	700	1000	2000
11	City of Leesburg, Florida	\$114.56	\$321.85	\$529.15	\$736.44	\$1,047.38	\$2,083.86
<u>Florida Municipalities:</u>							
12	Energy Services of Pensacola	166.62	474.91	783.20	1,091.49	1,553.92	3,095.37
13	City of Gainesville	126.64	309.92	493.20	676.48	951.40	1,867.80
14	City of Tallahassee	160.21	446.26	732.30	1,018.35	1,447.41	2,877.64
<u>Regulated Natural Gas Companies:</u>							
15	City Gas Company of Florida ^[2]	164.07	466.56	770.26	1,012.76	1,441.66	2,612.12
16	Peoples Gas System, Inc. ^[3]	180.98	492.94	804.91	1,116.87	1,584.81	2,973.48
17	St. Joe Natural Gas Company	162.37	447.11	731.85	1,016.59	1,443.70	2,579.46
18	Average	160.15	439.62	719.29	988.76	1,403.82	2,667.64
19	Minimum	126.64	309.92	493.20	676.48	951.40	1,867.80
20	Max	180.98	492.94	804.91	1,116.87	1,584.81	3,095.37

Notes:

- [1] Unless otherwise noted, amounts shown reflect standard residential and commercial rates and purchased gas adjustments in effect as of January 2009 and are exclusive of utility taxes and franchise fees and, where appropriate, reflect inside the city limits service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility. Additionally, amounts were calculated using rates based on therms or ccf; assumed heat content of 99,976.12 BTU/therm.
- [2] City Gas Company of Florida provides natural gas service to customers in Brevard County located on the central east coast of Florida and to customers in the Miami area in Dade and Broward Counties.
- [3] Peoples Gas System, Inc. provides natural gas service to cities throughout Florida, including Orlando, Tampa, Lakeland, Jacksonville, Kissimmee, and St. Petersburg.

CITY OF LEESBURG, FLORIDA

Water System

Inter-Utility Comparison of Typical Monthly Water Bills^[1]

Line No.	Comparable Utility	Usage					
5/8" Meter Residential							
		3,000 Gallons	5,000 Gallons	7,500 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
1	City of Leesburg, Florida	\$10.49	\$12.46	\$15.19	\$18.79	\$26.44	\$36.79
Other Florida Utilities:							
2	Brevard County Utilities	12.32	20.04	29.69	42.82	70.82	108.86
3	Fort Pierce Utilities Authority	19.95	25.73	32.96	40.18	58.18	79.83
4	Gainesville Regional Utilities	13.72	17.70	22.68	29.31	47.56	65.81
5	City of Homestead	9.41	11.63	14.41	17.37	24.32	33.07
6	City of Ocala	12.09	14.01	16.42	18.83	26.10	38.20
7	Orange County Public Utilities	9.45	12.23	15.71	19.18	32.98	46.78
8	Orlando Utilities Commission	9.40	11.56	14.50	18.48	26.42	35.61
9	St. Lucie County	32.00	38.74	53.89	69.04	109.44	156.59
10	City of St. Petersburg	18.47	24.89	34.44	47.32	74.52	110.57
11	City of Tallahassee	10.31	13.17	16.74	20.57	30.27	39.97
12	City of Vero Beach	18.99	24.55	31.50	38.45	52.35	80.15
13	Average	15.10	19.48	25.72	32.87	50.27	72.31
14	Minimum	9.40	11.56	14.41	17.37	24.32	33.07
15	Max	32.00	38.74	53.89	69.04	109.44	156.59
2" Meter Commercial							
		50,000 Gallons	150,000 Gallons	200,000 Gallons	500,000 Gallons		
16	City of Leesburg, Florida	\$81.35	\$228.35	\$301.85	\$742.85		
Other Florida Utilities:							
17	Brevard County Utilities	212.10	937.76	1,433.82	4,715.82		
18	Fort Pierce Utilities Authority	323.76	612.76	757.26	1,624.26		
19	Gainesville Regional Utilities	177.75	517.75	687.75	1,707.75		
20	City of Homestead	153.01	361.01	465.01	1,089.01		
21	City of Ocala	178.29	301.28	362.78	731.76		
22	Orange County Public Utilities	98.80	237.80	307.30	724.30		
23	Orlando Utilities Commission	98.80	252.90	329.95	792.25		
24	St. Lucie County ^[2]	612.47	1,945.20	2,611.57	6,609.77		
25	City of St. Petersburg ^[3]	236.47	557.47	717.97	1,680.97		
26	City of Tallahassee	77.78	245.78	329.78	833.78		
27	City of Vero Beach	184.15	444.15	574.15	1,354.15		
28	Average	213.94	583.08	779.76	1,987.62		
29	Minimum	77.78	237.80	307.30	724.30		
30	Max	612.47	1,945.20	2,611.57	6,609.77		

Notes:

- [1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during January 2009, and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.
- [2] Commercial user bills are calculated based upon equivalent residential units. 1 ERU = 7,500 gallons.
- [3] The City of St. Petersburg, Florida utilizes a blocked rate for commercial water customers based on each individual customer's average consumption. For purposes of this comparison, customer use is assumed to be average.

CITY OF LEESBURG, FLORIDA

Wastewater System

Inter-Utility Comparison of Typical Monthly Wastewater Bills^[1]

Line No.	Comparable Utility	Usage					
5/8" Meter Residential							
		3,000 Gallons	5,000 Gallons	7,500 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
1	City of Leesburg, Florida	\$25.37	\$28.28	\$31.92	\$35.56	\$42.84	\$42.84
Other Florida Utilities:							
2	Brevard County Utilities ^[2]	25.94	32.66	41.06	49.46	56.18	56.18
3	Ft. Pierce Utilities Authority	29.03	39.05	51.58	64.10	64.10	64.10
4	Gainesville Regional Utilities	22.37	32.95	46.18	59.40	85.85	112.30
5	City of Homestead	30.57	42.55	57.53	72.50	102.45	132.40
6	City of Ocala	31.06	36.89	44.18	51.46	52.84	52.84
7	Orange County Public Utilities	24.92	31.66	40.09	48.51	61.99	61.99
8	City of Orlando ^[3]	25.81	33.03	42.06	51.08	65.52	65.52
9	St. Lucie County	44.14	58.08	75.51	92.93	92.93	92.93
10	City of St. Petersburg	22.55	30.59	40.64	50.69	70.79	90.89
11	City of Tallahassee ^[5]	31.76	42.12	55.07	68.02	93.92	119.82
12	City of Vero Beach	30.66	37.84	46.82	55.79	55.79	55.79
13	Average	28.98	37.95	49.15	60.36	72.94	82.25
14	Minimum	22.37	30.59	40.09	48.51	52.84	52.84
15	Max	44.14	58.08	75.51	92.93	102.45	132.40
2" Meter Commercial							
		50,000 Gallons	150,000 Gallons	500,000 Gallons			
16	City of Leesburg, Florida	\$186.33	\$484.64	\$1,528.72			
Other Florida Utilities:							
17	Brevard County Utilities ^[2]	300.17	900.50	3,001.67			
18	Ft. Pierce Utilities Authority	362.71	863.71	2,617.21			
19	Gainesville Regional Utilities	271.00	800.00	2,651.50			
20	City of Homestead	374.73	973.73	3,070.23			
21	City of Ocala	514.09	805.54	1,825.59			
22	Orange County Public Utilities	267.96	604.96	1,784.46			
23	City of Orlando ^[3]	286.86	862.07	2,874.57			
24	St. Lucie County ^[4]	298.16	685.38	2,040.66			
25	City of St. Petersburg	296.42	698.42	2,105.42			
26	City of Tallahassee	388.69	906.69	2,719.69			
27	City of Vero Beach	273.48	632.48	1,888.98			
28	Average	330.39	793.95	2,416.36			
29	Minimum	267.96	604.96	1,784.46			
30	Max	514.09	973.73	3,070.23			

Notes:

- [1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during January 2010, and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.
- [2] Commercial user bills are calculated based upon equivalent residential units. 1 ERU = 6,000 gallons.
- [3] Commercial user bills are calculated based upon equivalent residential units. 1 ERU = 7,000 gallons.
- [4] Commercial user bills are calculated based upon equivalent residential units. 1 ERU = 9,000 gallons.
- [5] The City calculates maximum residential sewer charges annually based on bills from December - March. The maximum charged in any month during the following 12 months is the second highest water consumption during those previous 4 months.



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City of Leesburg
Ten Largest Customer (Revenue Based)
For the Fiscal Year Ending September 30, 2010

Electric	Revenues	Volume (KWh)	% of Total
CUTRALE CITRUS JUICES USA INC	3,593,970	30,151,538	5.23%
LEESBURG REGIONAL MEDICAL CENTER	2,009,254	19,277,993	2.93%
WALMART STORE INC	585,474	5,679,456	0.85%
LAKE COUNTY SCHOOL DISTRICT	527,407	4,128,444	0.77%
EMBARQ FLORIDA INC	514,405	4,738,537	0.75%
CENTRAL FLORIDA FREEZER, INC	424,088	4,150,661	0.62%
COCA-COLA NORTH AMERICA	393,346	3,780,800	0.57%
LIFESTREAM BEHAVIORAL CENTER	342,291	3,113,988	0.50%
LOWES HOME CENTERS INC	314,568	2,953,334	0.46%
PUBLIX SUPERMARKETS, INC	262,389	2,472,600	0.38%
Total 10 Largest Electric Customers	\$ 8,967,192	\$ 80,447,351	13.06%

Total Electric System Revenues **\$ 68,654,386** 994,585,692 **100%**

Gas	Revenues	Volume (Therms)	% of Total
LEESBURG REGIONAL MEDICAL CENTER	936,636	762,037	9.96%
FEDERAL CORRECTIONAL COMPLEX	874,027	942,596	9.30%
CUTRALE CITRUS JUICES USA INC	785,317	8,844,640	8.35%
DAB CONSTRUCTORS	315,468	416,677	3.36%
LAKE COUNTY BOARD OF COUNTY COMMISS	191,235	194,821	2.03%
LIFESTREAM BEHAVIORAL CENTER	100,433	83,967	1.07%
LAKE HARRIS HEALTH SYSTEMS LLC	94,975	81,775	1.01%
ARLINGTON RIDGE CDD	64,082	50,836	0.68%
LAKES AT LEESBURG	44,070	37,206	0.47%
LAKE SUMTER COMMUNITY COLLEGE	43,733	37,041	0.47%
Total 10 Largest Gas Customers	\$3,449,976	11,451,596	36.69%

Total Gas System Revenues **\$ 9,402,636** 26,051,316 **100.00%**

City of Leesburg
Ten Largest Customer (Revenue Based)
For the Fiscal Year Ending September 30, 2010

Water & Irrigation	Revenues	Volume (1,000 Gal)	% of Total
LEESBURG REGIONAL MEDICAL CENTER	152,336	128,444	2.24%
WALGREENS CO	133,113	91,921	1.95%
LAKE HARRIS HEALTH SYSTEMS LLC	66,289	27,273	0.97%
HIGHLAND LAKES PROP OWNERS	38,649	20,933	0.57%
LAKE COUNTY SCHOOL DISTRICT	29,859	21,045	0.44%
ROYAL HIGHLANDS PROPERTY OWNERS	29,113	15,255	0.43%
SDG MACERICH PROPERTIES L P	25,924	17,472	0.38%
KURTELL GROWTH INDUSTRIES LTD	24,396	23,496	0.36%
COMMUNITY HOUSING PARTNERS	23,760	19,629	0.35%
MARONDA HOMES, INC	22,294	12,356	0.33%
Total 10 Largest Water Customers	\$545,733	377,824	8.01%

Total Water System Revenues \$ 6,811,308 2,402,210 100.00%

Wastewater	Revenues	Volume (1,000 Gal)	% of Total
LEESBURG REGIONAL MEDICAL CENTER	209,403	87,527	14.80%
LAKE HARRIS HEALTH SYSTEMS LLC	144,853	27,273	4.61%
COMMUNITY HOUSING PARTNERS CORP	32,563	19,629	3.32%
CIRCLE K STORE INC	31,270	8,442	1.43%
KURTELL GROWTH INDUSTRIES LTD	29,125	23,496	3.97%
TOM GRIZZARD REALTY	28,985	9,233	1.56%
CUTRALE CITRUS JUICES USA INC	26,457	6,704	1.13%
FIRST BAPTIST CHURCH	23,185	9,238	1.56%
LAKE SUMTER COMMUNITY COLLEGE	22,668	8,806	1.49%
BEACON COLLEGE	21,701	5,008	0.85%
COACHWOOD COLONY MHP LLC	21,253	12,465	2.11%
Total 10 Largest Water Customers	\$ 591,462	217,821	37%

Total Wastewater System Revenues \$ 9,438,967 1,686,530 100.00%

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING §22 – 196 (1), (2), (3), and (4) OF THE CODE OF ORDINANCES; PERTAINING TO ELECTRIC RATES; CHANGING THE RATE STRUCTURE IN THE “RS” – RESIDENTIAL, “GS” – GENERAL SERVICE, AND “GSD” – GENERAL SERVICE DEMAND, RATE CLASSIFICATIONS; PROVIDING A SAVINGS CLAUSE; REPEALING CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION I.

Subsections 1 through 4, inclusive, of Section 22 – 196 of the Code of Ordinances of the City of Leesburg are hereby amended as set forth below.

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.
 - 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 . . . \$ 9.94 per month
All kwh, per kwh . . . \$0.07296 per kwh

The rates per month shall become effective with all bills rendered on or after the first day of the month subsequent to adoption. Such rates per month are subject to the annual inflation adjustment component pursuant to §22 – 166.

- 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 §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 §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 . . . \$ 9.94 per month
All kwh. \$0.07968 per kwh

The rates per month shall become effective with all bills rendered on or after the first day of the month subsequent to adoption. Such rates per month are subject to the annual inflation adjustment component pursuant to section 22 – 166.

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 charges 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 § 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 charge shall be as prescribed by the Utility Service Fee Schedule pursuant to §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 §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. **Applicability.** Such rate is applicable to nonresidential customers with an electrical demand requirement of 20 kw or more throughout the area served by the utility;
- 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.**

Customer charge . . . \$ **21.11** per month
 All kw, per kw . . . \$ **8.69400** per kw
 All kwh, per kwh . . . \$ **0.03882** per kwh

The rates per month shall become effective with all bills rendered on or after the first day of the month subsequent to adoption. Such rates per month are subject to the annual inflation adjustment component pursuant to Section 22-166.

- 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 § 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 §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 §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";
- (4) Bulk Power Cost Adjustment, BPCA.
- a. Applicability. To the monthly rate of each filed rate schedule as indicated with reference to billing adjustment.
 - b. The rate charged by the City for electric energy furnished to consumers of electricity shall be decreased or increased \$0.0001 per kWh for each \$0.0001, or major fraction thereof, decrease below or increase above **\$0.04933** (The annual inflation adjustment component shall also be applied) per kWh as determined by the average cost to the City each month. This amount includes a demand related component of **\$0.04244** per kWh plus \$0.006990 per kWh for the cost of fuel on October 1, 1973. The Finance Director may apply a levelized bulk power cost adjustment to expand the recovery period based on a 12-month forward looking approach and can adjust the bulk power cost adjustment monthly if necessary. In addition, the Finance Director may calculate the cost to the City and exclude "true-up" credits received from the power supply agency. The City shall not impose a municipal public service tax on a "fuel adjustment charge" in accordance with Florida Statutes 166.231.

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 ordinances, in which case those ordinances so affected shall be hereby repealed in their entirety. However, except as specifically amended or repealed by this Ordinance, all portions of §22 – 196 shall continue in full force as they existed prior to the adoption of this Ordinance.

SECTION IV.

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 25th day of June, 2007.

THE CITY OF LEESBURG, FLORIDA

BY: *Sandra Henderson*
Mayor

Attest: *Betty M. Richardson*
City Clerk

06/25/07

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.

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.

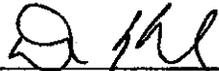
SECTION 3.

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



LEESBURG

The Lakefront City

5B. AGENDA MEMORANDUM

Meeting Date:	October 11, 2010
From:	Jerry Boop, Finance Director, CPA, CGFO
Subject:	Ordinance amending Section 22-196 of the Code of Ordinances pertaining to section (3) General Service Demand (GSD), updating section f., Rate per Month, a component of Electric Service Rates.

Staff Recommendation:

Staff recommends adopting the proposed rates and revisions to Section 22-196 pertaining to General Service Demand, updating section f., Rate per Month.

Analysis:

Following adoption of resolution 8467 by the City Commission June 8, 2009, the City of Leesburg engaged Doug Handley, doing business as, Utility Consulting Services, to perform certain rate analysis of the City's electric rates and provide recommendations for consideration. Two recommendations came forward as a result of that study. The first recommendation which involved a reallocation of power costs between base rates and the Bulk Power Cost Adjustment (BPCA) was adopted upon second reading at the regular City Commission meeting December 14, 2009. The second recommendation was to study the City's Demand Rate Structure and propose adjustments to this structure, if necessary. Both studies were performed and completed with the understanding that any and all adjustments recommended by the consultant were to be revenue neutral.

The intent of the second recommendation was to evaluate and recommend potential restructured rates for the general service demand class to (a) segregate the class according to size and (b) to implement an appropriate price signal that more closely reflects demand charges from the Florida Municipal Power Agency (FMPA) and, therefore, encourages energy conservation and efficiency by large customers.

Utility Consulting Services proposes that the City segregate its basic demand customers into three separate rate classes as follows:

- GSD-1 Demand over 20 kW and less than 500 kW
- GSD-2 Demand of 500 kW or more but less than 2,000 kW
- GSD 3 Demand of 2,000 kW or more

ORDINANCE NO. 07-40

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING §22-246 OF THE CODE OF ORDINANCES PERTAINING TO NATURAL GAS RATES; INCREASING MONTHLY CHARGES FOR ALL CLASSIFICATIONS OF CUSTOMER; PROVIDING FOR ANNUAL INFLATION ADJUSTMENT; CHANGING THE GROSS PROFIT MARGIN OF THE CITY; CHANGING THE CALCULATION METHOD FOR THE FUEL ADJUSTMENT CHARGE; REPEALING CONFLICTING ORDINANCES; PROVIDING A SEVERANCE CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION I.

§22-246 of the Code of Ordinances for the City of Leesburg, Florida, is hereby amended in its entirety to read as set forth below:

Sec. 22-246. Gas service rate schedule.

The rates for the furnishing of gas service by the city shall be as set forth below. Rates shown shall be subject to periodic adjustment under §22-166 of this Code. The automatic annual adjustment described by 22-166 shall not apply to the Energy Conservation Adjustment. Rates described herein shall be effective for all utility bills rendered on or after the first day of the month following adoption of this Ordinance.

(1) Residential.

- a. Applicable. Service under the rate shall apply only to gas service used in a single private dwelling unit and its appurtenances and used for other than heating only and shall not be resold. Each dwelling unit in an apartment house shall be separately metered. Housing projects in which gas service is furnished by the lessor may be singularly metered and billed.
- b. Deposits. Deposits for each account shall be required as set forth more particularly in § 22-181 of this Code.
- c. Monthly rate.
 - Availability charge exclusive of use . . . \$6.78
 - Delivery Charge per therm, effective 6-1-2007 0.464400

(2) Heating only, residential.

- a. Applicable. Service under this rate shall apply only to gas service used for heating only in a single private dwelling unit and its appurtenances and shall

not be resold. Each dwelling unit in an apartment shall be separately metered. Housing projects in which gas service is furnished by the lessor may be singularly metered and billed.

- b. Deposits. Deposits for each account shall be required as set forth more particularly in § 22-181 of this Code.
- c. Monthly rate.
Availability charge, exclusive of use . . . \$10.17

Delivery Charge per therm, effective 6-1-20070.464400

(3) Public building, commercial and small industrial (not contract).

- a. Applicable. To all publicly owned buildings, school buildings, commercial and industrial consumers.
- b. Monthly rate.
Availability charge, exclusive of use . . . \$10.17
Energy Charge per therm, effective 6-1-20070.464400

(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: Jetty M. Richardson
City Clerk

ORDINANCE NO. 09- 64

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING SECTION 22-211 OF THE CODE OF ORDINANCES PERTAINING TO WATER SERVICE RATES; ESTABLISHING A NEW RATE SCHEDULE FOR WATER; PROVIDING FOR RATES TO BE EFFECTIVE NOVEMBER 1, 2009; PROVIDING FOR RATES TO BE EFFECTIVE NOVEMBER 1, 2010; PROVIDING FOR RATES INSIDE AND OUTSIDE THE 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 22-211, 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
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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

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

(c) Reconnection charge, when service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, charges will be imposed as provided in the utility service fee schedule.

(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, there shall be charged, in addition to the foregoing charge, 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, 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.

(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, if no 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.

SECTION 3.

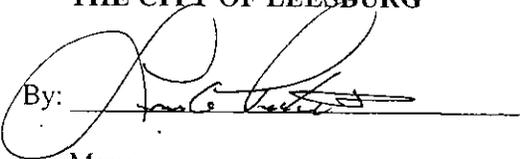
If any portion of this ordinance is declared invalid or unenforceable, and to the extent it is possible to do so without destroying the overall intent and effect of this ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of this ordinance shall continue 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.

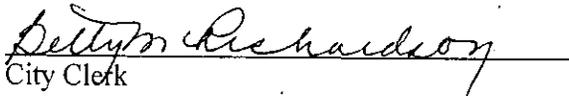
PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 26 day of October, 2009.

THE CITY OF LEESBURG

By: 

Mayor

ATTEST:


City Clerk

10/26/09

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):*

<u>Line No.</u>	<u>Description</u>	<u>Proposed Rates Effective 11/01/2009</u>	<u>Proposed Rates Effective 11/01/2010</u>
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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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(4) *Fixed charge*: Shall refer to the minimum charge imposed by the city during a billing period, in the particular customer's service classification, for the availability of the service, whether or not service is actually used by the customer in a given billing period.

(5) *Variable charge*: Shall refer to that portion of the bill for the utility service which is assessed in addition to the fixed charge and which is based on actual usage in a given billing period.

SECTION 2.

All ordinances or parts of ordinances which are in conflict with this ordinance are hereby repealed, to the extent necessary to alleviate the conflict, but shall continue in effect insofar as they are not in conflict herewith, unless repeal of the conflicting portion destroys the overall intent and effect of any of the conflicting ordinances, in which case those ordinances so effected shall be hereby repealed in their entirety. Except as specifically modified by this Ordinance, the provisions of Ordinance 09 – 64 are hereby ratified and confirmed as originally enacted and shall be and remain in full force *nunc pro tunc* to its original adoption date of October 26, 2009.

SECTION 3.

If any portion of this ordinance is declared invalid or unenforceable, and to the extent it is possible to do so without destroying the overall intent and effect of this ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of this ordinance shall continue in full force and effect as if it were enacted without including the portion found to be invalid or unenforceable.

SECTION 4.

This ordinance shall become effective upon passage.

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 21 day of December, 2009.

THE CITY OF LEESBURG

By: _____

Mayor

ATTEST:

Betty Richardson
City Clerk

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
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Meter Size

1. ALL METER SIZES \$ 25.13

Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)

Consumption Charge Wastewater Residential <u>Block Rates (Per CCF)</u>	New Proposed <u>Block Rates Th. Gall).</u>
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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 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 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 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.

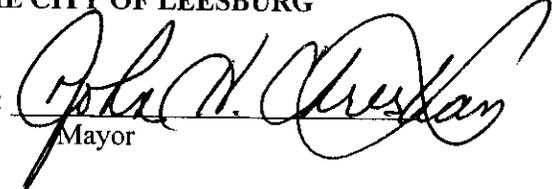
If any portion of this Ordinance is declared invalid or unenforceable, and to the extent that it is possible to do so without destroying the overall intent and effect of this Ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of the ordinance shall continue 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