



Comprehensive Annual Financial Report

Fiscal Year Ending

September 30, 2009

City of Leesburg, Florida



CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2009

Prepared by:
Finance Department

CITY OF LEESBURG, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

TABLE OF CONTENTS

Introductory Section

Transmittal Letter i-x
Certificate of Achievement xi
Organizational Chart xii
Principal City Officials xiii

Financial Section

Independent Auditors' Report..... 1-2

Management's Discussion and Analysis 3-15

Basic Financial Statements

Government-wide Financial Statements:

Statement of Net Assets 16
Statement of Activities 17

Fund Financial Statements:

Balance Sheet - All Governmental Funds..... 18
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets 19
Statement of Revenues, Expenditures, and Changes in Fund
Balances - All Governmental Funds 20
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds to the
Statement of Activities 21
Statement of Net Assets - Proprietary Funds..... 22--25
Statement of Revenues, Expenses, and Changes in Fund Net
Assets - Proprietary Funds 26-27
Statement of Cash Flows - Proprietary Funds 28-31
Statement of Fiduciary Net Assets 32
Statement of Changes in Fiduciary Net Assets..... 33

Notes to Financial Statements 34-71

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual - General Fund 72
Schedules of Funding Progress 73
Schedules of Contributions from Employer and Others 74-75

CITY OF LEESBURG, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

TABLE OF CONTENTS
(Continued)

Financial Section (Concluded)

Combining Statements and Schedules

Supplemental Information:

Combining Balance Sheet - Nonmajor Governmental Funds	76-77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	78-79
Schedule of Revenues and Expenditures - Budget and Actual:	
Capital Projects Fund	80
Stormwater Fund	81
Greater Leesburg Community Redevelopment Fund.....	82
Carver Heights/Montclair Area Community Redevelopment Fund	83
U.S. Highway 441/27 Community Redevelopment Fund	84
Police Forfeitures Fund	85
Police Education Fund	86
Discretionary Sales Tax Fund	87
Police Impact Fee Fund.....	88
Fire Impact Fee Fund	89
Recreation Impact Fee Fund	90
Building Permits Fund	91
Debt Service Fund.....	92
Combining Balance Sheet - Internal Service Funds.....	93
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Funds	94
Combining Statement of Cash Flows - Internal Service Funds	95

Statistical Section (Unaudited)

Net Assets by Component.....	96-97
Changes in Net Assets.....	98-99
Fund Balances of Governmental Funds	100-101
Changes in Fund Balances of Governmental Funds	102-103
Assessed Value of Taxable Property	104
Direct and Overlapping Governments	105
Principal Property Taxpayers.....	106
Property Tax Levies and Collections.....	107
Governmental Activities Tax Revenues by Source.....	108
Greater Leesburg Community Redevelopment Agency	109
Carver Heights/Montclair Area Community Redevelopment Agency.....	110
U.S. Highway 441/27 Community Redevelopment Agency	111
Ratios of Outstanding Debt by Type	112
Direct and Overlapping Governmental Activities Debt.....	113
Legal Debt Margin Information.....	114

CITY OF LEESBURG, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**TABLE OF CONTENTS
(Concluded)**

Statistical Section (Unaudited) (Concluded)

Pledged-Revenue Coverage:

Series 1999 Capital Improvement Revenue Bonds	115-116
Series 2004 Capital Improvement Revenue Bonds	115-116
Series 2006 Magnolia Townhomes BAN (FKA Kristen Ct.)	116
Series 2008 Carver Heights/Montclair Area CRA Revenue Note	116
Series 2008 US Highway 441 & 27 Area CRA BAN	116
Definitions of Series 1999 through Series 2008	117-118
Electric System Revenue Bonds	119-120
Utility System Revenue Bonds	121-122
Anti-Dilution Test – Base Method	123
Historical Non-Ad Valorem Revenues Worksheet	124
Diverse General Fund Revenue Sources	125
Aggregate CB&A Debt Service Maximum Annual Non-Advalorem Debt Service	126
Aggregate Senior Lien Existing Debt Service	127
Aggregate CB&A Debt Service Maximum Annual Covenant Debt Service	128
Refunding & Capital Improvement Revenue Bonds, Series 1999	129
Capital Improvement Revenue Bonds, Series 2004	130
Redevelopment Revenue Note, Series 2008	131
Capital Improvement Refunding Revenue Note, Series 2009 (Communications Enterprise Project)	132
Tax Increment Revenue Bonds, Series 2009 (CRA for US Highway 441/27 TIF Project)	133
Capital Improvement Refunding Revenue Note, Series 2009 (Magnolia Townhomes Project)	134
Demographic and Economic Statistics	135
Principal Employers	136
Full-time Equivalent City Government Employees by Function	137
Operating Indicators by Function	138
Capital Asset Statistics by Function	139

INTRODUCTORY SECTION

This section contains the following subsections:

- ◆ Letter of Transmittal

- ◆ Certificate of Achievement for Excellence in Financial Reporting

- ◆ Organizational Chart

- ◆ Principal City Officials

MISSION STATEMENT

"Dedicated to Our Community, Committed to Service Excellence"

February 15, 2009

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, 2009. 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 continues 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 Purvis, Gray and Company, LLP 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, 2009, are fairly presented in conformity with GAAP.

i



Post Office Box 490630 • Leesburg, Florida 34749-0630
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 part of a broader, 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, storm water 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 appropriation 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, this comparison is presented on page 72 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, beginning on page 76.

The Lakefront City - The City of Leesburg is situated between Lake Harris and Lake Griffin and continues south on US Highway 27 to the intersection of County Road 48. The City occupies a land area of 38.52 square miles and has a population of 20,506. 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 bisected by State Road 44, US Highway 27, and US 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, Cultural Arts 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 1000 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 providing continuity with other trail systems throughout Central Florida.

Leesburg also takes pride in preserving their 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 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 health care. 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, Cutrale Citrus Juices USA, Inc. and Embarq. These employers account for almost 8% 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 US Highway 27/County Road 48, the US Highway 441 Lake Square Mall area, and the US Highway 27/Talley Road area.

The slumping real-estate market, impact of high energy prices and the global economic downturn have driven the unemployment rate above 12%. The home construction slow-down has affected building, retail and financial companies across the county. Lake County's November 2009 unemployment rate stands at 12.7% which is higher than the state average of 11.5%.

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.

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 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 utilities 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 is planning 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, however, new expansion is funded by the developer.
- **Potable Water** – Design of improvements to the Highland Lakes Water Treatment Plant is nearing completion. The project is expected to be bid in the spring of 2010. The current project Engineer's Estimate of Probable Construction Costs indicates that there are sufficient bond proceeds to fund the project. Construction is expected to take 360 days.
- **Water Reuse** – Transmission line construction to deliver public access reuse water to existing users were complete by the end of FY 2008-2009. Pump station improvements were substantially complete at that time, also. At present, delivery of reuse water to customers is expected to begin in February – March, 2010, pending FDEP approvals of improvements and operating protocols. Initially, the system will provide reuse water to approximately 1,300 residential customers and two golf courses. This will offset some 1.3 million gallons per day (MGD) of groundwater withdrawals, preserving this high quality water for future potable water use.
- **Wastewater** – The operating permit for the Turnpike Wastewater Treatment Facility has been issued. With this permit, the facility was re-rated from 3.0 million gallons per day (MGD) to 4.5 MGD, thus providing ample capacity for the City's needs in the foreseeable future. Work on renewing the operating permit for the Canal Street Wastewater Treatment Facility is underway. Since this facility received the 2009 award from FDEP for operational excellence, no issues are expected.
- **Stormwater** – The Whispering Pines stormwater ponds project is complete. The final steps are being taken to obtain the full reimbursement amounts from FDEP and LCWA for this project. Work is in progress for the enclosure of the Whispering Pines ditch line. Three other basin projects are underway – Lake Lucerne, Lake Hollywood, and Talley. The first two address water quality issues, while the latter addresses flooding issues.

- **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.
- **Solid Waste** – As part of its initiative to focus on operational efficiencies, the Residential Division is purchasing another fully automated loader. As with the first, this will allow two routes to be combined, thus eliminating one operator position and one loader.
- **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 Local Government Investment Pools (LGIP) 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.

For the cash and investment pool, the average monthly investment portfolio was \$69,895,285 for fiscal year 2009, with an average yield on investments of .568%. The City’s investment policy uses the SBA to benchmark its performance. The City earned investment income of \$928,713 on all of its investments for the fiscal year ended September 30, 2009.

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 18 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 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 \$75,000 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 \$4,413,240. 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 received 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 post employment benefits can be found in Notes 12 through 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, 2008. This was the nineteenth consecutive year (fiscal years ended 1990-2008) 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 2008-09. This was the eleventh 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



Jerry 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, 2008

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

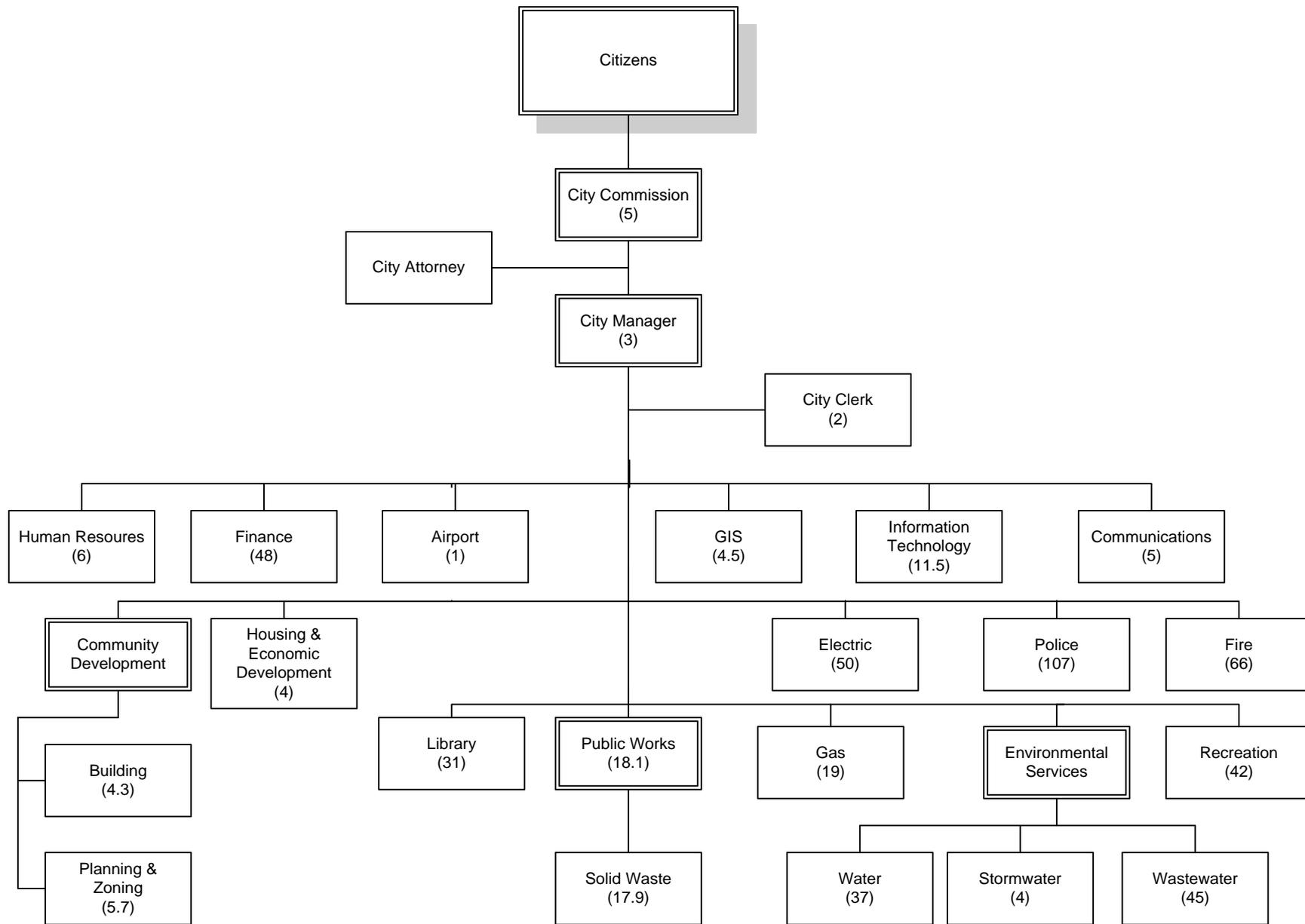


A stylized, handwritten signature in black ink, appearing to be "JHR".

President

A handwritten signature in black ink that reads "Jeffrey R. Emmer".

Executive Director



**CITY OF LEESBURG, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2009**

CITY COMMISSION

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

Jay M. Evans
City Manager

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

Jerry Boop
Finance Director

Purvis Gray and Company, LLP
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
Dennis M. Sargent	Fire Chief
William O. Wiley, Jr.	Community Development Director
Kenneth L. Thomas	Housing & Economic Development Director
Barbara J. Morse	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

FINANCIAL SECTION

This section contains the following subsections:

- ◆ Independent Auditor's Report

- ◆ Management's Discussion and Analysis

- ◆ Basic Financial Statements

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

- ◆ Required Supplementary Information

- This subsection includes trend information regarding the three retirement plans and major fund budgetary comparison statements. This information is necessary for a fair presentation in conformity with generally accepted accounting principles.

- ◆ Supplemental Schedules

- This subsection includes schedules that present combining non-major fund statements and individual fund budgetary schedules.

INDEPENDENT AUDITORS' REPORT

Honorable City Commission
City of Leesburg
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, 2009, 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 an opinion 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2009, 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 a report dated March 12, 2010, on our consideration of the City's internal control over financial reporting and 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.

Certified Public Accountants

P.O. Box 23999 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
2201 Cantu Court, Suite #100 • Sarasota, Florida 34232 • (941) 379-2800 • FAX (941) 379-2899

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable City Commission
City of Leesburg
Leesburg, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

The management's discussion and analysis, the major fund budgetary comparison information, and the pension fund information, as listed in the table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules, and statistical tables, listed in the table of contents, and the debt disclosure section are presented for additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken 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 express no opinion on them.

Purvis, Gray and Company, LLP

March 12, 2010
Gainesville, Florida

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009**

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, 2009. Please read it in conjunction with the letter of transmittal, beginning on page i, and the financial statements, beginning on page 16.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2009 by \$204,807,780 (net assets). Of this amount, \$29,950,422 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$6,991,284.
- As of September 30, 2009, the City's governmental funds reported combined ending fund balances of \$15,285,582, an increase of \$4,414,204 in comparison with the prior year. The increase was primarily due to the fiscal stewardship of the directors and their staff. Additionally, the monthly utility and quarterly general government financial meetings with department directors created an awareness which assisted in making decisions that conserved financial resources.
- On September 30, 2009, unreserved, undesignated fund balance for the general fund was \$4,358,936 or 16.4% of total general fund expenditures and transfers out.
- Governmental fund revenues decreased by \$412,139 over the prior fiscal year which is primarily related to the economy. Licensing, permitting and impact fees account for the majority of the decrease.
- Business-type activities operating revenue decreased slightly from \$100,856,234 to \$100,505,333 or by \$350,901 which reflects the stabilization of the cost of purchased power and purchased gas in the electric and gas utilities, respectively. The change in Net Assets before the prior period adjustment to accumulated depreciation was \$4,531,005. Net Assets for the business-type activities grew by \$2,809,370 from \$125,046,224 to \$127,855,594.
- The City's total debt as of September 30, 2009, was \$122,382,116. A bond anticipation note was issued by the U.S. Highway 441/27 Community Redevelopment Agency in the amount of \$7,500,000 to help fund the major corridor improvements on Highways 441 and 27 in conjunction with the Florida Department of Transportation project. In addition, a Revenue Note in the amount of \$1,431,878 was issued by the Carver Heights\Montclair Community Redevelopment Agency to fund various improvements.

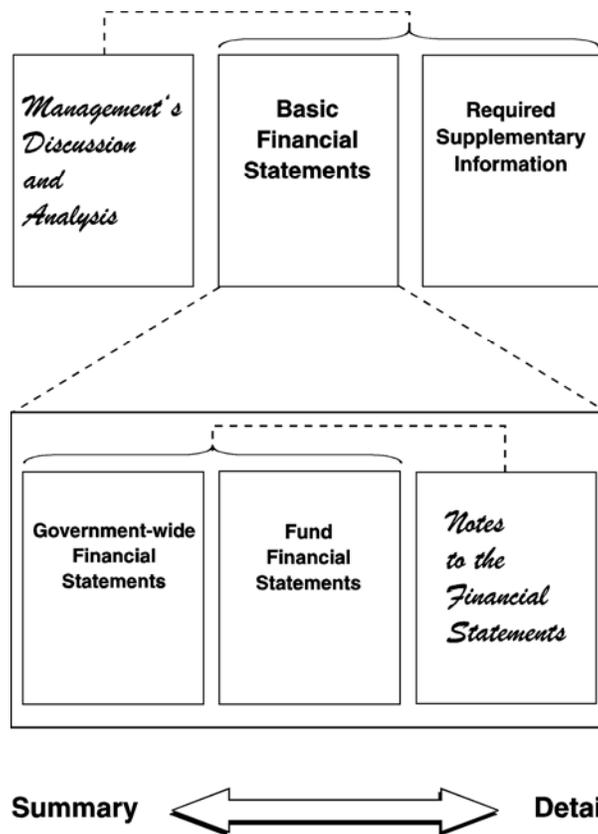
Overview of the Financial Statements

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional 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, 2009**

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 2009. 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, 2009**

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 16 and 17 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 reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fourteen individual governmental funds. Separate information for the general fund and capital projects fund, which are considered to be major funds, is presented in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances. Data from the other twelve 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 other 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 18 through 21 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

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009**

these services predominantly benefit governmental rather 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 22 through 31 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 32 and 33 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 34 through 71 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, as well as historical trend information for pension trust funds. Required supplementary information can be found on pages 72 through 75 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 other 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 76 through 95 of this report.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009**

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 \$204,807,780 at the close of the fiscal year ended September 30, 2009.

At the end of fiscal year 2009, 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	
	2009	2008	2009	2008	2009	2008
Assets						
Current and other assets	\$ 26,132,871	\$ 20,790,111	\$ 83,135,577	\$ 79,936,128	\$ 109,268,448	\$ 100,726,239
Capital assets (net)	87,612,898	86,888,622	167,679,397	164,114,685	255,292,295	251,003,307
Total assets	<u>113,745,769</u>	<u>107,678,733</u>	<u>250,814,974</u>	<u>244,050,813</u>	<u>364,560,743</u>	<u>351,729,546</u>
Liabilities						
Current and other liabilities	8,335,175	6,961,642	18,723,170	14,459,140	27,058,345	21,420,782
Long term liabilities:	28,458,408	26,225,184	104,236,210	104,545,449	132,694,618	130,770,633
Total liabilities	<u>36,793,583</u>	<u>33,186,826</u>	<u>122,959,380</u>	<u>119,004,589</u>	<u>159,752,963</u>	<u>152,191,415</u>
Net assets						
Invested in capital assets net of related debt	62,536,165	63,626,050	103,441,108	106,456,752	165,977,273	170,082,802
Restricted	2,814,583	2,587,501	6,132,597	3,644,206	8,947,180	6,231,707
Unrestricted:	11,601,438	8,278,356	18,281,889	14,945,266	29,883,327	23,223,622
Total net assets	<u>\$ 76,952,186</u>	<u>\$ 74,491,907</u>	<u>\$ 127,855,594</u>	<u>\$ 125,046,224</u>	<u>\$ 204,807,780</u>	<u>\$ 199,538,131</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 \$255,292,295 which is 70% of all assets totaling \$364,560,743. The City uses these 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, 4.4%, represent resources that are subject to external restriction on how they may be used. The change from \$6,231,707 to \$8,947,180 was primarily attributable to resources set aside for renewal and replacement funds. The balance of unrestricted net assets totaling \$29,950,422 may be used to meet the government's ongoing obligations to citizens and creditors and to provide the funding for various projects.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009**

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 17.

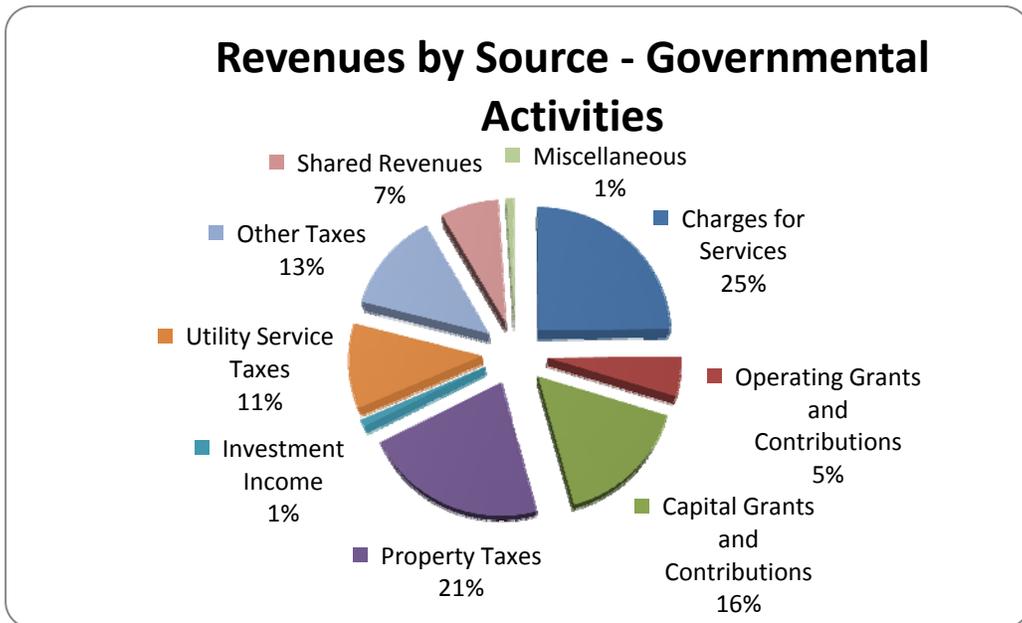
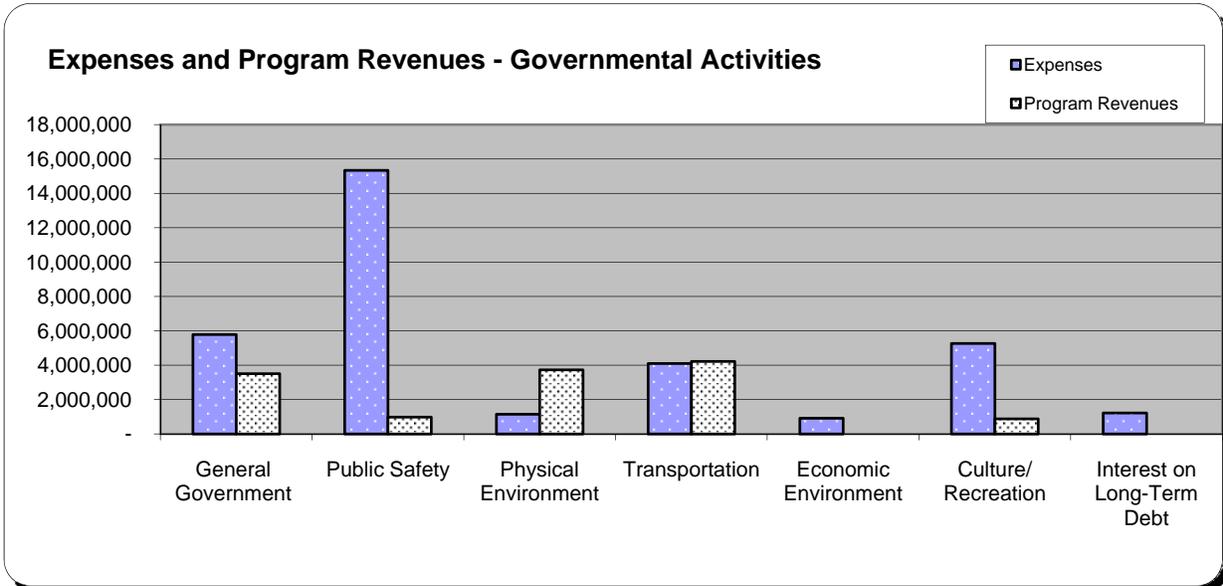
City of Leesburg's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,217,424	\$ 7,360,684	\$ 100,505,333	\$ 100,856,226	\$ 107,722,757	\$ 108,216,910
Operating Grants and Contributions	1,447,613	1,498,098	9,044	4,525	1,456,657	1,502,623
Capital Grants and Contributions	4,655,197	4,781,781	1,965,837	1,039,657	6,621,034	5,821,438
General Revenues:						
Property Taxes	6,294,746	6,058,634	-	-	6,294,746	6,058,634
Utility Service Taxes	3,126,745	3,058,468	-	-	3,126,745	3,058,468
Other Taxes	3,704,128	3,752,130	-	-	3,704,128	3,752,130
Other	2,640,283	2,611,105	840,056	2,939,905	3,480,339	5,551,010
Total Revenues	<u>29,086,136</u>	<u>29,120,900</u>	<u>103,320,270</u>	<u>104,840,313</u>	<u>132,406,406</u>	<u>133,961,213</u>
Expenses:						
General Government	5,784,598	6,738,686	-	-	5,784,598	6,738,686
Public Safety	15,273,940	17,945,406	-	-	15,273,940	17,945,406
Physical Environment	1,150,387	1,249,213	-	-	1,150,387	1,249,213
Transportation	4,097,419	3,753,138	-	-	4,097,419	3,753,138
Economic Environment	919,372	698,052	-	-	919,372	698,052
Human Services	70,084	72,602	-	-	70,084	72,602
Culture/Recreation	5,271,228	6,503,046	-	-	5,271,228	6,503,046
Interest on Long-Term Debt	1,223,864	1,145,566	-	-	1,223,864	1,145,566
Electric	-	-	66,020,760	64,081,610	66,020,760	64,081,610
Gas	-	-	6,298,715	8,239,648	6,298,715	8,239,648
Water	-	-	6,781,008	5,847,250	6,781,008	5,847,250
Wastewater	-	-	8,148,026	7,639,188	8,148,026	7,639,188
Solid Waste	-	-	3,085,584	3,431,491	3,085,584	3,431,491
Communications	-	-	1,003,830	1,161,766	1,003,830	1,161,766
Housing	-	-	286,307	516,424	286,307	516,424
Total expenses	<u>33,790,892</u>	<u>38,105,709</u>	<u>91,624,230</u>	<u>90,917,377</u>	<u>125,415,122</u>	<u>129,023,086</u>
Change in Net Assets Before Transfers	(4,704,756)	(8,984,809)	11,696,040	13,922,936	6,991,284	4,938,127
Transfers	7,165,035	8,632,823	(7,165,035)	(8,632,823)	-	-
Change in Net Assets	2,460,279	(351,986)	4,531,005	5,290,113	6,991,284	4,938,127
Adjustment	-	-	(1,721,635)	-	(1,721,635)	-
Net Assets - Beginning	74,491,907	74,843,893	125,046,224	119,756,111	199,538,131	194,600,004
Net Assets - Ending	<u>\$ 76,952,186</u>	<u>\$ 74,491,907</u>	<u>\$ 127,855,594</u>	<u>\$ 125,046,224</u>	<u>\$ 204,807,780</u>	<u>\$ 199,538,131</u>

Governmental Activities - Governmental activities for the current fiscal year increased the City's net assets by \$2,460,279 or by 3.3%. The increase is primarily attributable to the cost saving measures implemented by the City's management, as well as the fiscal stewardship of the directors and their staff.

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-governmental activities reflects the percentage of individual revenue sources to total revenue sources for governmental activities.

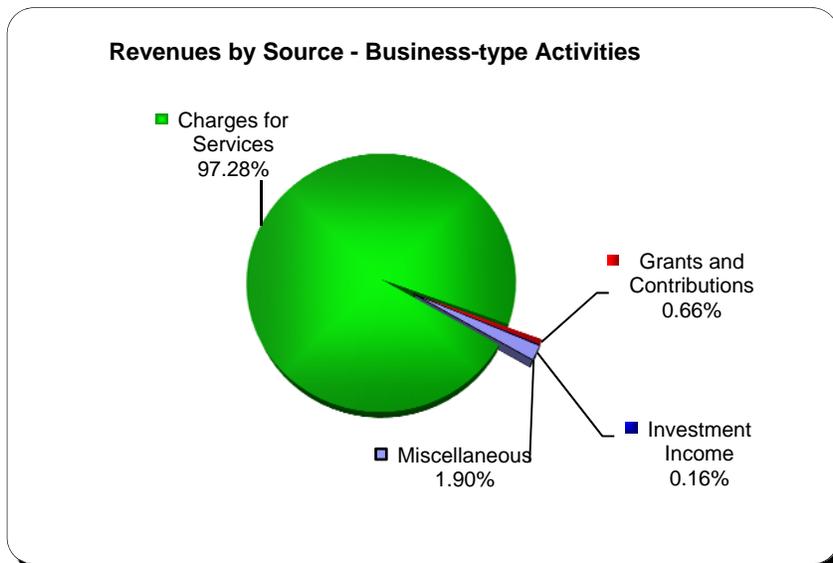
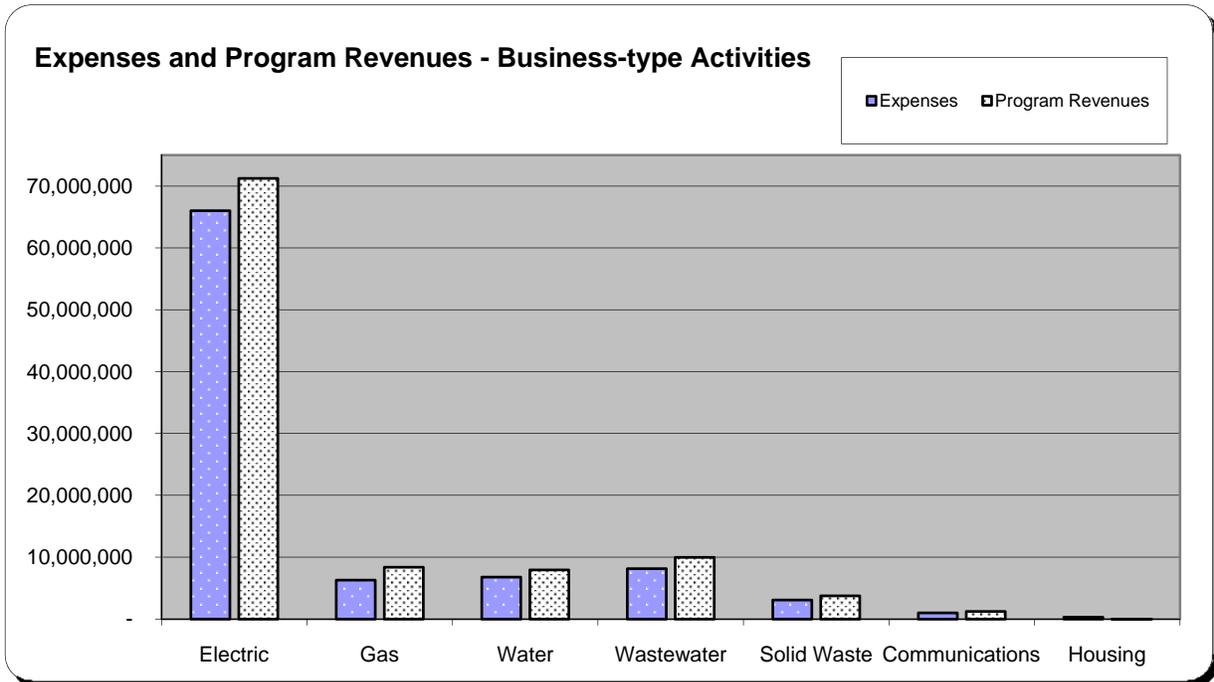
**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009**



**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009**

Business-type Activities - Business-type activities for the current fiscal year increased the City's net assets by \$4,531,005 or 3.6%. Two of the four major utilities experienced an increase in net assets greater than \$1,000,000. The increases were primarily related to close fiscal management of available resources.

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-business type activities presents charges for services as 97.3% of overall business-type activities.



**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009**

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 2009, the City's governmental funds reported combined ending fund balances of \$15,285,582, an increase of \$4,414,204 from the prior year. This is mainly attributable to the close monitoring of activities and the fiscal oversight of the individual directors and senior management over the use of the City's resources. Unreserved fund balance of the governmental funds is \$11,305,936, 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 2009, the fund balance of the General Fund was \$5,727,956 of which \$4,358,936 was unreserved. This was an increase of \$1,380,646 from the prior fiscal year unreserved balance of \$2,978,290.

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 \$3,336,623 or 22.8%. Each of the utility funds, with the exception of the water fund, showed an increase to the net assets over the prior year. This is remarkable due to the economy and the exorbitant amount of utility write offs the City is having to absorb. The decrease in the water fund is primarily due to recognition of assets and resulting depreciation of improvements for assets placed in service during prior periods which had accumulated costs from prior years.

Fund	2009	2008	Change
Electric	\$ 8,271,822	\$ 7,354,625	\$ 917,197
Gas	4,994,813	3,804,565	1,190,248
Water	6,512,530	6,773,666	(261,136)
Wastewater	(1,064,165)	(1,720,354)	656,189
Solid Waste	115,472	(319,709)	435,181
Communications	(33,270)	(375,311)	342,041
Housing	(515,313)	(572,216)	56,903
Total	\$18,281,889	\$14,945,266	\$ 3,336,623

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009**

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, 2009, increased by \$4,288,988 to \$255,292,295, or 1.7%. 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 \$3,801,827. The net capital asset increase of \$724,276 in the governmental-type activities can be attributed to the following expenditures in the current year:

Stormwater Projects	\$	361,163
Runway 13/31 Extension		2,880,314
Runway 3/21 Lights		359,717
Runway 3/21 Overlay		150,279
Roads Resurfacing		418,714
Renovation of the Municipal Services Center		352,576
Other Public Works projects		12,879
Trails Construction		271,006

(Most of these projects had some portion funded by grants.)

**Business-type Activities –
Electric**

- Lighting projects totaling \$160,803.
- Electric distribution lines totaling \$3,444,998 can be identified as follows: Highway 441 from south side of Tomato Road to Highway 44A, Highway 441 Perkins to Griffin, East Substation to L200 and several other smaller projects.
- Improvements to subdivisions totaling \$155,161.
- Transformer purchases totaling \$513,344.

Gas

- Installation of gas mains, meters and regulators for new customers totaling \$291,056.
- Purchase of utility easement totaling \$275,000.

Water

- Water projects totaling \$4,193,965 included improvements to plant and storage, reuse, mains, hydrants and meters.

Wastewater

- Wastewater projects totaling \$1,088,303 included collecting sewers and the treatment and disposal plant.

Communications

- Communications projects totaling \$185,507 included customer and interdepartmental line extensions.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009**

City of Leesburg's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$8,417,899	\$8,270,147	\$13,245,721	\$9,228,707	\$21,663,620	\$17,498,854
Buildings	41,096,104	40,967,347	28,825,837	25,803,958	69,921,941	66,771,305
Improvements Other Than Buildings	17,763,305	17,616,935	152,491,547	139,135,205	170,254,852	156,752,140
Equipment	30,148,590	30,423,722	25,370,886	23,913,935	55,519,476	54,337,657
Infrastructure	34,303,567	32,376,221	-	-	34,303,567	32,376,221
Construction in Progress	14,524,123	10,722,296	20,921,856	32,010,200	35,445,979	42,732,496
	146,253,588	140,376,668	240,855,847	230,092,005	387,109,435	370,468,673
Less: Accumulated Depreciation	(58,640,690)	(53,488,046)	(73,176,450)	(65,977,320)	(131,817,140)	(119,465,366)
Capital Assets, Net	<u>\$87,612,898</u>	<u>\$86,888,622</u>	<u>\$167,679,397</u>	<u>\$164,114,685</u>	<u>\$255,292,295</u>	<u>\$251,003,307</u>

Additional information on the City's capital assets can be found in Note 6 on pages 48 - 49 of this report.

Long-term Debt - At the end of fiscal year 2009, the City had total long-term debt outstanding of \$132,029,837. Of this amount, \$115,901,000 represents bonds secured solely by specified revenue sources. \$22,295,000 of the revenue bonds is applicable to governmental activities, and \$93,606,000 is for the business-type activities. Other long-term debt items include notes payable, leases payable, suit settlement, CR #3 decommissioning cost payable, landfill post closure payable and compensated absences.

Additional information on the City's debt can be found in Note 8 on pages 50 - 56 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for Lake County at November 30, 2009, was 12.7%, an increase from a rate of 7.5% a year ago. This compares to the national average rate of 9.4% at November 30, 2009.
- The taxable value of commercial and residential property decreased by 4.2% in fiscal year 2009 as compared to an increase of 21% in fiscal year 2008.
- Building permits activity declined by 13.2% in fiscal year 2009 from 2,238 to 1,943 with an estimated construction value of \$36,367,000.
- Population increased 2.0% from the prior fiscal year to 20,506 at September 30, 2009.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009**

The fiscal year 2010 budget process was again impacted by legislative pressure to lower local government spending. The 2009-2010 millage rate remains unchanged at 4.3179 mills. However, due to the increase in the homestead exemption from \$25,000 to \$50,000 the City realized a reduction in ad valorem revenue of \$236,112 from the previous fiscal year. (This combined with the economic slowdown served to reduce the 2009 budget for the general fund by \$638,985 or 2.6% to \$24,067,056 from the previous year of \$24,706,041.) In addition to a zero based budgeting approach, the City reduced employee benefits and insurance, educational reimbursement, training and travel, take-home vehicle reimbursements, and reduced library and pool hours. Additionally, the general fund full time equivalent employees, (FTE's), were reduced by 15.8 positions.

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 82% of the electric department's annual operating expense. 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.

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 provide a needed 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. The utility's 2008 annual report submitted to the Department of Transportation reported the City's unaccounted for gas to be zero percent, the lowest in seven years. Two or three percent is not uncommon for the gas industry. The Department of Environmental Services completed construction of the reuse transmission system necessary to serve Legacy and Arlington Ridge subdivisions, as well as two golf courses. The pumping station improvements necessary to provide service are substantially complete and await FDEP approvals to place the system into service. This is expected to occur during the second quarter of FY 2009-2010. The Turnpike Wastewater Treatment Facility received its operating permit renewal – this renewal also rerated the facility from 3.0 MGD to 4.5 MGD (an increase of 50%). The capacity of the facility is sufficient to serve the City's growth needs for the foreseeable future. Construction was completed for the Royal Highlands Water Treatment Plant, providing necessary high service pumping capacity for its service area. Design and permitting is nearing completion for improvements to the Highland Lakes Water Treatment Plant which will substantially increase capacity and improve pressure throughout its service area.

The City's communications utility indexed its Ethernet point-to-point service rates to the Gross Domestic Product Implicit Price Deflator Index, effective October 1, 2008. This will result in annual increases in Ethernet rates based on the index. The increase will allow the utility to cover increased maintenance costs to the fiber optic network. The increase in rates for FY 2009 was 1.019%. Ethernet point-to-point fiber optic services represent 51% of the utility's total operating revenue. The utility's cash position improved to \$923,400 at the end of FY 2009. 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, 2009**

The solid waste utility continues to add compactor accounts as they become available. It is programmed to purchase another residential automated loader which will allow two routes to be combined, thus eliminating the cost of one operator position and one truck. In addition the utility analyzed its services and operational structure which resulted in fiscal savings and operational efficiencies.

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 (PO Box 490630), Leesburg, Florida, 34749-0630, or call (352) 728-9720.

BASIC FINANCIAL STATEMENTS

CITY OF LEESBURG, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 20,570,897	\$ 22,098,637	\$ 42,669,534
Restricted Assets:			
Temporarily Restricted:			
Cash and Cash Equivalents	1,925,261	33,213,869	35,139,130
Investments	0	5,555,529	5,555,529
Receivables, Net	714,671	12,809,279	13,523,950
Prepaid Items	80,942	25,664	106,606
Due from Other Governments	1,277,295	480,690	1,757,985
Inventories	170,580	3,546,613	3,717,193
Notes Receivable, Employees	93,278		93,278
Capital Assets, Net of Accumulated Depreciation:			
Land	8,417,899	13,245,721	21,663,620
Buildings	33,046,145	24,460,907	57,507,052
Improvements Other Than Building	8,486,353	102,484,591	110,970,944
Machinery and Equipment	6,904,669	6,566,322	13,470,991
Infrastructure	16,233,709		16,233,709
Construction in Progress	14,524,123	20,921,856	35,445,979
Assets Held for Sale		3,512,083	3,512,083
Net Pension Obligation	1,299,947		1,299,947
Unamortized Bond Issue Costs		1,893,213	1,893,213
Total Assets	<u>113,745,769</u>	<u>250,814,974</u>	<u>364,560,743</u>
Liabilities			
Accounts Payable	2,843,872	4,894,470	7,738,342
Accrued Liabilities	1,004,538	1,071,614	2,076,152
Customer Advances for Construction		172,093	172,093
Accrued Interest Payable	576,198	2,292,825	2,869,023
Unearned Revenue	503,214	712,435	1,215,649
Claims Payable	1,726,111		1,726,111
Customer Deposits	65,602	3,395,043	3,460,645
Deferred Charges		3,643,494	3,643,494
Noncurrent Liabilities:			
Due Within One Year	1,615,640	2,541,196	4,156,836
Due in More Than One Year	25,075,893	102,797,108	127,873,001
Other Postemployment Benefits Liability	3,382,515	1,439,102	4,821,617
Total Liabilities	<u>36,793,583</u>	<u>122,959,380</u>	<u>159,752,963</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	62,536,165	103,441,108	165,977,273
Restricted for:			
Public Safety	202,223		202,223
C.U.R.E. Program	1,734		1,734
Capital Projects	2,095,823	5,445,597	7,541,420
Debt Service	514,803		514,803
Gas Depository Trust		687,000	687,000
Unrestricted	11,601,438	18,281,889	29,883,327
Total Net Assets	<u>\$ 76,952,186</u>	<u>\$ 127,855,594</u>	<u>\$ 204,807,780</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, 2009**

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	\$ 5,784,598	\$ 3,472,053	\$ 34,539		\$ (2,278,006)		\$ (2,278,006)
Public Safety	15,273,940	637,249	204,432	\$ 135,128	(14,297,131)		(14,297,131)
Physical Environment	1,150,387	1,544,948	1,207,193	976,968	2,578,722		2,578,722
Transportation	4,097,419	954,520		3,271,290	128,391		128,391
Economic Environment	919,372				(919,372)		(919,372)
Human Services	70,084				(70,084)		(70,084)
Culture/Recreation	5,271,228	608,654	1,449	271,811	(4,389,314)		(4,389,314)
Interest on Long-term Debt	1,223,864				(1,223,864)		(1,223,864)
Total Governmental Activities	33,790,892	7,217,424	1,447,613	4,655,197	(20,470,658)	\$ 0	(20,470,658)
Business-type Activities							
Electric	66,020,760	70,985,652	9,044	264,556		5,238,492	5,238,492
Gas	6,298,715	8,254,721		115,474		2,071,480	2,071,480
Water	6,781,008	6,874,012		1,051,262		1,144,266	1,144,266
Wastewater	8,148,026	9,426,275		534,545		1,812,794	1,812,794
Solid Waste	3,085,584	3,747,702				662,118	662,118
Communication Services	1,003,830	1,215,949				212,119	212,119
Housing	286,307	1,022				(285,285)	(285,285)
Total Business-type Activities	\$ 91,624,230	\$ 100,505,333	\$ 9,044	\$ 1,965,837	0	10,855,984	10,855,984
General Revenues							
Taxes:							
Property Taxes					6,294,746		6,294,746
Utility Service Taxes					3,126,745		3,126,745
Other Taxes					3,704,128		3,704,128
State-shared Revenues, Unrestricted					1,536,528		1,536,528
County-shared Revenues, Unrestricted					569,047		569,047
Investment Income					251,224	677,534	928,758
Miscellaneous					283,484	162,522	446,006
Transfers					7,165,035	(7,165,035)	0
Total General Revenues, Special Items and Transfers					22,930,937	(6,324,979)	16,605,958
Change in Net Assets					2,460,279	4,531,005	6,991,284
Net Assets, Beginning of Year (Unadjusted)					74,491,907	125,046,224	199,538,131
Prior Period Adjustment						(1,721,635)	(1,721,635)
Net Assets, Beginning of Year (Restated)					74,491,907	123,324,589	197,816,496
Net Assets, End of Year					\$ 76,952,186	\$ 127,855,594	\$ 204,807,780

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, 2009**

	<u>Major Funds</u>		<u>Other</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 7,046,775	\$ 2,378,705	\$ 6,370,740	\$ 15,796,220
Receivables, Net	334,655	32,182	187,056	553,893
Restricted Cash	412,095	134,737	1,378,429	1,925,261
Due from Other Funds	114,172			114,172
Due from Other Governments	279,083	619,462	378,750	1,277,295
Prepaid Items	60,051			60,051
Inventory	170,580			170,580
Notes Receivable, Employees	93,278			93,278
Total Assets	<u>8,510,689</u>	<u>3,165,086</u>	<u>8,314,975</u>	<u>19,990,750</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	1,238,077	1,066,026	137,341	2,441,444
Accrued Wages and Payroll Tax	977,944	1,133	25,461	1,004,538
Accrued Interest			576,198	576,198
Unearned Revenue	501,110	2,104		503,214
Deposits	65,602			65,602
Due to Other Funds			114,172	114,172
Total Liabilities	<u>2,782,733</u>	<u>1,069,263</u>	<u>853,172</u>	<u>4,705,168</u>
Fund Balances				
Reserved for:				
Notes Receivable - Employees	91,678			91,678
Computer Maintenance	430,659			430,659
Public Safety and Other Expenditures	202,223			202,223
Prepays	60,051			60,051
Inventory	170,580			170,580
C.U.R.E. Program	1,734			1,734
Hwy 441 Pond Maintenance	412,095			412,095
Capital Projects		2,095,823		2,095,823
Debt Service			514,803	514,803
Unreserved Reported in:				
General Fund	4,358,936			4,358,936
Special Revenue Funds			6,947,000	6,947,000
Total Fund Balances	<u>5,727,956</u>	<u>2,095,823</u>	<u>7,461,803</u>	<u>15,285,582</u>
Total Liabilities and Fund Balances	<u>\$ 8,510,689</u>	<u>\$ 3,165,086</u>	<u>\$ 8,314,975</u>	<u>\$ 19,990,750</u>

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

CITY OF LEESBURG, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
AS OF SEPTEMBER 30, 2009

Total Fund Balances of Governmental Funds \$ 15,285,582

**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	\$ 146,253,588	
Accumulated Depreciation	<u>(58,640,690)</u>	87,612,898

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. 2,827,807

Net pension obligation is not an available financial resource and, therefore, is not reported as an asset in the governmental funds. 1,299,947

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	(22,295,000)	
Bond Anticipation Note	(1,099,751)	
Notes Payable	(1,381,365)	
Suit Settlement Accrual	(30,000)	
Compensated Absences	(1,584,800)	
Capital Lease Payable	(300,617)	
Net Other Postemployment Benefit Obligation	<u>(3,382,515)</u>	<u>(30,074,048)</u>

Total Net Assets of Governmental Activities **\$ 76,952,186**

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, 2009

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 10,969,974	\$ 624,118	\$ 1,531,528	\$ 13,125,620
Licenses and Permits	151,094		420,869	571,963
Intergovernmental	2,769,819	3,522,780	1,781,341	8,073,940
Charges for Services	633,992		1,544,950	2,178,942
Fines and Forfeitures	152,687		67,158	219,845
Impact Fees			133,249	133,249
Miscellaneous:				
Interest	98,646	63,068	44,710	206,424
Other	4,321,783		7,560	4,329,343
Total Revenues	<u>19,097,995</u>	<u>4,209,966</u>	<u>5,531,365</u>	<u>28,839,326</u>
Expenditures				
Current:				
General Government	3,162,527			3,162,527
Public Safety	13,820,325		608,101	14,428,426
Physical Environment	105,879		599,189	705,068
Transportation	2,032,911			2,032,911
Economic Environment	276,097		591,920	868,017
Human Services	67,892			67,892
Culture and Recreation	4,433,489			4,433,489
Capital Outlay	1,086,036	4,528,994	1,442,121	7,057,151
Debt Service:				
Principal Payments	31,088		668,160	699,248
Interest and Fees	13,932		1,209,932	1,223,864
(Total Expenditures)	<u>(25,030,176)</u>	<u>(4,528,994)</u>	<u>(5,119,423)</u>	<u>(34,678,593)</u>
(Deficiency) Excess of Revenues (Under)				
Over Expenditures	<u>(5,932,181)</u>	<u>(319,028)</u>	<u>411,942</u>	<u>(5,839,267)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	97,633			97,633
Bond Proceeds			2,531,629	2,531,629
Transfers from Other Funds	9,034,052	512,194	2,639,040	12,185,286
Transfers to Other Funds	(1,493,620)		(3,067,457)	(4,561,077)
Total Other Financing Sources (Uses)	<u>7,638,065</u>	<u>512,194</u>	<u>2,103,212</u>	<u>10,253,471</u>
Net Change in Fund Balances	1,705,884	193,166	2,515,154	4,414,204
Fund Balances, Beginning of Year	<u>4,022,072</u>	<u>1,902,657</u>	<u>4,946,649</u>	<u>10,871,378</u>
Fund Balances, End of Year	<u>\$ 5,727,956</u>	<u>\$ 2,095,823</u>	<u>\$ 7,461,803</u>	<u>\$ 15,285,582</u>

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

CITY OF LEESBURG, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Net Change in Fund Balances - Total Governmental Funds \$ 4,414,204

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	\$ 7,057,151	
Contributions of Capital Assets	79,370	
Net Book Value of Disposals	(199,802)	
Depreciation Expense	<u>(6,212,443)</u>	724,276

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	500,000	
Notes Payable	168,160	
Capital Lease Payable	49,308	
Lawsuit Settlement	<u>60,000</u>	777,468

Bond proceeds are recorded as revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net assets. (2,531,629)

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	386,713	
Changes in Net Pension Obligation	314,048	
Change in Other Postemployment Benefit Liability	<u>(815,981)</u>	(115,220)

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. (808,820)

Change in Net Assets of Governmental Activities \$ 2,460,279

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, 2009

	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	\$ 10,505,791	\$ 3,697,410	\$ 3,491,818	\$ 2,208,581
Restricted Cash and Cash Equivalents:				
Debt Service Account	1,617,789	262,101	917,206	761,237
Customer Deposits Account	2,925,252	465,487	282,882	5,795
Rate Stabilization	3,811,263			
Landfill Escrow				
Due from Other Funds		1,000,000	2,500,000	
Due from Other Governments	56		480,500	
Receivables:				
Customer Accounts, Unbilled	4,241,940	292,364	418,441	562,320
Customer Accounts, Billed	6,196,632	273,077	327,016	617,571
(Allowance for Doubtful Accounts)	(651,961)	(48,869)	(59,704)	(82,231)
Miscellaneous Receivables	209,705			
Inventory	3,349,635	96,678	100,193	107
Prepaid Items	8,413	2,015	2,454	378
Total Current Assets	32,214,515	6,040,263	8,460,806	4,073,758
Noncurrent Assets:				
Restricted Assets:				
Equity in Pooled Cash and Equivalents:				
Renewal and Replacement Account	1,000,000		1,283,882	1,348,937
Impact Fees Account			565,616	1,247,162
Depository Trust Account		782,000		
FMPA Loan, Cash with Trustee				
Bond Proceeds	5,573,288	2,204,416	6,552,087	1,068,503
Investments:				
Crystal River Decommissioning Trust Account	5,555,529			
Total Restricted Assets	12,128,817	2,986,416	8,401,585	3,664,602
Property, Plant and Equipment:				
Land	3,509,880	95,111	336,155	9,275,875
Buildings	2,441,591	566,470	2,034,811	23,769,109
Improvements Other Than Buildings	76,804,845	11,972,160	34,145,535	22,320,426
Machinery and Equipment	8,801,867	1,130,559	3,602,473	10,557,846
(Accumulated Depreciation and Amortization)	(32,383,489)	(5,010,915)	(13,910,833)	(19,403,010)
Construction in Progress	5,547,360	2,263,701	9,342,609	3,621,649
Total Property, Plant and Equipment	64,722,054	11,017,086	35,550,750	50,141,895
Other Assets:				
Assets Held for Sale				
Unamortized Bond Issue Costs	887,676	135,312	501,227	368,043
Total Other Assets	887,676	135,312	501,227	368,043
Total Noncurrent Assets	77,738,547	14,138,814	44,453,562	54,174,540
Total Assets	\$ 109,953,062	\$ 20,179,077	\$ 52,914,368	\$ 58,248,298

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>
\$ 19,903,600	\$ 1,129,972	\$ 623,400	\$ 441,665	\$ 22,098,637	\$ 4,774,677
3,558,333		73,000	58,563	3,689,896	
3,679,416	3,950	4,232		3,687,598	
3,811,263				3,811,263	
0	90,229			90,229	
3,500,000				3,500,000	
480,556	134			480,690	
5,515,065	213,939	57,038		5,786,042	
7,414,296	258,385	37,757		7,710,438	
(842,765)	(53,813)	(328)		(896,906)	
209,705				209,705	160,778
3,546,613				3,546,613	
13,260		12,404		25,664	20,891
<u>50,789,342</u>	<u>1,642,796</u>	<u>807,503</u>	<u>500,228</u>	<u>53,739,869</u>	<u>4,956,346</u>
3,632,819		300,000		3,932,819	
1,812,778				1,812,778	
782,000				782,000	
0		8,992		8,992	
15,398,294				15,398,294	
<u>5,555,529</u>				<u>5,555,529</u>	
<u>27,181,420</u>	<u>0</u>	<u>308,992</u>	<u>0</u>	<u>27,490,412</u>	<u>0</u>
13,217,021	28,700			13,245,721	
28,811,981	13,856			28,825,837	
145,242,966	197,716	7,050,865		152,491,547	
24,092,745	213,632	1,064,509		25,370,886	
(70,708,247)	(208,546)	(2,259,657)		(73,176,450)	
20,775,319		146,537		20,921,856	
<u>161,431,785</u>	<u>245,358</u>	<u>6,002,254</u>	<u>0</u>	<u>167,679,397</u>	<u>0</u>
0			3,512,083	3,512,083	
1,892,258			955	1,893,213	
<u>1,892,258</u>	<u>0</u>	<u>0</u>	<u>3,513,038</u>	<u>5,405,296</u>	<u>0</u>
190,505,463	245,358	6,311,246	3,513,038	200,575,105	0
<u>\$ 241,294,805</u>	<u>\$ 1,888,154</u>	<u>\$ 7,118,749</u>	<u>\$ 4,013,266</u>	<u>\$ 254,314,974</u>	<u>\$ 4,956,346</u>

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, 2009
(Concluded)

	Business-type Activities			
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund	Wastewater Utility Fund
Liabilities				
Current Liabilities:				
Accounts and Retainage Payable	\$ 3,680,152	\$ 133,741	\$ 836,732	\$ 148,602
Accrued Expenses	462,738	359,130	83,798	108,718
Compensated Absences	181,216	52,996	157,382	102,295
Customer Advances for Construction	163,193			8,900
Due to Other Funds				3,000,000
Unearned Revenue	268,616	199,128	100,006	138,565
SHIP Bridge Loan Payable				
	<u>4,755,915</u>	<u>744,995</u>	<u>1,177,918</u>	<u>3,507,080</u>
Current Liabilities Payable from Restricted Assets:				
Customer Deposits	2,925,252	172,932	282,882	5,795
Estimated Landfill Closure Cost Payable				
Accrued Interest Payable	997,797	146,790	574,458	474,395
Current Portion of Bonds and Notes Payable	620,000	115,327	370,027	319,646
Rate Stabilization Deferred Credit	3,643,494			
Current Liabilities Payable from Restricted Assets	<u>8,186,543</u>	<u>435,049</u>	<u>1,227,367</u>	<u>799,836</u>
Total Current Liabilities	<u>12,942,458</u>	<u>1,180,044</u>	<u>2,405,285</u>	<u>4,306,916</u>
Noncurrent Liabilities:				
Claims Payable				
FMPA Loan Payable				
Revenue Bonds Payable, Series 2004	15,675,000	3,623,675	7,537,542	10,443,782
Revenue Bonds Payable, Series 2007	22,695,000	2,502,852	14,340,546	6,321,602
(Unamortized Discount and Loss on Refunding)	(5,505)	(29,123)	(29,671)	(84,117)
BAN Payable, Plantation			3,632,598	4,367,402
BAN Payable, SunTrust Banks				
Compensated Absences	148,267	43,360	128,767	83,696
Landfill Postclosure Costs Payable				
Decommissioning Costs Payable	5,787,311			
Other Postemployment Benefits Liability	417,862	167,685	285,478	365,000
Total Noncurrent Liabilities	<u>44,717,935</u>	<u>6,308,449</u>	<u>25,895,260</u>	<u>21,497,365</u>
Total Liabilities	<u>57,660,393</u>	<u>7,488,493</u>	<u>28,300,545</u>	<u>25,804,281</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	43,020,847	7,008,771	16,251,795	30,912,083
Restricted for:				
Capital Projects	1,000,000		1,849,498	2,596,099
Gas Depository Trust		687,000		
Unrestricted (Accumulated Deficit)	8,271,822	4,994,813	6,512,530	(1,064,165)
Total Net Assets	<u>\$ 52,292,669</u>	<u>\$12,690,584</u>	<u>\$ 24,613,823</u>	<u>\$ 32,444,017</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
\$ 4,799,227	\$ 79,703	\$ 15,346	\$ 194	\$ 4,894,470	\$ 402,428
1,014,384	39,597	17,633		1,071,614	1,001,687
493,889	39,727	11,719		545,335	
172,093				172,093	
3,000,000	500,000			3,500,000	
706,315		6,120		712,435	
0			429,000	429,000	
<u>10,185,908</u>	<u>659,027</u>	<u>50,818</u>	<u>429,194</u>	<u>11,324,947</u>	<u>1,404,115</u>
3,386,861	3,950	4,232		3,395,043	
0	74,766			74,766	
2,193,440			99,385	2,292,825	
1,425,000		67,095		1,492,095	
3,643,494				3,643,494	
<u>10,648,795</u>	<u>78,716</u>	<u>71,327</u>	<u>99,385</u>	<u>10,898,223</u>	<u>0</u>
20,834,703	737,743	122,145	528,579	22,223,170	1,404,115
0		973,905		973,905	724,424
37,279,999				37,279,999	
45,860,000				45,860,000	
(148,416)				(148,416)	
8,000,000				8,000,000	
0			4,000,000	4,000,000	
404,090	32,504	9,588		446,182	
0	598,127			598,127	
5,787,311				5,787,311	
1,236,025	158,950	44,127		1,439,102	
<u>98,419,009</u>	<u>789,581</u>	<u>1,027,620</u>	<u>4,000,000</u>	<u>104,236,210</u>	<u>724,424</u>
119,253,712	1,527,324	1,149,765	4,528,579	126,459,380	2,128,539
97,193,496	245,358	6,002,254		103,441,108	
5,445,597				5,445,597	
687,000				687,000	
18,715,000	115,472	(33,270)	(515,313)	18,281,889	2,827,807
<u>\$ 122,041,093</u>	<u>\$ 360,830</u>	<u>\$ 5,968,984</u>	<u>\$ (515,313)</u>	<u>\$ 127,855,594</u>	<u>\$ 2,827,807</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, 2009

	Business-type Activities			
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund	Wastewater Utility Fund
Operating Revenues				
Charges for Services	\$ 69,726,593	\$ 8,114,811	\$ 6,706,396	\$ 9,245,275
Other	1,259,059	139,910	167,616	181,000
Total Operating Revenues	<u>70,985,652</u>	<u>8,254,721</u>	<u>6,874,012</u>	<u>9,426,275</u>
Operating Expenses				
Power Generation and Transmission	2,938,956			
Purchased Energy	49,157,534	3,119,732		
Supply and Pumping				2,157,387
Treatment			1,595,198	228,730
Distribution and Collection	3,260,357	960,658	1,540,648	1,951,155
Customer Accounts	2,244,256	603,169	712,212	1,025,000
General and Administrative	3,411,601	1,017,829	1,030,831	691,840
Operating Expenses				
Depreciation and Amortization	2,799,882	437,849	1,557,157	1,518,700
Change in Decommissioning/ Postclosure Estimate				
(Total Operating Expenses)	<u>(63,812,586)</u>	<u>(6,139,237)</u>	<u>(6,436,046)</u>	<u>(7,572,812)</u>
Operating Income	<u>7,173,066</u>	<u>2,115,484</u>	<u>437,966</u>	<u>1,853,463</u>
Nonoperating Revenues (Expenses)				
Investment Income	464,884	55,171	92,393	50,445
Other Nonoperating Income	115,994	18,099	231,863	540,960
Interest Expenses	(1,333,583)	(159,478)	(344,962)	(575,214)
Other Nonoperating Expense	(49,063)			
Total Nonoperating Revenues (Expenses)	<u>(801,768)</u>	<u>(86,208)</u>	<u>(20,706)</u>	<u>16,191</u>
Income (Loss) Before Contributions and Transfers	<u>6,371,298</u>	<u>2,029,276</u>	<u>417,260</u>	<u>1,869,654</u>
Transfers and Capital Contributions				
Capital Contributions	273,601	115,474	821,616	
Reduction of Plant Costs Recovered Through Contributions from U.S. Highway 441/27 CRA	(825,528)			
Transfers from Other Funds	825,528			
Transfers to Other Funds	(5,668,866)	(862,842)	(828,166)	(723,542)
Total Transfers and Capital Contributions	<u>(5,395,265)</u>	<u>(747,368)</u>	<u>(6,550)</u>	<u>(723,542)</u>
Change in Net Assets	976,033	1,281,908	410,710	1,146,112
Net Assets, Beginning of Year (Unadjusted)	51,316,636	11,577,511	25,363,458	31,690,360
Prior Period Adjustment	0	(168,835)	(1,160,345)	(392,455)
Net Assets, Beginning of Year (Adjusted)	<u>51,316,636</u>	<u>11,408,676</u>	<u>24,203,113</u>	<u>31,297,905</u>
Net Assets, End of Year	<u>\$ 52,292,669</u>	<u>\$ 12,690,584</u>	<u>\$ 24,613,823</u>	<u>\$ 32,444,017</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
\$ 93,793,075	\$ 3,706,843	\$ 1,213,391	\$ 1,022	\$ 98,714,331	\$ 3,969,692
1,747,585	40,859	2,558		1,791,002	
<u>95,540,660</u>	<u>3,747,702</u>	<u>1,215,949</u>	<u>1,022</u>	<u>100,505,333</u>	<u>3,969,692</u>
2,938,956				2,938,956	
52,277,266				52,277,266	
2,157,387				2,157,387	
1,823,928				1,823,928	
7,712,818				7,712,818	
4,584,637				4,584,637	
6,152,101	3,116,177	614,598	66	9,882,942	490,648
0			34,110	34,110	3,983,073
6,313,588	29,464	308,282		6,651,334	
0	(60,106)			(60,106)	
<u>(83,960,681)</u>	<u>(3,085,535)</u>	<u>(922,880)</u>	<u>(34,176)</u>	<u>(88,003,272)</u>	<u>(4,473,721)</u>
<u>11,579,979</u>	<u>662,167</u>	<u>293,069</u>	<u>(33,154)</u>	<u>12,502,061</u>	<u>(504,029)</u>
662,893	5,312	5,977	3,352	677,534	44,755
906,916	11,469	7,577	750	926,712	109,628
(2,413,237)	(49)	(21,125)	(252,131)	(2,686,542)	
(49,063)				(49,063)	
<u>(892,491)</u>	<u>16,732</u>	<u>(7,571)</u>	<u>(248,029)</u>	<u>(1,131,359)</u>	<u>154,383</u>
<u>10,687,488</u>	<u>678,899</u>	<u>285,498</u>	<u>(281,183)</u>	<u>11,370,702</u>	<u>(349,646)</u>
1,210,691				1,210,691	
(825,528)		(59,825)		(885,353)	
825,528		59,825	338,086	1,223,439	
<u>(8,083,416)</u>	<u>(250,000)</u>	<u>(55,058)</u>		<u>(8,388,474)</u>	<u>(459,174)</u>
<u>(6,872,725)</u>	<u>(250,000)</u>	<u>(55,058)</u>	<u>338,086</u>	<u>(6,839,697)</u>	<u>(459,174)</u>
3,814,763	428,899	230,440	56,903	4,531,005	(808,820)
119,947,965	(68,069)	5,738,544	(572,216)	125,046,224	3,636,627
(1,721,635)	0	0	0	(1,721,635)	0
<u>118,226,330</u>	<u>(68,069)</u>	<u>5,738,544</u>	<u>(572,216)</u>	<u>123,324,589</u>	<u>3,636,627</u>
<u>\$ 122,041,093</u>	<u>\$ 360,830</u>	<u>\$ 5,968,984</u>	<u>\$ (515,313)</u>	<u>\$ 127,855,594</u>	<u>\$ 2,827,807</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, 2009

	Business-type Activities			
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund	Wastewater Utility Fund
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 75,815,235	\$ 8,552,064	\$ 6,981,981	\$ 9,584,999
Cash Paid to Suppliers for Goods and Services	(59,418,724)	(5,072,076)	(2,436,949)	(3,819,194)
Cash Paid for Insurance Claims				
Cash Paid to Employees for Services	(2,228,904)	(849,926)	(1,611,563)	(2,048,894)
Net Cash Provided by (Used in) Operating Activities	<u>14,167,607</u>	<u>2,630,062</u>	<u>2,933,469</u>	<u>3,716,911</u>
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	825,528			
Transfers to Other Funds	(5,668,866)	(862,842)	(828,166)	(723,542)
Issuance of/Proceeds from Interfund Loan		(400,000)	500,000	(600,000)
Proceeds from Noncapital Debt				
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(4,843,338)</u>	<u>(1,262,842)</u>	<u>(328,166)</u>	<u>(1,323,542)</u>
Cash Flows from Capital and Related Financing Activities				
Interest Paid on Revenue Bonds and Customer Deposits	(1,733,428)	(233,802)	(915,681)	(768,225)
Acquisition and Construction of Capital Assets	(3,863,120)	(569,245)	(4,192,558)	(1,088,303)
Proceeds from the Disposition of Capital Assets	45,404	332	45,395	6,024
Principal Paid on Capital Debt	(330,000)	(77,153)	(160,485)	(222,363)
Customer Advances for Construction	42,895			
Capital Contributions	(551,983)	115,474	341,116	
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(6,390,232)</u>	<u>(764,394)</u>	<u>(4,882,213)</u>	<u>(2,072,867)</u>
Cash Flows from Investing Activities				
Interest Received	184,292	55,170	92,393	50,445
Purchase of Crystal River Decommissioning Investments	(204,960)			
Other Investing Activities	21,527	17,767	186,468	534,936
Net Cash Provided by (Used in) Investing Activities	<u>859</u>	<u>72,937</u>	<u>278,861</u>	<u>585,381</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,934,896	675,763	(1,998,049)	905,883
Cash and Cash Equivalents, Beginning of Year	<u>22,498,487</u>	<u>6,735,651</u>	<u>15,091,540</u>	<u>5,734,332</u>
Cash and Cash Equivalents, End of Year	<u>\$ 25,433,383</u>	<u>\$ 7,411,414</u>	<u>\$ 13,093,491</u>	<u>\$ 6,640,215</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
\$ 100,934,279	\$ 3,722,953	\$ 1,240,212	\$ 1,022	\$ 105,898,466	\$ 3,973,091
(70,746,943)	(2,430,580)	(343,955)	(25,685)	(73,547,163)	(834,882)
0				0	(3,651,395)
(6,739,287)	(789,989)	(269,932)	(66)	(7,799,274)	
23,448,049	502,384	626,325	(24,729)	24,552,029	(513,186)
825,528		59,825	338,086	1,223,439	
(8,083,416)	(250,000)	(55,058)		(8,388,474)	(459,174)
(500,000)	500,000	6,120		6,120	
0			429,000	429,000	
(7,757,888)	250,000	10,887	767,086	(6,729,915)	(459,174)
(3,651,136)	(49)	(21,125)	(251,643)	(3,923,953)	
(9,713,226)	(23,182)	(123,681)		(9,860,089)	
97,155	2,014			99,169	
(790,001)				(790,001)	
42,895				42,895	
(95,393)	1,092	(59,825)		(154,126)	
(14,109,706)	(20,125)	(204,631)	(251,643)	(14,586,105)	0
382,300	5,312	5,977	3,352	396,941	44,755
(204,960)				(204,960)	
760,698	9,455	7,577	750	778,480	109,628
938,038	14,767	13,554	4,102	970,461	154,383
2,518,493	747,026	446,135	494,816	4,206,470	(817,977)
50,060,010	477,125	563,489	5,412	51,106,036	5,592,654
<u>\$ 52,578,503</u>	<u>\$ 1,224,151</u>	<u>\$ 1,009,624</u>	<u>\$ 500,228</u>	<u>\$ 55,312,506</u>	<u>\$ 4,774,677</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, 2009
(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	\$ 10,505,791	\$ 3,697,410	\$ 3,491,818	\$ 2,208,581
Total Restricted Equity in Pooled Cash and Cash Equivalents	14,927,592	3,714,004	9,601,673	4,431,634
Total Cash and Cash Equivalents, End of Year	<u>\$ 25,433,383</u>	<u>\$ 7,411,414</u>	<u>\$ 13,093,491</u>	<u>\$ 6,640,215</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income (Loss)	\$ 7,173,066	\$ 2,115,484	\$ 437,966	\$ 1,853,463
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	2,427,019	429,602	1,539,771	1,497,129
Decrease (Increase) in Assets:				
Customer Accounts (Net of Allowances)	972,848	294,070	67,801	162,236
Miscellaneous Receivables	51,456			
Prepaid Items	(7,921)	5,256	(2,293)	4,122
Inventory	433,732	18,214	35,221	
Increase (Decrease) in Liabilities:				
Accounts Payable	(1,224,452)	(242,014)	699,469	76,922
Claims Payable				
Accrued Expenses	(49,074)	(31,436)	5,065	14,900
Rate Stabilization Deferred Credit	3,643,494			
Other Postemployment Benefits Liability	115,143	42,649	81,472	108,347
Decommissioning/Postclosure Payable	326,379			
Other	305,917	(1,763)	68,997	(208)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 14,167,607</u>	<u>\$ 2,630,062</u>	<u>\$ 2,933,469</u>	<u>\$ 3,716,911</u>
<u>Noncash Investing, Capital or Financing Transactions</u>				
Net Appreciation/(Depreciation) in the Value of Investments Reported at Fair Value (But Not Classified as Cash Equivalents)	<u>\$ 16,606</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Transfer of Assets from Property, Plant and Equipment to Inventory	<u>\$ 0</u>	<u>\$ 100,927</u>	<u>\$ 0</u>	<u>\$ 0</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
\$ 19,903,600	\$ 1,129,972	\$ 623,400	\$ 441,665	\$ 22,098,637	\$ 4,774,677
32,674,903	94,179	386,224	58,563	33,213,869	0
<u>\$ 52,578,503</u>	<u>\$ 1,224,151</u>	<u>\$ 1,009,624</u>	<u>\$ 500,228</u>	<u>\$ 55,312,506</u>	<u>\$ 4,774,677</u>
\$ 11,579,979	\$ 662,167	\$ 293,069	\$ (33,154)	\$ 12,502,061	\$ (504,029)
5,893,521	29,464	308,282	11,457	6,242,724	
1,496,955	10,073	1,743		1,508,771	
51,456				51,456	3,399
(836)	1,930	2,776		3,870	(20,891)
487,167				487,167	
(690,075)	(169,078)	11,133	(3,032)	(851,052)	82,877
0				0	(74,542)
(60,545)	1,831	1,037		(57,677)	
3,643,494				3,643,494	
347,611	47,076	11,223		405,910	
326,379	(60,106)			266,273	
372,943	(20,973)	(2,938)		349,032	
<u>\$ 23,448,049</u>	<u>\$ 502,384</u>	<u>\$ 626,325</u>	<u>\$ (24,729)</u>	<u>\$ 24,552,029</u>	<u>\$ (513,186)</u>
<u>\$ 16,606</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,606</u>	<u>\$ 0</u>
<u>\$ 100,927</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,927</u>	<u>\$ 0</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, 2009

	<u>Employee Retirement Funds</u>
Assets	
Cash and Cash Equivalents	\$ 115,505
Investments, at Fair Value:	
U.S. Government Securities	11,212,512
Corporate Bonds	6,062,111
Corporate Stocks	29,716,817
Money Market	2,999,995
Foreign Bonds	52,872
Total Investments	<u>50,044,307</u>
Accounts Receivable	43,578
Interest Receivable	<u>82,036</u>
Total Assets	<u>50,285,426</u>
Liabilities	
Accounts Payable	<u>50,213</u>
Total Liabilities	<u>50,213</u>
Net Assets	
Held in Trust for:	
Employees' Pension Benefits	<u>\$ 50,235,213</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, 2009

	Employee Retirement Funds
Additions	
Contributions:	
Employer	\$ 1,970,470
State	321,744
Employee	511,221
Total Contributions	2,803,435
Investment Income:	
Net Appreciation in Fair Value of Investments	359,467
Interest and Dividend Income	1,486,506
Other Income	35,456
Total Investment Income	1,881,429
Total Additions	4,684,864
Deductions	
Benefit Payments	3,553,004
Refund of Contributions	7,729
Administrative Expense	463,152
(Total Deductions)	(4,023,885)
Net Increase	660,979
Net Assets Reserved for Employees'	
Pension Benefits:	
Beginning of Year	49,574,234
End of Year	\$ 50,235,213

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 government 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, 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 governmental fund-type component units 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 are 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 **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.

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 Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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)

- 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.

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 the general fund makes transfers to the special revenue funds.

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)*

■ **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.

■ **Amortization**

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

■ **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 \$1,000 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 market value at the date of donation.

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)*

■ **Capital Assets *(Concluded)***

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 2009, \$1,687,489 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.

■ **Contributions in Aid of Construction**

Contributions from governmental funds to proprietary funds are recorded as transfers and the related amounts are expensed in accordance with the requirements of the FERC Uniform System of Accounts.

During the year ended September 30, 2009, the U.S. Highway 441/27 CRA contributed \$825,528 and \$59,825 to the electric and communication services funds, respectively.

■ **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.

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. The entire liability for compensated absences of these funds is reflected in the respective financial statements split between the current and noncurrent portions.

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)*

■ **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 reestablish 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.

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.

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

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

Summary of Significant Accounting Policies (Concluded)

■ **Property Taxes (Concluded)**

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.
- 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 fund contained an excess of expenditures over appropriations during the fiscal year ended September 30, 2009:

- Police Forfeitures Fund

No other individual fund contained an excess of total expenditures over total appropriations during the fiscal year ended September 30, 2009, except insignificant variances. However, within various funds, there may be an excess of expenditures over appropriations at the line item level.

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

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

■ **Deficit Fund Equity**

The following individual funds show deficit equity balances at September 30, 2009, in the amounts shown below:

Fund	Type	Deficit
Fire Impact Fee Fund	Nonmajor Governmental Fund	\$ (79,170)
Building Permits Fund	Nonmajor Governmental Fund	(55,308)

■ **Net Assets Restricted by Enabling Legislation**

The government-wide statement of net assets reports \$8,947,180 of restricted net assets, of which \$7,745,377 is restricted by enabling legislation.

Note 3 - Deposits and Investments

Deposits and investments as of September 30, 2009, are classified in the accompanying financial statements as follows:

Statement of Net Assets

Cash and Cash Equivalents	\$ 42,669,534
Restricted:	
Cash and Cash Equivalents	35,139,130
Investments	5,555,529

Statement of Fiduciary Net Assets

Cash Equivalents	115,505
Investments	<u>50,044,307</u>

Total Cash and Investments

\$ 133,524,005

Deposits and investments consist of the following:

Governmental and Business-type Activities

Cash Deposits	\$ 7,727,716
Investments	66,501,869
Investments with Fiscal Agent:	
Debt Service Fund	1,068,149
Utilities CR3 Decommissioning Trust	5,555,529
Utilities Debt Service Account	1,728,930
Utilities Gas Deposit Account	782,000

Fiduciary Net Assets

Cash	115,505
Defined Benefit Pension Plan Investments	<u>50,044,307</u>

Total Cash and Investments

\$ 133,524,005

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:

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

Note 3 - Deposits and Investments (Continued)

■ **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.

● **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, 2009, the City invested in the Florida Surplus Asset Fund Trust (FLSAFE) investment pool. The FLSAFE was created pursuant to Florida Statutes 163.01 and 218.415. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The FLSAFE is not a registrant with the Securities and Exchange Commission; however, it has adopted operating procedures consistent with the requirements for a 2a-7-like fund and the fair value of the position in the pool is equal to the value of the pool shares. The City's investment in the FLSAFE, is rated AAAM by Standard & Poor's.

As of September 30, 2009, the City had the following investments and maturities:

Investment Type	Investment Maturities (In Years)		
	Fair Value	Less Than 1 Year	1-5 Years
Repurchase Agreements	\$ 43,482,000	\$ 43,482,000	\$ 0
FLSAFE Investment Pool	200,302	200,302	0
FHLB	22,819,482	22,819,482	0
Other	85	85	0
Total	\$ 66,501,869	\$ 66,501,869	\$ 0

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. All of the City’s \$43,482,000 investment in repurchase agreements is held by the investment’s counterparty, not in the name of the City. 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—All of the City’s investments are guaranteed by the U.S. Government except for the investment in the FLSAFE investment pool, which is an external investment pool. All of the investments listed in the above table exceed 5% of invested assets.

■ **Fiduciary Net Assets**

As of September 30, 2009, the **Municipal Firemen’s Retirement Plan** (the Plan) had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More Than 10 Years</u>
Money Market	\$ 986,845	\$ 986,845	\$ 0	\$ 0	\$ 0
U.S. Government and Agencies	2,099,665	0	1,257,796	374,628	467,241
Mutual Funds	1,178,525	1,178,525	0	0	0
Corporate Obligations	<u>1,852,193</u>	<u>106,298</u>	<u>1,249,961</u>	<u>417,151</u>	<u>78,783</u>
Total	6,117,228	<u>\$ 2,271,668</u>	<u>\$ 2,507,757</u>	<u>\$ 791,779</u>	<u>\$ 546,024</u>
Corporate Stocks	<u>3,658,959</u>				
Total	<u>\$ 9,776,187</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. The following investments exceed 5% of Plan assets: Goldman Sachs Money Market Account of \$986,845; U.S. Treasury notes totaling \$531,090; Ishares MSCI EAFE Index Fund of \$549,534; and Federal Home Loan Mortgage Corporation of \$694,849.

As of September 30, 2009, the **General Employees’ Retirement Plan** (the Plan) had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More Than 10 Years</u>
Money Market	\$ 794,347	\$ 794,347	\$ 0	\$ 0	\$ 0
U.S. Government and Agencies	6,395,578	728,638	4,542,309	1,124,631	0
Corporate Obligations	2,626,074	0	1,321,206	1,304,868	0
Mutual Funds	<u>1,117,979</u>	<u>1,117,979</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	10,933,978	<u>\$ 2,640,964</u>	<u>\$ 5,863,515</u>	<u>\$ 2,429,499</u>	<u>\$ 0</u>
Corporate Stocks	<u>18,152,858</u>				
Total	<u>\$29,086,836</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 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 are Federal Home Loan Mortgage notes totaling \$1,516,870 and U.S. Treasury notes totaling \$4,098,060.

As of September 30, 2009, the **Municipal Police Retirement Plan** (the Plan) had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More Than 10 Years</u>
Money Market	\$ 1,218,803	\$ 1,218,803	\$ 0	\$ 0	\$ 0
U.S. Government and Agencies	2,717,269	0	229,669	543,837	1,943,763
Corporate Obligations	<u>1,636,716</u>	<u>26,203</u>	<u>1,039,396</u>	<u>571,117</u>	<u>0</u>
Total	5,572,788	<u>\$ 1,245,006</u>	<u>\$ 1,269,065</u>	<u>\$ 1,114,954</u>	<u>\$ 1,943,763</u>
Corporate Stocks	<u>5,608,496</u>				
Total	<u>\$ 11,181,284</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. Investments exceeding 5% of Plan assets are Fifth Third Institutional Money Market Account of \$1,218,802; and government-backed securities totaling \$1,153,814.

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)

Retirement Plan	Rating						
	Total	AAA	AA	A	BBB	BB	Not Rated
Municipal Firemen	\$ 2,834,861	\$ 1,030,982	\$ 285,645	\$ 1,320,954	\$ 90,488	\$ 10,238	\$ 96,554
General Employees	4,923,592	2,297,518	329,987	2,296,087	0	0	0
Municipal Police Officers	<u>2,651,514</u>	<u>553,051</u>	<u>173,789</u>	<u>866,391</u>	<u>650,687</u>	<u>0</u>	<u>407,596</u>
Totals	<u>\$ 10,409,967</u>	<u>\$ 3,881,551</u>	<u>\$ 789,421</u>	<u>\$ 4,483,432</u>	<u>\$ 741,175</u>	<u>\$ 10,238</u>	<u>\$ 504,150</u>

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:

Type of Receivable	General Fund	Enterprise Funds	Nonmajor and Other Funds	Total
Accounts Receivable, Billed	\$ 437,967	\$ 7,710,438	\$ 144,005	\$ 8,292,410
Accounts Receivable, Unbilled	0	5,786,042	94,258	5,880,300
Miscellaneous Receivables	<u>0</u>	<u>370,483</u>	<u>0</u>	<u>370,483</u>
Total Accounts Receivable	437,967	13,866,963	238,263	14,543,193
(Allowance for Uncollectible Accounts)	<u>(103,312)</u>	<u>(896,906)</u>	<u>(19,025)</u>	<u>(1,019,243)</u>
Receivables, Net	<u>\$ 334,655</u>	<u>\$ 12,970,057</u>	<u>\$ 219,238</u>	<u>\$ 13,523,950</u>

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 \$503,214 reported as deferred revenue in the governmental funds consists of the following:

Type of Unearned Revenue	Amount
Occupational License Revenue	\$ 162,688
Customer Deposits and Advance Property Rentals	29,903
Unearned Interest	291,092
Other	<u>19,531</u>
Total	<u>\$ 503,214</u>

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

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 8,270,147	\$ 147,752	\$ 0	\$ 8,417,899
Construction in Progress	<u>10,722,296</u>	<u>4,856,717</u>	<u>(1,054,890)</u>	<u>14,524,123</u>
Total Capital Assets Not Being Depreciated	<u>18,992,443</u>	<u>5,004,469</u>	<u>(1,054,890)</u>	<u>22,942,022</u>
Capital Assets Being Depreciated:				
Buildings	40,967,347	128,757	0	41,096,104
Improvements Other Than Buildings	17,616,935	146,370	0	17,763,305
Equipment	30,423,722	984,469	(1,259,601)	30,148,590
Infrastructure (Road and Streets)	<u>32,376,221</u>	<u>1,927,346</u>	<u>0</u>	<u>34,303,567</u>
Total Capital Assets Being Depreciated	<u>121,384,225</u>	<u>3,186,942</u>	<u>(1,259,601)</u>	<u>123,311,566</u>
Less Accumulated Depreciation for:				
Buildings	(7,080,628)	(969,331)	0	(8,049,959)
Improvements Other Than Buildings	(8,308,818)	(968,134)	0	(9,276,952)
Equipment	(21,642,299)	(2,661,421)	1,059,799	(23,243,921)
Infrastructure (Roads and Streets)	<u>(16,456,301)</u>	<u>(1,613,557)</u>	<u>0</u>	<u>(18,069,858)</u>
Total Accumulated Depreciation	<u>(53,488,046)</u>	<u>(6,212,443)</u>	<u>1,059,799</u>	<u>(58,640,690)</u>
Total Being Depreciated, Net	<u>67,896,179</u>	<u>(3,025,501)</u>	<u>(199,802)</u>	<u>64,670,876</u>
Governmental Activities Capital Assets, Net	<u>\$ 86,888,622</u>	<u>\$ 1,978,968</u>	<u>\$ (1,254,692)</u>	<u>\$ 87,612,898</u>
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 9,228,707	\$ 4,320,219	\$ (303,205)	\$ 13,245,721
Construction in Progress	<u>32,010,200</u>	<u>11,525,806</u>	<u>(22,614,150)</u>	<u>20,921,856</u>
Total Capital Assets Not Being Depreciated	<u>41,238,907</u>	<u>15,846,025</u>	<u>(22,917,355)</u>	<u>34,167,577</u>
Capital Assets Being Depreciated:				
Buildings	25,803,958	3,021,879	0	28,825,837
Improvements Other Than Buildings	139,135,205	13,832,169	(475,827)	152,491,547
Equipment	<u>23,913,935</u>	<u>1,515,720</u>	<u>(58,769)</u>	<u>25,370,886</u>
Total Capital Assets Being Depreciated	<u>188,853,098</u>	<u>18,369,768</u>	<u>(534,596)</u>	<u>206,688,270</u>
Less Accumulated Depreciation for:				
Buildings	(3,662,175)	(702,755)	0	(4,364,930)
Improvements Other Than Buildings	(46,960,694)	(3,677,810)	631,548	(50,006,956)
Equipment	<u>(17,076,088)</u>	<u>(1,779,741)</u>	<u>51,265</u>	<u>(18,804,564)</u>
Total Accumulated Depreciation	<u>(67,698,957)</u>	<u>(6,160,306)</u>	<u>682,813</u>	<u>(73,176,450)</u>
Total Being Depreciated, Net	<u>121,154,141</u>	<u>12,209,462</u>	<u>148,217</u>	<u>133,511,820</u>
Total Business-type Activities Capital Assets, Net	<u>\$ 162,393,048</u>	<u>\$ 28,055,487</u>	<u>\$ (22,769,138)</u>	<u>\$ 167,679,397</u>

The beginning balances of certain capital assets being depreciated and accumulated depreciation in the business-type activities were adjusted to reflect a reclassification of assets.

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

Note 6 - Capital Assets (Concluded)

Depreciation Expense - Governmental Activities	
General Government and Administration	\$ 2,380,878
Public Safety	520,018
Physical Environment	427,526
Transportation	2,055,604
Economic Environment	40,553
Parks and Recreation	<u>787,864</u>
Total Depreciation Expense - Governmental Activities	\$ <u>6,212,443</u>
Depreciation Expense - Business-type Activities	
Electric Utility	\$ 2,393,828
Gas Utility	424,469
Water Utility	1,521,203
Wastewater Utility	1,483,060
Solid Waste Utility	29,464
Communication Services	<u>308,282</u>
Total Depreciation Expense - Business-type Activities	\$ <u>6,160,306</u>

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2009, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 114,172
Gas Utility	Wastewater Utility	500,000
Gas Utility	Solid Waste	500,000
Water Utility	Wastewater Utility	<u>2,500,000</u>
Total		\$ <u>3,614,172</u>

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

Interfund Transfers

	<u>Transfer In</u>						<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Govern-mental</u>	<u>Electric Fund</u>	<u>Communi-cation Fund</u>	<u>Housing Fund</u>	
Transfers Out							
Electric	\$5,668,866	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,668,866
Gas Utility	862,842	0	0	0	0	0	862,842
Water Utility	824,266	0	3,900	0	0	0	828,166
Wastewater Utility	719,642	0	3,900	0	0	0	723,542
Solid Waste	250,000	0	0	0	0	0	250,000
Communication	55,058	0	0	0	0	0	55,058
Internal Service	0	359,174	0	0	0	100,000	459,174
General Fund	0	0	1,493,620	0	0	0	1,493,620
Nonmajor							
Governmental	<u>653,378</u>	<u>153,020</u>	<u>1,137,620</u>	<u>825,528</u>	<u>59,825</u>	<u>238,086</u>	<u>3,067,457</u>
Total Transfers Out	\$ <u>9,034,052</u>	\$ <u>512,194</u>	\$ <u>2,639,040</u>	\$ <u>825,528</u>	\$ <u>59,825</u>	\$ <u>338,086</u>	\$ <u>13,408,725</u>

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, 2009, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities					
Revenue Bonds and Notes:					
Capital Improvement Revenue Bonds - 1999	\$ 6,340,000	\$ 0	\$ (160,000)	\$ 6,180,000	\$ 165,000
Capital Improvement Revenue Bonds - 2004	16,455,000	0	(340,000)	16,115,000	350,000
Note Payable - 2008 Carver Heights CRA	0	1,431,878	(149,853)	1,282,025	147,314
Note Payable - 1999 GLCRA	117,647	0	(18,307)	99,340	19,292
Capital Improvement Bond Anticipation Note - 2008	<u>0</u>	<u>1,099,751</u>	<u>0</u>	<u>1,099,751</u>	<u>0</u>
Total Revenue Bonds and Notes	<u>22,912,647</u>	<u>2,531,629</u>	<u>(668,160)</u>	<u>24,776,116</u>	<u>681,606</u>
Other Liabilities:					
Compensated Absences	1,971,513	1,361,528	(1,748,241)	1,584,800	871,640
Suit Settlement	90,000	0	(60,000)	30,000	30,000
Capital Lease Payable	<u>349,925</u>	<u>0</u>	<u>(49,308)</u>	<u>300,617</u>	<u>32,394</u>
Total Other Liabilities	<u>2,411,438</u>	<u>1,361,528</u>	<u>(1,857,549)</u>	<u>1,915,417</u>	<u>934,034</u>
Total Governmental Activities	<u>\$ 25,324,085</u>	<u>\$ 3,893,157</u>	<u>\$ (2,525,709)</u>	<u>\$ 26,691,533</u>	<u>\$ 1,615,640</u>

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Business-type Activities					
Revenue Bonds and Notes Payable:					
Electric System Revenue Bonds - 2004	\$ 16,345,000	\$ 0	\$ (330,000)	\$ 16,015,000	\$ 340,000
Utility System Revenue Bonds - 2004	22,540,000	0	(460,000)	22,080,000	475,000
Bond Anticipation Note - 2006	8,000,000	0	0	8,000,000	0
Utility System Revenue Bond - 2007A	22,425,000	0	0	22,425,000	315,000
Utility System Revenue Bond - 2007B	1,070,000	0	0	1,070,000	15,000
Electric System Revenue Bond - 2007A	11,265,000	0	0	11,265,000	0
Electric System Revenue Bond - 2007B	11,710,000	0	0	11,710,000	280,000
Housing Bond Anticipation Note - 2006	4,000,000	0	0	4,000,000	0
Less Deferred Refundings and Discounts	(609,857)	0	461,440	(148,417)	0
Notes Payable FMPA Pooled	<u>1,041,000</u>	<u>0</u>	<u>0</u>	<u>1,041,000</u>	<u>67,095</u>
Total Revenue Bonds and Notes Payable	<u>97,786,143</u>	<u>0</u>	<u>(328,560)</u>	<u>97,457,583</u>	<u>1,492,095</u>
Other Liabilities:					
CR#3 Decommissioning Cost Payable	5,460,932	326,979	0	5,787,311	0
Landfill Postclosure Payable	732,999	0	(60,106)	672,893	74,766
Lake County SHIP Bridge Loan	0	429,000	0	429,000	429,000
Compensated Absences	<u>1,041,072</u>	<u>692,229</u>	<u>(741,784)</u>	<u>991,517</u>	<u>545,335</u>
Total Other Liabilities	<u>7,235,003</u>	<u>1,447,608</u>	<u>(801,890)</u>	<u>7,880,721</u>	<u>1,049,101</u>
Total Business-type Activities	<u>\$ 105,021,146</u>	<u>\$ 1,447,608</u>	<u>\$ (1,130,450)</u>	<u>\$ 105,338,304</u>	<u>\$ 2,541,196</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, 2009:

<u>Description of Bonds</u>	<u>Purpose of Issue</u>	<u>Issued</u>	<u>Outstanding</u>	<u>Rates</u>
Governmental Activities				
Revenue Bonds and Revenue Notes:				
Capital Improvement Revenue				
Bonds - 1999	Capital Improvement	\$ 7,345,000	\$ 6,180,000	3.65% - 5.50%
Capital Improvement Revenue				
Bonds - 2004	Capital Improvement	17,110,000	16,115,000	2.50% - 5.25%
Note Payable - Carver Heights CRA	Real Estate	1,431,878	1,282,025	4.36%
Note Payable - GLCRA	Real Estate	249,284	99,340	5.25%
Capital Improvement Bond				
Anticipation Note - 2008	Capital Improvement	<u>1,099,751</u>	<u>1,099,751</u>	1.67%
Total Governmental Activities		<u>\$ 27,235,913</u>	<u>\$ 24,776,116</u>	
Business-type Activities				
Notes Payable FMPA Pooled Loan	Fiber Optic Cable	\$ 1,300,000	\$ 1,041,000	FMPA Commercial Paper + 0.6%
Electric System Revenue Bonds - 2004	Electric Capital Projects	16,670,000	16,015,000	2.75% - 5.00%
Utility System Revenue Bonds - 2004	Gas/Water/Wastewater	22,985,000	22,080,000	2.75% - 5.00%
Bond Anticipation Note - 2006	Water/Wastewater	8,000,000	8,000,000	4.50%
Utility System Revenue Bond - 2007A	Gas/Water/Wastewater	22,425,000	22,425,000	4.00% - 5.00%
Utility System Revenue Bond - 2007B	Wastewater	1,070,000	1,070,000	5.9%
Electric System Revenue Bond - 2007A	Electric	11,265,000	11,265,000	4.625% - 5.00%
Electric System Revenue Bond - 2007B	Electric	11,710,000	11,710,000	5.64% - 5.90%
Housing Bond Anticipation Note - 2006	Capital Improvement	<u>4,000,000</u>	<u>4,000,000</u>	5.26 - 6.01%
Total Business-type Activities		<u>\$ 99,425,000</u>	<u>\$ 97,606,000</u>	

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

<u>Fiscal Year</u>	Bonds Payable			
	Governmental Activities		Business-type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 515,000	\$ 1,086,521	\$ 1,425,000	\$ 4,091,525
2011	535,000	1,066,611	1,485,000	4,031,977
2012	555,000	1,045,151	1,540,000	3,968,393
2013	580,000	1,022,068	1,605,000	3,899,608
2014	605,000	996,408	1,675,000	3,826,475
2015-2019	3,425,000	4,537,310	9,555,000	17,889,325
2020-2024	4,335,000	3,555,126	12,100,000	15,153,978
2025-2029	5,615,000	2,228,739	15,525,000	11,552,843
2030-2034	5,065,000	780,664	19,915,000	6,973,429
2035-2039	<u>1,065,000</u>	<u>0</u>	<u>19,740,000</u>	<u>1,540,500</u>
Total	<u>\$ 22,295,000</u>	<u>\$ 16,318,598</u>	<u>\$ 84,565,000</u>	<u>\$ 72,928,053</u>

The debt service maturity schedule above excludes the 2008 Capital Improvement Bond Anticipation Note (2008 BAN). The 2008 BAN was refinanced pursuant to the agreement described as a subsequent event in Note 20 to the financial statements.

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>
2010	\$ 166,606	\$ 60,651	\$ 67,095	\$ 395,640
2011	174,209	53,191	82,905	392,400
2012	182,162	45,389	81,000	389,000
2013	190,478	37,228	8,085,000	25,440
2014	191,108	28,746	89,000	21,680
2015-2019	<u>476,802</u>	<u>33,589</u>	<u>636,000</u>	<u>45,480</u>
Total	<u>\$ 1,381,365</u>	<u>\$ 258,794</u>	<u>\$ 9,041,000</u>	<u>\$ 1,269,640</u>

The debt service maturity schedule above excludes the 2006 Housing Bond Anticipation Note (2006 Housing BAN). The 2006 BAN was refinanced pursuant to the agreement described as a subsequent event in Note 20 to the financial statements.

Governmental Activity Liabilities

A summary of all governmental long-term debt as of September 30, 2009, follows:

■ **Capital Improvement Bonds, 1999**

The 1999 Capital Improvement Bonds are fully registered bonds and are collateralized by a pledge of the proceeds of the local government half-cent sales tax and the proceeds of the guaranteed entitlement portion of state revenue sharing funds. The 1999 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 from 100% to 101% of face value.

■ **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.

■ **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 1999 and 2004 bonds.

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

Note 8 - Long-term Liabilities (Continued)

Governmental Activity Liabilities (Concluded)

■ **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.

■ **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. On November 12, 2009, the Community Redevelopment Agency for the US Highway 441 & 27 Area issued Tax Increment Revenue Bonds, Series 2009, in the amount of \$14,605,000 which provides funds to retire the 2008 BAN. The terms of the Series 2009 bonds call for maturity dates ranging from November 1, 2010 through 2036 and varying interest rates from 2.0 to 5.0%.

■ **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, 2009. During fiscal year ended 2001, the settlement was amended to require the City to pay an additional \$30,000 for ten years to the local agency until September 30, 2011.

■ **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.

Business-type Activity Liabilities

The following is a summary of all long-term liabilities of the proprietary funds at September 30, 2009:

■ **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.

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 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.

	<u>\$8,000,000 Note</u>
Interest Rate	4.50%
Maturity Date	October 1, 2012
Collateral	Separate Acquired Utility System

■ **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.

■ **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.

■ **Housing Bond Anticipation Note, 2006**

In October 2006, the City issued a \$3,527,632 bond anticipation note to acquire and renovate Magnolia Townhomes. An additional \$472,368 was issued during 2008 for renovations. This note is secured by a subordinate lien on the Public Service Tax, Local Government Half-cent Sales Tax and Guaranteed Entitlement. On November 3, 2009, the City entered into a loan agreement with Bank of America, in the amount of \$4,500,00, which calls for the refinancing of the 2006 Housing Bond Anticipation Note. Payments on the new loan consist of semi-annual interest payments and annual principal payments, beginning May 1, 2010 through November 1, 2016, at a fixed interest rate of 3.4%.

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

Note 8 - Long-term Liabilities *(Continued)*

Business-type Activity Liabilities *(Continued)*

■ **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. Among those improvements is construction of a fiber optic system specifically for the Lake County School Board. The term of the loan is fifteen years, and interest charged on the loan is based on FMPA's commercial paper rate plus 0.6%. The outstanding balance on September 30, 2009, was \$1,041,000. On October 2, 2009, the City signed a note totaling \$1,005,000 to be used solely to refinance the note payable to FMPA. Payments on the new loan consist of semiannual interest payments and annual principal payments commencing November 1, 2010 through November 1, 2019 at a fixed rate of 4.13%.

■ **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, 2008	\$ 732,999
Adjustment of Estimate	60,920
Total Annual Costs Paid	(121,026)
Balance, September 30, 2009	672,893
(Current Maturities)	(74,766)
Total Long-term Portion	\$ 598,127

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 \$672,893 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 2009:

<u>Transaction Date</u>	<u>Amount</u>
Balance, September 30, 2008	\$ 89,460
Investment Income	769
Balance, September 30, 2009	\$ 90,229

Escrow funds in the amount of \$90,229 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, 2009, the City has a balance in the trust fund of \$5,555,529.

■ **Defeased Debt**

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

Utility System Refunding Revenue Bonds, Series 1999 A/B	<u>\$ 24,745,000</u>
---	----------------------

Note 9 - Pledged Revenues

The City has pledged certain revenues to repay certain bonds and notes outstanding as of September 30, 2009. 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, 2009:

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

Note 9 - Pledged Revenues (Concluded)

Debt Description	Pledged Revenues Used for Fiscal Year 2009 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 ⁵		
1999 Refunding and Capital Improvement Revenue Bonds	\$ 494,796					\$ 10,047,029	2030
2004 Capital Improvement Revenue Bonds	403,798	\$ 309,234	\$ 397,988			27,582,183	2035
2006 Housing Bond Anticipation Note			238,574			4,010,486	2010
2008 Redevelopment Revenue Bonds				\$ 195,340		1,527,938	2016
2008 Subordinate Capital Improvement Bond Anticipation Note					\$ 2,095	1,599,751	2010
Total Debt Service	\$ 898,594	\$ 309,234	\$ 636,562	\$ 195,340	\$ 2,095	\$ 44,767,387	
Total Pledged Revenues Available for Fiscal Year 2009 Debt Service	898,594	309,234	3,126,745	352,265	1,200,602		
Total Pledged Revenues Used for Fiscal Year 2009 Debt Service	898,594	309,234	636,562	195,340	2,095		
Fiscal Year 2009 Pledged Revenues Used as a Percentage of Revenues Available	100.00%	100.00%	20.36%	55.45%	0.17%		

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

² **Guaranteed 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

³ **The 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, liquefied petroleum gas and water service not to exceed ten percent (10%) of the payments received by the seller.

⁴ **Tax Increment Revenues** of the Community Redevelopment Agency for the Carver Heights/Montclair Area which are the generally applicable taxes attributable to increases in assessed values within the redevelopment area of the Agency.

⁵ **Tax Increment Revenues** of the Community Redevelopment Agency for the U.S. Highway 441 & 27 Area which are the generally applicable taxes attributable to increases in assessed values within the redevelopment area of the Agency.

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	\$ 1,090,975					\$ 27,582,183	2035
2007 A Electric System Revenue Bonds	551,906					26,063,913	2038
2007 B Electric System Revenue Bonds	682,713					21,148,067	2032
2004 Utility System Revenue Bonds		\$ 253,115	\$ 526,500	\$ 729,499	\$ 1,509,114	38,022,211	2035
2007 A Utility System Revenue Bonds		117,620	673,924	247,500	1,039,044	44,094,856	2038
2007 B Utility System Revenue Bonds				63,130	63,130	2,083,030	2034
Total Debt Service	\$ 2,325,594	\$ 370,735	\$ 1,200,424	\$ 1,040,129	\$ 2,611,288	\$ 158,994,260	
Total Pledged Revenues Available for Fiscal Year 2009 Debt Service	10,553,826	2,626,603	3,140,995	3,963,568	9,731,166		
Total Pledged Revenues Used for Fiscal Year 2009 Debt Service	2,325,594	370,735	1,200,424	1,040,129	2,611,288		
Fiscal Year 2009 Pledged Revenues Used as a Percentage of Revenues Available	22.04%	14.11%	38.22%	26.24%	26.83%		

¹ **Gross Revenues** - defined pursuant to Resolution 7141 adopted June 14, 2004, as all income and earnings derived by the City from the ownership, operation, leasing or use of the 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.

² **Gross Revenues** - defined pursuant to Resolution 7143 adopted June 14, 2004, as all income and earnings derived by the City from the Ownership, Operation, leasing, or use of the 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 expenses.

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 \$9,206,936 and accumulated depreciation \$1,115,338. The following is a schedule of minimum future lease income on noncancelable operating leases:

Fiscal Year	Amount
2010	\$ 485,296
2011	580,720
2012	598,409
2013	597,112
2014	556,105
2015 - 2019	2,745,821
2020 - 2024	2,170,652
2025 - 2029	501,886
Total Minimum Lease Payments	\$ 8,236,001

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 a 0.8244% ownership interest and generation entitlement share in the nuclear steam electric generating unit. Participants are entitled to energy output of the unit based upon their respective generation entitlement share.

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, 2009, was \$18,316 (cost of \$7,594,950 less accumulated depreciation of \$7,576,634).

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 4.085% of the covered payroll for fiscal year 2008-2009.

■ **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:	10/01/08	10/01/08	10/01/08
	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Retirees and Beneficiaries Receiving Benefits	164	23	19
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	155	8	2
Active Plan Members	<u>427</u>	<u>64</u>	<u>65</u>
Total	<u><u>746</u></u>	<u><u>95</u></u>	<u><u>86</u></u>

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:

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Annual Required Contribution (ARC)	\$ 737,974	\$ 734,619	\$ 1,092,305
Interest on Net Pension Obligation (NPO)	<u>(39,567)</u>	<u>(13,546)</u>	<u>(22,398)</u>
Annual Pension Cost	698,407	721,073	1,069,907
Contributions Made	<u>(649,758)</u>	<u>(702,270)</u>	<u>(1,451,407)</u>
Increase/Decrease in NPO	48,649	18,803	(381,500)
Net Pension Obligation, Beginning of Year	<u>(527,560)</u>	<u>(169,330)</u>	<u>(289,009)</u>
Net Pension Obligation, End of Year	<u><u>\$ (478,911)</u></u>	<u><u>\$ (150,527)</u></u>	<u><u>\$ (670,509)</u></u>

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>
<u>GERP</u>			
09/30/07	\$ 2,121,631	98%	\$ (737,468)
09/30/08	2,332,852	91%	(527,560)
09/30/09	698,407	93%	(478,911)
<u>MPRP</u>			
09/30/07	\$ 637,466	130%	\$ (153,082)
09/30/08	679,485	102%	(169,330)
09/30/09	721,073	97%	(150,527)
<u>MFRP</u>			
09/30/07	\$ 844,482	113%	\$ (156,647)
09/30/08	853,460	116%	(289,009)
09/30/09	1,069,907	136%	(670,509)

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, 2008	October 1, 2008	October 1, 2008
Actuarial Cost Method	Entry Age Normal	Frozen Entry Age	Frozen Entry Age
Amortization Method	Level Percentage	Level Percentage, Closed	N/A
Remaining Amortization Period	26 Years	26 Years	N/A
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, 2008. 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	\$ 33,832,920	\$ 12,871,265	\$ 10,447,796
Actuarial Accrued Liability	<u>35,769,323</u>	<u>13,347,369</u>	<u>12,905,892</u>
Unfunded (Overfunded) Status (UAAL)	<u>\$ 1,936,403</u>	<u>\$ 476,104</u>	<u>\$ 2,458,096</u>
Funded Ratio	94.59%	96.43%	80.95%
Annual Covered Payroll	<u>\$ 17,151,364</u>	<u>\$ 3,509,401</u>	<u>\$ 3,100,712</u>
UAAL as Percent of Payroll	11.29%	13.57%	79.28%

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, 2009

	Municipal Police Retirement Plan	Municipal Firemen's Retirement Plan	General Employees' Retirement Plan	Total
Assets				
Cash and Cash Equivalents	\$ 973	\$ 0	\$ 114,532	\$ 115,505
Investments, at Fair Value:				
U.S. Government Securities	2,717,269	2,099,665	6,395,578	11,212,512
Corporate Bonds	1,583,844	1,852,193	2,626,074	6,062,111
Corporate Stocks	5,608,496	4,837,484	19,270,837	29,716,817
Money Market	1,218,803	986,845	794,347	2,999,995
Foreign Bonds	52,872			52,872
Total Investments	<u>11,181,284</u>	<u>9,776,187</u>	<u>29,086,836</u>	<u>50,044,307</u>
Accounts Receivable		43,578		43,578
Interest Receivable			82,036	82,036
Total Assets	<u><u>11,182,257</u></u>	<u><u>9,819,765</u></u>	<u><u>29,283,404</u></u>	<u><u>50,285,426</u></u>
Liabilities				
Accounts Payable			50,213	50,213
Total Liabilities	<u>0</u>	<u>0</u>	<u>50,213</u>	<u>50,213</u>
Net Assets Reserved for Employees' Pension Benefits	<u><u>\$ 11,182,257</u></u>	<u><u>\$ 9,819,765</u></u>	<u><u>\$ 29,233,191</u></u>	<u><u>\$ 50,235,213</u></u>

SCHEDULE OF THE CHANGE IN PENSION PLAN NET ASSETS AS OF SEPTEMBER 30, 2009

Additions				
Contributions:				
Employer	\$ 253,448	\$ 1,067,264	\$ 649,758	\$ 1,970,470
State	170,127	151,617		321,744
Employee	278,695	232,526		511,221
Total Contributions	<u>702,270</u>	<u>1,451,407</u>	<u>649,758</u>	<u>2,803,435</u>
Investment Income:				
Net Appreciation (Depreciation) in				
Fair Value of Investments	(69,907)	(257,058)	686,432	359,467
Interest and Dividend Income	309,816	274,211	902,479	1,486,506
Other Income	11,237	15,446	8,773	35,456
Total Investment Income	<u>251,146</u>	<u>32,599</u>	<u>1,597,684</u>	<u>1,881,429</u>
Total Additions	<u>953,416</u>	<u>1,484,006</u>	<u>2,247,442</u>	<u>4,684,864</u>
Deductions				
Benefit Payments	769,711	686,952	2,096,341	3,553,004
Refund of Contributions		7,729		7,729
Administrative Expense	117,008	121,011	225,133	463,152
(Total Deductions)	<u>(886,719)</u>	<u>(815,692)</u>	<u>(2,321,474)</u>	<u>(4,023,885)</u>
Net Increase Decrease	<u>66,697</u>	<u>668,314</u>	<u>(74,032)</u>	<u>660,979</u>
Net Assets Reserved for Employees' Pension Benefits:				
Beginning of Year	11,115,560	9,151,451	29,307,223	49,574,234
End of Year	<u><u>\$ 11,182,257</u></u>	<u><u>\$ 9,819,765</u></u>	<u><u>\$ 29,233,191</u></u>	<u><u>\$ 50,235,213</u></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 ending September 30, 2009, the City Commission approved a contribution rate of 6% of compensation. Total contributions amounted to \$1,168,905 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>10/01/08</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)	\$	2,388,290
Interest on Net OPEB Obligation (NOO)		128,073
Adjustment to ARC		<u>(178,041)</u>
Annual OPEB Cost		2,338,322
Employer Contributions Made		<u>(1,116,431)</u>
Increase/Decrease in NOO		1,221,891
Net OPEB Obligation, Beginning of Year		<u>3,599,726</u>
Net OPEB Obligation, End of Year		<u><u>\$ 4,821,617</u></u>

The Annual OPEB Cost per covered employee is \$4,821 or approximately 11.8% of expected payroll.

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage Of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/09	\$ 2,338,322	30.7%	\$ 4,821,617
9/30/08	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:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded (Overfunded) Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Payroll</u>
10/1/2008	\$ 0	\$ 25,901,949	\$ 25,901,949	0.0%	\$19,957,715	129.8%
10/1/2007	0	42,307,839	42,307,839	0.0%	22,983,533	184.0%

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, 2008
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Remaining Amortization Period	28 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Return	4.00%
Projected Salary Increases – Police/Fire	3.00%
Projected Salary Increases – General	0.00%
COLA	None

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 \$75,000 per person are paid from the assets of the self-insurance fund; claims in excess of \$75,000, up to a maximum of \$925,000 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)

	Balance October 1, 2008	Current Year Claims and Changes in Estimates	(Claims Paid)	Balance September 30, 2009
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>
Total	<u>\$ 1,800,653</u>	<u>\$ 3,576,853</u>	<u>\$ (3,651,395)</u>	<u>\$ 1,726,111</u>

	Balance October 1, 2007	Current Year Claims and Changes in Estimates	(Claims Paid)	Balance September 30, 2008
Employee Health Insurance Fund	\$ 434,847	\$ 3,287,518	\$ (3,386,785)	\$ 335,580
Workers' Compensation Insurance Fund	<u>922,601</u>	<u>992,455</u>	<u>(449,983)</u>	<u>1,465,073</u>
Total	<u>\$ 1,357,448</u>	<u>\$ 4,279,973</u>	<u>\$ (3,836,768)</u>	<u>\$ 1,800,653</u>

Claim liabilities are calculated based on an actuarial valuation. Management estimates that \$595,551 of Workers' Compensation and \$406,136 of Employee Health Insurance are payable within one year.

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, 2009, 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, 2009.

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, 2009, the City had the following commitments related to significant unfinished construction projects:

	Expended as of September 30, 2009	Remaining Commitment
Runway 13/31 Extension Phase 1	\$ 3,037,518	\$ 420,382
Runway 13/31 Extension Phase 2	2,830,687	6,892,512
Taxiway and Runway Lights	383,360	39,640
Overlay Runway 3/21	150,279	74,721
Refurbish Fuel Facility	5,808	58,044
Sidewalks	0	123,104
Lake Pointe Circle	732	33,268
Renovate Old Library	416,383	40,826
Highway 441 Streetscape II	95,899	47,101
Transportation Projects	0	1,036,047
Fountain Lake Trail	80,340	519,660
Leesburg/Wildwood Trail Design Phase 2	179,568	84,433
Herlong Park Dock Renovations	0	8,048
Stormwater Drainage Improvements	265,281	615,893

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

Note 19 - Construction Commitments (Concluded)

	Expended as of September 30, 2009	Remaining Commitment
Electric Utility:		
Transformers	\$ 90,264	\$ 29,736
Distribution Lines	3,444,998	1,168,085
Lights	160,803	46,725
Power Secure Project	192,966	1,500,914
Miscellaneous Subdivisions	155,162	588,533
Reconductoring	1,920	1,633,000
Substation – Rewind Transformer	18	189,981
Gas Utility:		
Mains	166,534	60,000
Arlington Ridge Main	0	100,000
Water Plant at 470 Main	0	1,867,304
Hwy 441 Perkins to Griffin Main	27,139	97,288
Services	76,229	50,408
Bentley Ridge	0	79,445
Hidden Harbor	1,273	38,728
Southwinds Cove	90,819	32,876
Water Utility:		
Turnpike Facility	1,570,319	124,285
Turnpike Transmission Main	380,170	50,000
CR 468 Main Repair	119,877	235,723
Inspect & Rehab HSP #2	0	69,612
Emergency Feed Valve	11,413	118,634
Hwy 441 Perkins to Griffin	31,481	426,076
Stock Subdivision	0	132,222
SR 44 (LRMC/Marina Ext)	0	250,000
Miscellaneous Mains/Hydrants	25,178	1,009,729
Plantation	0	53,830
Royal Highlands Water Treatment Plant	834,775	85,000
Hypochlorite Conversion – 5 Plants	0	32,512
Highland Lake Water Treatment Plant	93,017	3,500,000
SW Area Booster Pump Station	90,604	191,378
Arlington Ridge/Legacy Connection	374,252	13,000
Effluent Line Rehab	40,775	384,753
Plantation Connection	130,467	252,866
City Core System	83,890	50,000
Wastewater Utility:		
Fence at WWTF	0	18,600
Digester Roof	0	10,000
Hwy 441 Perkins to Griffins	31,030	363,905
Herlong Park Force Main	210,157	15,375
Headworks Pump Station	0	497,513
Turnpike WRF Expansion	55,240	112,793
Communication Utility:		
Dead River Road Reroute	0	30,000
Miscellaneous Equipment	0	15,000
Totals	\$ 15,936,625	\$ 25,519,508

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

Note 20 - Prior Period Adjustment

The City identified certain assets placed in service in prior years, for which depreciation was not previously recorded. The effect of the unrecorded depreciation is disclosed as a prior period adjustment to beginning net assets.

Note 21 - Subsequent Events

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.

Capital Improvement Refunding Promissory Note, 2009

On December 4, 2009, the City signed a promissory note in the amount of \$6,227,400 which will be used to refund its Capital Improvement Revenue Bonds, Series 1999. 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 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. 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.

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.

REQUIRED SUPPLEMENTARY INFORMATION

The following supplementary schedules present the major fund budgetary comparison statements; 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.

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 11,421,764	\$ 10,957,264	\$ 10,969,974	\$ 12,710
Licenses and Permits	295,635	149,135	151,094	1,959
Intergovernmental	2,340,382	2,315,757	2,769,819	454,062
Charges for Services	775,264	708,168	633,992	(74,176)
Fines and Forfeitures	178,000	178,000	152,687	(25,313)
Miscellaneous:				
Interest	168,000	168,000	98,646	(69,354)
Other	4,317,023	4,327,454	4,321,783	(5,671)
Total Revenues	<u>19,496,068</u>	<u>18,803,778</u>	<u>19,097,995</u>	<u>294,217</u>
Expenditures				
Current:				
General Government	3,093,503	3,217,867	3,162,527	55,340
Public Safety	13,685,816	13,908,455	13,820,325	88,130
Physical Environment	120,606	127,106	105,879	21,227
Transportation	2,288,096	2,315,603	2,032,911	282,692
Economic Environment	223,598	248,598	276,097	(27,499)
Human Services	190,125	302,939	67,892	235,047
Culture and Recreation	5,044,493	5,134,465	4,433,489	700,976
Capital Outlay	1,501,160	1,395,148	1,086,036	309,112
Debt Service:				
Principal Payments		47,500	31,088	16,412
Interest and Fees			13,932	(13,932)
(Total Expenditures)	<u>(26,147,397)</u>	<u>(26,697,681)</u>	<u>(25,030,176)</u>	<u>1,667,505</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(6,651,329)</u>	<u>(7,893,903)</u>	<u>(5,932,181)</u>	<u>1,961,722</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,700	10,700	97,633	86,933
Transfers from Other Funds	8,489,756	9,525,160	9,034,052	(491,108)
Transfers to Other Funds	(1,849,127)	(1,641,957)	(1,493,620)	148,337
Total Other Financing Sources (Uses)	<u>6,651,329</u>	<u>7,893,903</u>	<u>7,638,065</u>	<u>(255,838)</u>
Net Change in Fund Balances	0	0	1,705,884	1,705,884
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>4,022,072</u>	<u>4,022,072</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,727,956</u>	<u>\$ 5,727,956</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		
10/1/2008	\$ 33,832,920	\$ 35,769,323	\$ 1,936,403	94.59%	\$ 17,151,364	11.29%
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%
10/1/1999	23,415,083	24,013,600	598,517	97.51%	8,856,516	6.76%

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		
10/1/2008	\$ 12,871,265	\$ 13,347,369	\$ 476,104	96.43%	\$ 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%
10/1/1999	8,028,330	9,027,398	999,068	88.93%	2,037,074	49.04%

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		
10/1/2008	\$ 10,447,796	\$ 12,905,892	\$ 2,458,096	80.95%	\$ 3,100,712	79.28%
10/1/2007	9,833,153	12,708,994	2,875,841	77.37%	2,895,956	99.31%

Only two 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		
10/1/2008	\$ 0	\$ 25,901,949	\$ 25,901,949	0.00%	\$ 19,957,715	129.8%
10/1/2007	0	42,307,839	42,307,839	0.00%	22,983,533	184.1%

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

Year Ended 9/30	General Employees' Retirement Plan (GERP)		Municipal Police Retirement Plan (MPRP)		Municipal Firemen's Retirement Plan (MFRP)	
	Annual Required Contribution (ARC)	Percentage Contributed	Annual Required Contribution (ARC)	Percentage Contributed	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 2,388,162	88.9%	\$ 691,732	100.6%	\$ 865,992	113.8%
2007	2,183,267	95.7%	376,923	99.1%	672,524	106.0%
2006	1,745,388	108.9%	357,152	98.0%	769,306	68.0%
2005	1,498,661	93.0%	582,575	107.0%	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
9/30/2009	\$ 2,338,322	30.7%	\$ 4,821,617
9/30/2008	3,900,190	17.9%	3,599,726

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, 2008	October 1, 2008	October 1, 2008
Actuarial Cost Method	Entry Age Normal	Frozen Entry Age	Frozen Entry Age
Amortization Method	Level Percentage	Level Percentage, Closed	N/A
Remaining Amortization Period	26 Years	26 Years	N/A
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, 2008
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Remaining Amortization Period	28 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%
COLA	None

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 fund contained an excess of expenditures over appropriations during the fiscal year ended September 30, 2009:

- Police Forfeitures Fund

No other individual fund contained an excess of total expenditures over total appropriations during the fiscal year ended September 30, 2009, except insignificant differences. However, within various funds, there may be an excess of expenditures over appropriations at the line item level.

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, 2009**

	Special Revenue Funds				
	Stormwater Fund	Greater Leesburg Community Redevelopment Fund	Carver Heights/ Montclair Area Community Redevelopment Fund	U.S. Highway 441/27 Community Redevelopment Fund	Police Forfeitures Fund
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$ 1,266,348	\$ 53,741	\$ 135,698	\$ 3,042,674	\$ 83,451
Receivables, Net	176,006				11,050
Due from Other Governments	238,394				
Restricted Cash			1,378,429		
Total Assets	<u>1,680,748</u>	<u>53,741</u>	<u>1,514,127</u>	<u>3,042,674</u>	<u>94,501</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	115,909		3,565	11,003	4,603
Accrued Wages and Payroll Tax	6,978				
Accrued Interest			23,290		
Due to Other Funds					
Total Liabilities	<u>122,887</u>	<u>0</u>	<u>26,855</u>	<u>11,003</u>	<u>4,603</u>
Fund Balances					
Reserved for:					
Debt Service					
Unreserved	1,557,861	53,741	1,487,272	3,031,671	89,898
Total Fund Balances	<u>1,557,861</u>	<u>53,741</u>	<u>1,487,272</u>	<u>3,031,671</u>	<u>89,898</u>
Total Liabilities and Fund Balances	<u>\$ 1,680,748</u>	<u>\$ 53,741</u>	<u>\$ 1,514,127</u>	<u>\$ 3,042,674</u>	<u>\$ 94,501</u>

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue Funds				
	Stormwater Fund	Greater Leesburg Community Redevelopment Fund	Carver Heights/ Montclair Area Community Redevelopment Fund	U.S. Highway 441/27 Community Redevelopment Fund	Police Forfeitures Fund
Revenues					
Taxes					
Licenses and Permits					
Intergovernmental	\$ 558,006	\$ 351,493	\$ 194,188	\$ 661,512	
Charges for Services	1,544,950				
Fines and Forfeitures					\$ 59,800
Impact Fees					
Miscellaneous:					
Interest	9,509	2,154	3,270	21,852	877
Other	45				
Total Revenues	<u>2,112,510</u>	<u>353,647</u>	<u>197,458</u>	<u>683,364</u>	<u>60,677</u>
Expenditures					
Current:					
Public Safety					80,939
Physical Environment	599,113				
Economic Environment		320,646	41,109	230,048	
Capital Outlay	1,185,277		199,541	14,403	42,900
Debt Service:					
Principal		18,307	149,853		
Interest		5,740	85,487	10,675	
(Total Expenditures)	<u>(1,784,390)</u>	<u>(344,693)</u>	<u>(475,990)</u>	<u>(255,126)</u>	<u>(123,839)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>328,120</u>	<u>8,954</u>	<u>(278,532)</u>	<u>428,238</u>	<u>(63,162)</u>
Other Financing Sources (Uses)					
Bond Proceeds			1,431,878	1,099,751	
Transfers from Other Funds		285,507	158,077	539,090	
Transfers to Other Funds		(240,720)	(293,278)	(885,353)	
Total Other Financing Sources (Uses)	<u>0</u>	<u>44,787</u>	<u>1,296,677</u>	<u>753,488</u>	<u>0</u>
Net Change in Fund Balance	328,120	53,741	1,018,145	1,181,726	(63,162)
Fund Balances, Beginning of Year	<u>1,229,741</u>	<u>0</u>	<u>469,127</u>	<u>1,849,945</u>	<u>153,060</u>
Fund Balances, End of Year	<u>\$ 1,557,861</u>	<u>\$ 53,741</u>	<u>\$ 1,487,272</u>	<u>\$ 3,031,671</u>	<u>\$ 89,898</u>

Special Revenue Funds

Police Education Fund	Discretionary Sales Tax Fund	Police Impact Fee Fund	Fire Impact Fee Fund	Recreation Impact Fee Fund	Building Permits Fund	Total Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
	\$ 1,531,528					\$ 1,531,528		\$ 1,531,528
					\$ 420,869	420,869		420,869
					16,142	1,781,341		1,781,341
						1,544,950		1,544,950
\$ 7,358						67,158		67,158
		\$ 41,194	\$ 38,391	\$ 53,664		133,249		133,249
208	2,782	1,119	(760)	3,836	(137)	44,710		44,710
					7,515	7,560		7,560
<u>7,566</u>	<u>1,534,310</u>	<u>42,313</u>	<u>37,631</u>	<u>57,500</u>	<u>444,389</u>	<u>5,531,365</u>	<u>\$ 0</u>	<u>5,531,365</u>
6		3,867	(27)		523,316	608,101		608,101
	76					599,189		599,189
				117		591,920		591,920
						1,442,121		1,442,121
						168,160	500,000	668,160
						101,902	1,108,030	1,209,932
<u>(6)</u>	<u>(76)</u>	<u>(3,867)</u>	<u>27</u>	<u>(117)</u>	<u>(523,316)</u>	<u>(3,511,393)</u>	<u>(1,608,030)</u>	<u>(5,119,423)</u>
7,560	1,534,234	38,446	37,658	57,383	(78,927)	2,019,972	(1,608,030)	411,942
						2,531,629		2,531,629
					33,947	1,016,621	1,622,419	2,639,040
	(1,601,961)	(3,280)	(3,300)	(39,565)		(3,067,457)		(3,067,457)
0	(1,601,961)	(3,280)	(3,300)	(39,565)	33,947	480,793	1,622,419	2,103,212
7,560	(67,727)	35,166	34,358	17,818	(44,980)	2,500,765	14,389	2,515,154
20,682	298,605	108,663	(113,528)	440,268	(10,328)	4,446,235	500,414	4,946,649
<u>\$ 28,242</u>	<u>\$ 230,878</u>	<u>\$ 143,829</u>	<u>\$ (79,170)</u>	<u>\$ 458,086</u>	<u>\$ (55,308)</u>	<u>\$ 6,947,000</u>	<u>\$ 514,803</u>	<u>\$ 7,461,803</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes		\$ 611,000	\$ 624,118	\$ 13,118
Intergovernmental	\$ 3,627,361	11,817,470	3,522,780	(8,294,690)
Miscellaneous:				
Interest			63,068	63,068
Total Revenues	<u>3,627,361</u>	<u>12,428,470</u>	<u>4,209,966</u>	<u>(8,218,504)</u>
Expenditures				
Capital Outlays:				
Physical Environment	60,000	460,000	372,991	87,009
Transportation	4,341,870	14,242,676	3,894,144	10,348,532
Culture and Recreation	45,000	858,447	261,859	596,588
(Total Expenditures)	<u>(4,446,870)</u>	<u>(15,561,123)</u>	<u>(4,528,994)</u>	<u>11,032,129</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(819,509)</u>	<u>(3,132,653)</u>	<u>(319,028)</u>	<u>2,813,625</u>
Other Financing Sources (Uses)				
Transfers from Other Funds	819,509	1,141,584	512,194	(629,390)
Fund Balance Appropriated and Mitigation		15,168	0	(15,168)
Bond Proceeds		1,975,901	0	(1,975,901)
Total Other Financing Sources (Uses)	<u>819,509</u>	<u>3,132,653</u>	<u>512,194</u>	<u>(2,620,459)</u>
Net Change in Fund Balances	0	0	193,166	193,166
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>1,902,657</u>	<u>1,902,657</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,095,823</u>	<u>\$ 2,095,823</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
STORMWATER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 558,006	\$ 1,106,215	\$ (548,209)
Charges for Services:			
Utility Fees	1,544,950	1,433,966	110,984
Miscellaneous:			
Interest	9,554	12,000	(2,446)
Total Revenues	<u>2,112,510</u>	<u>2,552,181</u>	<u>(439,671)</u>
Expenditures			
Current Operating:			
Physical Environment:			
Personal Services	1,145	164,236	163,091
Operating Expenditures	597,968	630,099	32,131
Capital Outlay	1,185,277	1,961,544	776,267
(Total Expenditures)	<u>(1,784,390)</u>	<u>(2,755,879)</u>	<u>971,489</u>
Excess of Revenues Over Expenditures	<u>328,120</u>	<u>(203,698)</u>	<u>531,818</u>
Other Financing Sources (Uses)			
Reserve - Future Capital		(242,288)	242,288
Fund Balance Appropriated		445,986	(445,986)
Total Other Financing Sources (Uses)	<u>0</u>	<u>203,698</u>	<u>(203,698)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>328,120</u>	<u>0</u>	<u>328,120</u>
Fund Balance, Beginning of Year	<u>1,229,741</u>	<u>0</u>	<u>1,229,741</u>
Fund Balance, End of Year	<u>\$ 1,557,861</u>	<u>\$ 0</u>	<u>\$ 1,557,861</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GREATER LEESBURG COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 351,493	\$ 353,107	\$ (1,614)
Interest	2,154	8,000	(5,846)
Total Revenues	<u>353,647</u>	<u>361,107</u>	<u>(7,460)</u>
Expenditures			
Economic Environment:			
Operating Expenditures	320,646	326,603	5,957
Debt Service	24,047	24,047	0
(Total Expenditures)	<u>(344,693)</u>	<u>(350,650)</u>	<u>5,957</u>
Excess of Revenues Over Expenditures	<u>8,954</u>	<u>10,457</u>	<u>(1,503)</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	285,507	286,099	(592)
Reserve - Future Capital		(54,231)	54,231
Transfers to Other Funds	(240,720)	(242,325)	1,605
Total Other Financing (Uses)	<u>44,787</u>	<u>(10,457)</u>	<u>55,244</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>53,741</u>	<u>0</u>	<u>53,741</u>
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u>\$ 53,741</u>	<u>\$ 0</u>	<u>\$ 53,741</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, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 194,188	\$ 197,160	\$ (2,972)
Miscellaneous Interest and Other	3,270	6,000	(2,730)
Total Revenues	<u>197,458</u>	<u>203,160</u>	<u>(5,702)</u>
Expenditures			
Economic Environment:			
Personal Services		54,809	54,809
Operating Expenditures	41,109	101,470	60,361
Debt Service	235,340	308,400	73,060
Capital Outlay	199,541	1,398,506	1,198,965
(Total Expenditures)	<u>(475,990)</u>	<u>(1,863,185)</u>	<u>1,387,195</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(278,532)</u>	<u>(1,660,025)</u>	<u>1,381,493</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	158,077	159,747	(1,670)
Bond Proceeds	1,431,878	1,431,878	0
Fund Balance Appropriated		308,400	(308,400)
Transfers to Other Funds	(293,278)	(240,000)	(53,278)
Total Other Financing Sources (Uses)	<u>1,296,677</u>	<u>1,660,025</u>	<u>(363,348)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,018,145	0	1,018,145
Fund Balance, Beginning of Year	<u>469,127</u>	<u>0</u>	<u>469,127</u>
Fund Balance, End of Year	<u>\$ 1,487,272</u>	<u>\$ 0</u>	<u>\$ 1,487,272</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, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 661,512	\$ 731,492	\$ (69,980)
Interest	21,852	18,000	3,852
Total Revenues	<u>683,364</u>	<u>749,492</u>	<u>(66,128)</u>
Expenditures			
Economic Environment:			
Operating Expenditures	230,048	3,532,177	3,302,129
Capital Outlay	14,403		(14,403)
Debt Service	10,675		(10,675)
(Total Expenditures)	<u>(255,126)</u>	<u>(3,532,177)</u>	<u>3,277,051</u>
Excess of Revenues Over Expenditures	<u>428,238</u>	<u>(2,782,685)</u>	<u>3,210,923</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	539,090	541,635	(2,545)
Bond Proceeds	1,099,751		1,099,751
Fund Balance Appropriated		2,241,050	(2,241,050)
Transfers to Other Funds	(885,353)		(885,353)
Total Other Financing Sources (Uses)	<u>753,488</u>	<u>2,782,685</u>	<u>(2,029,197)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>1,181,726</u>	<u>0</u>	<u>1,181,726</u>
Fund Balance, Beginning of Year	<u>1,849,945</u>	<u>0</u>	<u>1,849,945</u>
Fund Balance, End of Year	<u>\$ 3,031,671</u>	<u>\$ 0</u>	<u>\$ 3,031,671</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE FORFEITURES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ 59,800		\$ 59,800
Miscellaneous:			
Interest	877		877
Total Revenues	<u>60,677</u>	<u>\$ 0</u>	<u>60,677</u>
Expenditures			
Public Safety:			
Operating Expenditures	80,939	34,000	(46,939)
Capital Outlay	42,900	43,000	100
(Total Expenditures)	<u>(123,839)</u>	<u>(77,000)</u>	<u>(46,839)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(63,162)</u>	<u>(77,000)</u>	<u>13,838</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated		77,000	(77,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>77,000</u>	<u>(77,000)</u>
Net Change in Fund Balances	(63,162)	0	(63,162)
Fund Balances, Beginning of Year	<u>153,060</u>	<u>0</u>	<u>153,060</u>
Fund Balances, End of Year	<u>\$ 89,898</u>	<u>\$ 0</u>	<u>\$ 89,898</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE EDUCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ 7,358		\$ 7,358
Miscellaneous:			
Interest	208		208
Total Revenues	<u>7,566</u>	<u>\$ 0</u>	<u>7,566</u>
Expenditures			
Public Safety:			
Operating Expenditures	6		(6)
(Total Expenditures)	<u>(6)</u>	<u>0</u>	<u>(6)</u>
Excess of Revenues Over Expenditures	<u>7,560</u>	<u>0</u>	<u>7,560</u>
Net Change in Fund Balances	7,560	0	7,560
Fund Balances, Beginning of Year	<u>20,682</u>	<u>0</u>	<u>20,682</u>
Fund Balances, End of Year	<u><u>\$ 28,242</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 28,242</u></u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
DISCRETIONARY SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 1,531,528	\$ 1,501,568	\$ 29,960
Interest	2,782		2,782
Total Revenues	<u>1,534,310</u>	<u>1,501,568</u>	<u>32,742</u>
Expenditures			
Public Safety:			
Operating Expenditures	76		(76)
(Total Expenditures)	<u>(76)</u>	<u>0</u>	<u>(76)</u>
Excess of Revenues Over Expenditures	<u>1,534,234</u>	<u>1,501,568</u>	<u>32,666</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated		301,859	(301,859)
Transfers to Other Funds	(1,601,961)	(1,803,427)	201,466
Total Other Financing Sources (Uses)	<u>(1,601,961)</u>	<u>(1,501,568)</u>	<u>(100,393)</u>
Net Change in Fund Balances	(67,727)	0	(67,727)
Fund Balances, Beginning of Year	<u>298,605</u>	<u>0</u>	<u>298,605</u>
Fund Balances, End of Year	<u>\$ 230,878</u>	<u>\$ 0</u>	<u>\$ 230,878</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ 41,194		\$ 41,194
Miscellaneous:			
Interest	1,119		1,119
Total Revenues	<u>42,313</u>	<u>\$ 0</u>	<u>42,313</u>
Expenditures			
Public Safety:			
Operating Expenditures	3,867		(3,867)
Capital Outlay		75,000	75,000
(Total Expenditures)	<u>(3,867)</u>	<u>(75,000)</u>	<u>71,133</u>
Excess of Revenues Over Expenditures	<u>38,446</u>	<u>(75,000)</u>	<u>113,446</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated		75,000	(75,000)
Transfers to Other Funds	(3,280)		(3,280)
Total Other Financing Sources (Uses)	<u>(3,280)</u>	<u>75,000</u>	<u>(78,280)</u>
Net Change in Fund Balances	35,166	0	35,166
Fund Balances, Beginning of Year	<u>108,663</u>	<u>0</u>	<u>108,663</u>
Fund Balances, End of Year	<u>\$ 143,829</u>	<u>\$ 0</u>	<u>\$ 143,829</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ 38,391		\$ 38,391
Miscellaneous:			
Interest	(760)		(760)
Total Revenues	<u>37,631</u>	<u>\$ 0</u>	<u>37,631</u>
Expenditures			
Operating Expenditures	(27)		27
(Total Expenditures)	<u>27</u>	<u>0</u>	<u>27</u>
Excess of Revenues Over Expenditures	<u>37,658</u>	<u>0</u>	<u>37,658</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	(3,300)		(3,300)
Total Other Financing Sources (Uses)	<u>(3,300)</u>	<u>0</u>	<u>(3,300)</u>
Net Change in Fund Balances	34,358	0	34,358
Fund Balances, Beginning of Year	<u>(113,528)</u>	<u>0</u>	<u>(113,528)</u>
Fund Balances, End of Year	<u>\$ (79,170)</u>	<u>\$ 0</u>	<u>\$ (79,170)</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
RECREATION IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ 53,664		\$ 53,664
Miscellaneous:			
Interest	3,836		3,836
Total Revenues	<u>57,500</u>	<u>\$ 0</u>	<u>57,500</u>
Expenditures			
Operating Expenditures	117		(117)
(Total Expenditures)	<u>(117)</u>	<u>0</u>	<u>(117)</u>
Excess of Revenues Over Expenditures	<u>57,383</u>	<u>0</u>	<u>57,383</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated		386,203	(386,203)
Transfers to Other Funds	(39,565)	(386,203)	346,638
Total Other Financing Sources (Uses)	<u>(39,565)</u>	<u>0</u>	<u>(39,565)</u>
Net Change in Fund Balances	17,818	0	17,818
Fund Balances, Beginning of Year	<u>440,268</u>	<u>0</u>	<u>440,268</u>
Fund Balances, End of Year	<u>\$ 458,086</u>	<u>\$ 0</u>	<u>\$ 458,086</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BUILDING PERMITS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Licenses and Permits	\$ 420,869	\$ 850,000	\$ (429,131)
Intergovernmental	16,142	30,000	(13,858)
Miscellaneous:			
Interest	(137)	1,000	(1,137)
Other	7,515		7,515
Total Revenues	<u>444,389</u>	<u>881,000</u>	<u>(436,611)</u>
Expenditures			
Public Safety:			
Personal Services	378,448	460,697	82,249
Operating Expenditures	144,868	185,534	40,666
(Total Expenditures)	<u>(523,316)</u>	<u>(646,231)</u>	<u>122,915</u>
(Deficiency) of Revenues (Under)			
Expenditures	<u>(78,927)</u>	<u>234,769</u>	<u>(313,696)</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated		(251,316)	251,316
Transfers from Other Funds	33,947	16,547	17,400
Total Other Financing Sources (Uses)	<u>33,947</u>	<u>(234,769)</u>	<u>268,716</u>
Net Change in Fund Balances	(44,980)	0	(44,980)
Fund Balances, Beginning of Year	<u>(10,328)</u>	<u>0</u>	<u>(10,328)</u>
Fund Balances, End of Year	<u>\$ (55,308)</u>	<u>\$ 0</u>	<u>\$ (55,308)</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance With Final Budget Positive (Negative)</u>
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Debt Service:			
Principal	500,000	500,000	0
Interest	1,108,030	1,122,816	14,786
(Total Expenditures)	<u>(1,608,030)</u>	<u>(1,622,816)</u>	<u>14,786</u>
(Deficiency) of Revenues (Under)			
Expenditures	<u>(1,608,030)</u>	<u>(1,622,816)</u>	<u>14,786</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	1,622,419	1,622,816	(397)
Total Other Financing Sources (Uses)	<u>1,622,419</u>	<u>1,622,816</u>	<u>(397)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	14,389	0	14,389
Fund Balance, Beginning of Year	<u>500,414</u>	<u>0</u>	<u>500,414</u>
Fund Balance, End of Year	<u>\$ 514,803</u>	<u>\$ 0</u>	<u>\$ 514,803</u>

**CITY OF LEESBURG, FLORIDA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2009**

	General Employees' Health Insurance	Workers' Compensation Insurance	Total
Assets			
Current Assets:			
Equity in Pooled Cash and Cash			
Equivalents	\$ 3,041,036	\$ 1,733,641	\$ 4,774,677
Miscellaneous Receivables	131,285	29,493	160,778
Prepaid Items	5,891	15,000	20,891
Total Current Assets	3,178,212	1,778,134	4,956,346
Total Assets	3,178,212	1,778,134	4,956,346
 Liabilities			
Current Liabilities:			
Accounts Payable	390,963	11,465	402,428
Claims Payable	406,136	595,551	1,001,687
Total Current Liabilities	797,099	607,016	1,404,115
Noncurrent Liabilities			
Claims Payable	0	724,424	724,424
Total Liabilities	797,099	1,331,440	2,128,539
 Net Assets			
Unrestricted	2,381,113	446,694	2,827,807
Total Net Assets	\$ 2,381,113	\$ 446,694	\$ 2,827,807

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General Employees' Health Insurance	Workers' Compensation Insurance	Total
Operating Revenues			
Charges for Services	\$ 3,492,300	\$ 477,392	\$ 3,969,692
Total Operating Revenues	<u>3,492,300</u>	<u>477,392</u>	<u>3,969,692</u>
Operating Expenses			
Claims Expense	3,001,437	575,416	3,576,853
Administrative Expenses	444,680	45,968	490,648
Insurance Premiums	317,830	88,390	406,220
(Total Operating Expenses)	<u>(3,763,947)</u>	<u>(709,774)</u>	<u>(4,473,721)</u>
Operating (Loss)	<u>(271,647)</u>	<u>(232,382)</u>	<u>(504,029)</u>
Nonoperating Revenues			
Investment Income	26,930	17,825	44,755
Other Nonoperating Income	100,046	9,582	109,628
Total Nonoperating Revenues	<u>126,976</u>	<u>27,407</u>	<u>154,383</u>
Income Before Operating Transfers	<u>(144,671)</u>	<u>(204,975)</u>	<u>(349,646)</u>
Net Operating Transfers to Other Funds	<u>0</u>	<u>(459,174)</u>	<u>(459,174)</u>
Change in Net Assets	(144,671)	(664,149)	(808,820)
Total Net Assets, Beginning of Year	<u>2,525,784</u>	<u>1,110,843</u>	<u>3,636,627</u>
Total Net Assets, End of Year	<u><u>\$ 2,381,113</u></u>	<u><u>\$ 446,694</u></u>	<u><u>\$ 2,827,807</u></u>

**CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	General Employees' Health Insurance	Workers' Compensation Insurance	Total
Cash Flows from Operating Activities			
Cash Received from Employees	\$ 3,492,199	\$ 480,892	\$ 3,973,091
Cash Paid to Suppliers for Goods and Services	(689,765)	(145,117)	(834,882)
Cash Paid for Insurance Claims	(2,930,881)	(720,514)	(3,651,395)
Net Cash Provided by (Used in) Operating Activities	<u>(128,447)</u>	<u>(384,739)</u>	<u>(513,186)</u>
Cash Flows from Noncapital Financing Activities			
Transfers to Other Funds		(459,174)	(459,174)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>0</u>	<u>(459,174)</u>	<u>(459,174)</u>
Cash Flows from Investing Activities			
Investment Income	26,930	17,825	44,755
Other Nonoperating	100,046	9,582	109,628
Net Cash Flows from Investing Activities	<u>126,976</u>	<u>27,407</u>	<u>154,383</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,471)	(816,506)	(817,977)
Cash and Cash Equivalents, Beginning of Year	<u>3,042,507</u>	<u>2,550,147</u>	<u>5,592,654</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,041,036</u>	<u>\$ 1,733,641</u>	<u>\$ 4,774,677</u>
<u>Reconciliation of Operating Income (Loss) to Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ (271,647)	\$ (232,382)	\$ (504,029)
Adjustment to Reconcile Operating Income to Cash Flows Provided by (Used in) Operating Activities:			
Decrease (Increase) in Miscellaneous Receivables	(101)	3,500	3,399
Decrease (Increase) in Prepaid Items	(5,891)	(15,000)	(20,891)
Increase (Decrease) in Accounts Payable	78,636	4,241	82,877
Increase (Decrease) in Claims Payable	70,556	(145,098)	(74,542)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (128,447)</u>	<u>\$ (384,739)</u>	<u>\$ (513,186)</u>

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

	Fiscal Year			
	2004	2005	2006	2007
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	\$ 57,857,885	\$ 66,419,155	\$ 69,226,314	\$ 74,843,893
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	\$ 101,753,140	\$ 103,773,375	\$ 112,352,810	\$ 119,756,111
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	\$ 159,611,025	\$ 170,192,530	\$ 181,579,124	\$ 194,600,004

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.

STATISTICAL SECTION

(Unaudited)

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

Statistical data are presented to provide greater detail information than reported in the preceding general purpose 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.

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.

TABLE OF CONTENTS

	Page(s)
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Net Assets by Component	96-97
Changes in Net Assets	98-99
Fund Balances, Governmental Funds	100-101
Changes in Fund Balances, Governmental Funds	102-103
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Assessed Value and Estimated Actual Value of Taxable Property	104
Direct and Overlapping Property Tax Rates	105
Principal Property Tax Payers	106
Property Tax Levies and Collections	107
Governmental Activities Tax Revenues by Source	108
Community Redevelopment Agencies Historical Revenues	109-111
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Ratios of Outstanding Debt by Type	112
Direct and Overlapping Governmental Activities Debt	113
Legal Debt Margin Information	114
Debt Pledged Revenue Coverage	115-122
Covenant to Budget and Appropriate	123-134
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Demographic and Economic Statistics	135
Principal Employers	136
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Full-time Equivalent City Government Employees	137
Operating Indicators by Function/Program	138
Capital Asset Statistics by Function/Program	139

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year. The City implemented GASB 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 Six Years
(unaudited accrual basis of accounting)
page 2 of 2

	Fiscal Year	
	2008	2009
Governmental activities		
Invested in capital assets, net of related debt	\$ 63,626,050	\$ 62,536,165
Restricted	2,587,501	2,814,583
Unrestricted	8,278,356	11,601,438
Total governmental activities net assets	\$ 74,491,907	\$ 76,952,186
Business-type activities		
Invested in capital assets, net of related debt	\$ 106,456,752	\$ 103,441,108
Restricted	3,644,206	6,132,597
Unrestricted	14,945,266	18,281,889
Total business-type activities net assets	\$ 125,046,224	\$ 127,855,594
Primary government		
Invested in capital assets, net of related debt	\$ 170,082,802	\$ 165,977,273
Restricted	6,231,707	8,947,180
Unrestricted	23,223,622	29,883,327
Total primary government net assets	\$ 199,538,131	\$ 204,807,780

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
Changes in Net Assets
Last Six Years
(unaudited accrual basis of accounting)
page 1 of 2

Expenses	Fiscal Year			
	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	<u>\$ 21,042,325</u>	<u>\$ 26,254,011</u>	<u>\$ 29,541,037</u>	<u>\$ 31,637,741</u>
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	727,336	864,566
Interest on Long Term Debt	1,305,138	32,701	46,697	137,094
Total business-type activities expenses	<u>63,521,425</u>	<u>67,193,922</u>	<u>78,219,144</u>	<u>77,889,602</u>
Total primary government expenses	<u>\$ 84,563,750</u>	<u>\$ 93,447,933</u>	<u>\$ 107,760,181</u>	<u>\$ 109,527,343</u>
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	<u>\$ 6,415,546</u>	<u>\$ 10,232,864</u>	<u>\$ 11,111,790</u>	<u>\$ 13,050,511</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 GASB 34.

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

Expenses	Fiscal Year	
	2008	2009
Governmental activities:		
General Government	\$ 6,738,686	\$ 5,784,598
Public Safety	17,945,406	15,273,940
Physical Environment	1,249,213	1,150,387
Transportation	3,753,138	4,097,419
Economic Environment	698,052	919,372
Human Services	72,602	70,084
Culture and Recreation	6,503,046	5,271,228
Interest on Long Term Debt	1,145,566	1,223,864
Total governmental activities expenses	\$ 38,105,709	\$ 33,790,892
Business-type activities:		
Electric	\$ 64,081,610	\$ 66,020,760
Gas	8,239,648	6,298,715
Water	5,847,250	6,781,008
Wastewater	7,639,188	8,148,026
Solid Waste	3,431,491	3,085,584
Communication Services	1,161,766	1,003,830
Interest on Long Term Debt	516,424	286,307
Total business-type activities expenses	90,917,377	91,624,230
Total primary government expenses	\$ 129,023,086	\$ 125,415,122
Program Revenues		
Governmental activities:		
Charges for services:		
General Government	\$ 3,504,864	\$ 3,472,053
Public Safety	878,024	637,249
Physical Environment	1,524,355	1,544,948
Transportation	816,221	954,520
Economic Environment	-	
Culture and Recreation	637,220	608,654
Operating grants and contributions	1,498,098	1,447,613
Capital grants and contributions	4,781,781	4,655,197
Total governmental activities program revenues	\$ 13,640,563	\$ 13,320,234

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 GASB 34.

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

	Fiscal Year			
	2004	2005	2006	2007
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.

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 GASB 34.

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

	Fiscal Year	
	2008	2009
General fund		
Reserved	\$ 1,043,782	\$ 1,369,020
Unreserved	2,978,290	4,358,936
Total general fund	\$ 4,022,072	\$ 5,727,956
 All other governmental funds		
Reserved	\$ 2,403,071	\$ 2,610,626
Unreserved, reported in:		
Stormwater Fund	1,229,741	1,557,861
Redevelopment Funds	2,319,072	4,572,684
Special Revenue Funds	897,422	816,455
Total all other governmental funds	\$ 6,849,306	\$ 9,557,626

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.

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 GASB 34.

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

	Fiscal Year			
	2004	2005	2006	2007
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	\$ 17,465,128	\$ 24,005,188	\$ 24,964,120	\$ 28,078,019
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	\$ 24,766,357	\$ 32,304,635	\$ 42,123,885	\$ 42,285,080
Excess of revenues (under) over expenditures	\$ (7,301,229)	\$ (8,299,447)	\$ (17,159,765)	\$ (14,207,061)
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)
Bonds proceeds	17,154,981	-	-	-
Total other financing sources (uses)	\$ 24,651,281	\$ 8,284,777	\$ 7,537,834	\$ 8,936,224
Net change in fund balances	\$ 17,350,052	\$ (14,670)	\$ (9,621,931)	\$ (5,270,837)
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 GASB 34

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

	Fiscal Year	
	2008	2009
Revenues		
Taxes	\$ 12,869,231	\$ 13,125,620
Licenses and permits	774,430	571,963
Intergovernmental	8,209,539	8,073,940
Charges for services	2,083,117	2,178,942
Fines and penalties	331,313	219,845
Impact Fees	335,914	133,249
Interest	297,268	206,424
Miscellaneous	4,350,653	4,329,343
Total revenues	\$ 29,251,465	\$ 28,839,326
Expenditures		
General Government	\$ 3,496,612	\$ 3,162,527
Public Safety	15,021,295	14,428,426
Physical Environment	758,074	705,068
Transportation	1,853,750	2,032,911
Economic Environment	639,294	868,017
Human Services	66,475	67,892
Culture and Recreation	5,187,536	4,433,489
Capital Outlay	8,319,179	7,057,151
Debt Service:		
Principal payments	596,540	699,248
Interest and fees	1,133,566	1,223,864
Total expenditures	\$ 37,072,321	\$ 34,678,593
Excess of revenues (under) over expenditures	\$ (7,820,856)	\$ (5,839,267)
Other Financing Sources (Uses)		
Sale of Capital Assets	\$ 156,929	\$ 97,633
Transfers in	12,189,197	12,185,286
Transfers out	(3,556,374)	(4,561,077)
Bonds proceeds	-	2,531,629
Total other financing sources (uses)	\$ 8,789,752	\$ 10,253,471
Net change in fund balances	\$ 968,896	\$ 4,414,204
Debt service as a percentage of noncapital expenditures	6.0%	7.0%

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 GASB 34

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

Fiscal Year ¹	Real Property ²	Personal Property	Centrally Assessed ³	Less: Tax - Exempt Property			Assessed	Direct
				Real	Personal	Centrally Assessed ³		
2000	\$ 644,575,304	\$ 239,027,959	\$ 321,959	\$ 200,427,103	\$ 84,022,857	-	\$ 599,475,262	4.5000
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 ⁴	128,329,323 ⁴	- 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

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

² Except for the Save Our Homes cap noted below, 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.

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, F.S.) allows for an additional \$50,000 for any person who has attained age 65 and whose household income does not exceed \$20,000 (a "qualified resident").

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

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
2000	4.5000	8.7420	4.7330	0.3160	1.0000	0.5000	0.4820	20.2730
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

Source: Lake County Property Appraiser

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

Taxpayer	2009			2000		
	2008 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	1999 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Embarq-Florida, Inc	\$ 35,177,489	1	2.30%	\$ 42,295,212	2	7.06%
Cutrale Citrus Juices, U.S.A., Inc.	32,666,740	2	2.13%	43,981,739	1	7.34%
SDG Macerich Properties LP	27,497,316	3	1.80%			
Lake Port Properties	24,448,995	4	1.60%	26,902,640	3	4.49%
Arlington Ridge LLC	23,280,271	5	1.52%			
Lowe's Home Centers, Inc.	10,475,144	6	0.68%			
Harbor Vista Developers LTD	9,037,014	7	0.59%			
City of Leesburg	8,979,339	8	0.59%			
Leware const Co of Florida, Inc.	8,695,551	9	0.57%			
Shoppes of Lake Village,LTD	8,508,982	10	0.56%			
Wal-Mart Stores, Inc				9,765,171	4	1.63%
Huntington Banks				7,976,535	5	1.33%
Bulldog Investments, Inc.				4,700,361	6	0.78%
Horne Properties, Inc.				3,986,719	7	0.67%
Buffalo-Gateway Business Trust				3,755,800	8	0.63%
Leesburg Associates				3,698,203	9	0.62%
Walling Enterprises, Inc.				3,647,851	10	0.61%
Subtotal	<u>188,766,841</u>		12.33%	<u>150,710,231</u>		25.14%
All Others	<u>1,341,605,527</u>		87.67%	<u>448,765,031</u>		74.86%
Total	<u>\$ 1,530,372,368</u>		100.00%	<u>\$ 599,475,262</u>		100.00%

Note: Taxable Values (Florida Statutes Section 193.011) are as of January 1, 1999 and 2008, 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		Collections for Previous Years of Levy	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 2,697,639	\$ 2,605,488	96.58%	\$ 7,935	\$ 2,613,423	96.88%
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	6,342,355	95.98%

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
2000	\$ 2,613,423	\$ 646,428	\$ 1,215,514	\$ 145,951	\$ 951,650	\$ -	\$ 5,572,966
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

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

Year	Taxable Values	HISTORICAL REVENUES		
		Ambulance	Lake County Water Authority	City of Leesburg
2000	\$ 107,065,856	\$ 62,791	\$ 6,218	\$ 55,963
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

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

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	\$ 321,149,351	\$ -	\$ -	\$ -
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

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			
2000	\$ 7,345,000	\$ 234,182	\$ 26,544,487	\$ -	\$ 34,123,669	8.69%	\$ 24,607
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

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			\$ 22,394,339
<u>Overlapping Debt</u>			
Lake County Board of County Commissioners	\$ 31,900,000	7.30%	2,329,074
School Board of Lake County	\$ 44,929,813	7.30%	3,280,404
Subtotal - Overlapping Debt			5,609,478
Total Direct and Overlapping Debt			\$ 28,003,817

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 Board

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

The City of Leesburg has no general obligation debt outstanding as of September 30, 2009.

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

City of Leesburg
Pledged Revenue Coverage
Series 1999 Capital Improvement Revenue Bonds Last Ten Fiscal Years
Series 2004 Capital Improvement Revenue Bonds Last Six Fiscal Years

	<u>FY ENDING SEPT. 30, 2000</u>	<u>FY ENDING SEPT. 30, 2001</u>	<u>FY ENDING SEPT. 30, 2002</u>	<u>FY ENDING SEPT. 30, 2003</u>	<u>FY ENDING SEPT. 30, 2004</u>
Half-Cent Sales Tax	\$ 728,963	\$ 737,543	\$ 797,754	\$ 822,027	\$ 919,290
Guaranteed Entitlement	<u>309,234</u>	<u>309,234</u>	<u>309,234</u>	<u>309,234</u>	<u>309,234</u>
Net Revenues Available	1,038,197	1,046,777	1,106,988	1,131,261	1,228,524
Debt Service on 1999 Bonds	\$ 385,813	\$ 438,805	\$ 499,005	\$ 498,880	\$ 498,420
Debt Service Coverage	2.69 X	2.39 X	2.22 X	2.27 X	2.46 X
1999 Senior Lien Bonds Required Minimum Coverage	<u>1.30 X</u>				
Net Revenues Available after Debt Service on 1999 Bonds					\$ 730,104
Plus Public Service Tax					<u>2,601,301</u>
Net Revenues Available					3,331,405
Debt Service on 2004 Bonds					\$ 126,286
Debt Service Coverage on Series 2004 Bonds					26.38 X
Required Minimum Coverage					1.30 X

Notes: Please see pages 117-118

City of Leesburg
Pledged Revenue Coverage
Series 1999 Capital Improvement Revenue Bonds Last Ten Fiscal Years
Series 2004 Capital Improvement Revenue Bonds Last Six Fiscal Years
Series 2006 Magnolia Townhomes BAN (FKA Kristen Ct.) Last Three Years
Series 2008 Carver Heights/Montclair Area CRA Revenue Note Last One Year
Series 2008 US Highway 441 & 27 Area CRA BAN Last One Year

	<u>FY ENDING SEPT. 30, 2005</u>	<u>FY ENDING SEPT. 30, 2006</u>	<u>FY ENDING SEPT. 30, 2007</u>	<u>FY ENDING SEPT. 30, 2008</u>	<u>FY ENDING SEPT. 30, 2009</u>
Half-Cent Sales Tax	\$ 997,079	\$ 1,093,773	\$ 1,001,858	\$ 964,117	\$ 898,594
Guaranteed Entitlement	309,234	309,234	309,234	309,234	309,234
Net Revenues Available	1,306,313	1,403,007	1,311,092	1,273,351	1,207,828
Debt Service 1999 Bonds	\$ 497,615	\$ 496,315	\$ 494,645	\$ 497,476	\$ 494,796
Debt Service Coverage	2.63 X	2.83 X	2.65 X	2.56 X	2.44 X
1999 Senior Lien Bonds Required Minimum Coverage	1.30 X				
Net Revenues Available after Debt Service on 1999 Bonds	\$ 808,698	\$ 906,692	\$ 816,447	\$ 775,875	\$ 713,032
Plus Public Service Tax	2,955,112	2,770,827	2,858,214	3,058,468	3,126,745
Net Revenues Available	3,763,810	3,677,519	3,674,661	3,834,343	3,839,777
Debt Service 2004 Bonds	\$ 797,595	\$ 797,595	\$ 1,114,470	\$ 1,111,220	\$ 1,111,020
Debt Service Coverage on Series 2004 Bonds	4.72 X	4.61 X	3.30 X	3.45 X	3.46 X
Required Minimum Coverage	1.30 X				
Net Revenues Available after Debt Service on 1999 and 2004 Bonds			\$ 2,560,191	\$ 2,723,123	\$ 2,728,757
Transfer from Carver Heights/ Montclair Area CRA Fund Balance for payment of the Magnolia Townhomes Debt Service					\$ 238,574
Debt Service on Series 2006 Magnolia Townhomes BAN			see note	\$ 149,288	\$ 238,574
Carver Heights/ Montclair Area CRA TIF Revenue					\$ 352,265
Debt Service on Series 2008 Carver Heights/ Montclair Area CRA Revenue Note					\$ 195,340
US Highway 441 & 27 Area CRA TIF Revenue					\$ 1,200,602
Debt Service on Series 2008 US Highway 441 & 27 Area CRA BAN					\$ 2,095

Notes: Please see pages 117-118

City of Leesburg
Pledged Revenue Coverage
Series 1999 Capital Improvement Revenue Bonds Last Ten Fiscal Years
Series 2004 Capital Improvement Revenue Bonds Last Six Fiscal Years
Series 2006 Magnolia Townhomes BAN (FKA Kristen Ct.) Last Three Years
Series 2008 Carver Heights/Montclair Area CRA Revenue Note Last One Year
Series 2008 US Highway 441 & 27 Area CRA BAN Last One Year

Notes: for pages 115-116

Definitions

Series 1999 Capital Improvement Revenue Bonds

Resolution 5725 adopted August 12, 1999, the City authorized the issuance of the Refunding and Capital Improvement Revenue Bonds Series 1999, pledging the net available revenues as defined in the next two paragraphs 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 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.

1.30X Debt Service Coverage is not a Financial Covenant, rather an Additional Bonds Test Requirement.

Series 2004 Capital Improvement Revenue Bonds

Resolution 7162 adopted July 12, 2004, the City authorized the issuance of the Capital Improvement Revenue Bonds, Series 2004, pledging the net available revenues after considering the Series 1999 Bonds. In addition, Public Service Tax revenues were pledged to cover the Series 2004 Bonds.

The 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.

Series 2006 Magnolia Townhomes (fka Kristen Ct.)

Resolution 7784 and 7785 adopted October 9, 2006, the City authorized the issuance of the Capital Improvement Bond Anticipation Note, Series 2006, pledging the net available revenues after considering the Series 1999 and 2004 Bonds.

The proceeds of this note are to be used solely for the Project. An advance was taken from the Note Proceeds to pay the interest payments due for the May 1, 2007 and November 1, 2008.

Series 2008 Carver Heights/Montclair Area CRA

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.

Resolution 8349 adopted December 8, 2008, and as amended by Resolution 8357 adopted December 22, 2008, the City authorized the issuance by the Community Redevelopment Agency for the Carver Heights/Montclair Area of its Redevelopment Revenue Note, Series 2008, pledging the net available revenues after considering the Series 1999 and 2004 Bonds to the extent increment revenues are insufficient, but not in excess of the Reserve Account Requirement.

City of Leesburg
Pledged Revenue Coverage
Series 1999 Capital Improvement Revenue Bonds Last Ten Fiscal Years
Series 2004 Capital Improvement Revenue Bonds Last Six Fiscal Years
Series 2006 Magnolia Townhomes BAN (FKA Kristen Ct.) Last Three Years
Series 2008 Carver Heights/Montclair Area CRA Revenue Note Last One Year
Series 2008 US Highway 441 & 27 Area CRA BAN Last One Year

Notes: for pages 115-116

Definitions (continued)

Series 2008 US Highway 441 & 27 Area CRA

Resolution 6 of the Community Redevelopment Agency of the US Highway 441 & 27 area adopted December 8, 2008, authorized the issuance of an interlocal agreement with the City of Leesburg, Florida to pay debt service on the Subordinate Capital Improvement Bond Anticipation Note, Series 2008 from Tax Increment Revenues.

Resolution 8351 adopted December 8, 2008, the City authorized the issuance of the Subordinate Capital Improvement Bond Anticipation Note, Series 2008, to finance improvements to the City's Electric Transmission System, pledging the net available revenues after considering the Series 1999 and 2004 Bonds to the extent increment revenues are insufficient. Also approving an Interlocal Agreement with Community Redevelopment Agency of the US Highway 441 & 27 Area.

Excluded debt service: \$5,000,000 Committed Credit Facility, in parity to Series 2006 BAN, none drawn as of September 30, 2009.

Subsequent Events:

- Tax Increment Revenue Bonds, Series 2009 - The City issued bonds in the amount of \$14,605,000 pursuant to Resolution #10 adopted by the U.S. Highway 441 & 27 CRA and Resolution #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 are secured by tax increment revenues and a covenant to budget and appropriate from legally available non-ad valorem revenues.
- Capital Improvement Refunding Promissory Note, 2009 - On December 4, 2009, the City issued a promissory note in the amount of \$6,227,400 which will be used to refund its Capital Improvement Revenue Bonds, Series 1999. 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 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. The note is secured by the Communications Enterprise revenues and a covenant to budget and appropriate from legally available non-ad valorem revenues
- 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. The note is secured by a covenant to budget and appropriate from legally available non-ad valorem revenues.

City of Leesburg, Florida
Pledged Revenue Coverage
Electric System Revenue Bonds
Series 2004, 2007A & 2007B
Last Six 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>	
Gross Revenues	\$ 46,078,668	\$ 50,303,504	\$ 60,688,045	
Less Operation and Maintenance Expenses	<u>38,455,991</u>	<u>42,428,223</u>	<u>52,210,890</u>	
Net Revenues Available	\$ 7,622,677	\$ 7,875,281	\$ 8,477,155	
Debt Service on 2004 Bonds	see note	see note	see note	
Debt Service on 2007A Bonds				
Debt Service on 2007B Bonds				
Total Debt Service Series 2004 & 2007	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Debt Service Coverage 2004, 2007A&B Bonds	see note	see note	see note	X
Required Minimum Coverage				X
Total Net Revenues less 2004, 2007A and 2007B Bonds		<u>\$ 7,875,281</u>	<u>\$ 8,477,155</u>	
FMPA Loan Debt Service		(32,554)	(106,469)	
Transfer from Communications Fund		<u>32,554</u>	<u>106,469</u>	
Net Revenues after Debt Service		\$ 7,875,281	\$ 8,477,155	
Debt Service Coverage FMPA Loan		NA	NA	X

Notes: Definitions

Gross Revenues - defined pursuant to Resolution 7141 adopted June 14, 2004 as all income and earnings derived by the City from the ownership, operation, leasing, or use of the 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.

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 paid from the Capitalized Interest fund of \$1,726,419.

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.

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.

FMPA Pooled Loan

Resolution 7175 adopted August 9, 2004, the City authorized Florida Municipal Power Agency (FMPA) as agent for the initial pooled loan project of \$1,300,000 by the Electric System on behalf of the Communications Fund for construction and implementation of approximately 42 miles of fiber optic to the communication infrastructure in various locations throughout Leesburg and Lake County, Florida. All of the obligations of the City under the Loan Agreement are hereby designated as "Subordinate Debt" for all purposes under the Bond Resolution.

Regarding this Electric System note with FMPA, the Communications Enterprise Fund is paying 100% of the debt service. Evidence of loan payment can be seen on the Statement of Cash Flows from Capital and Related Financing Activities as Interest Paid on Revenue Bonds and Customer Deposits and Principal paid on Capital Debt for Communications Services.

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

	<u>FY ENDING SEPT. 30, 2007</u>	<u>FY ENDING SEPT. 30, 2008</u>	<u>FY ENDING SEPT. 30, 2009</u>
Gross Revenues	\$ 60,862,278	\$ 70,302,636	\$ 71,566,530
Less Operation and Maintenance Expenses	<u>51,342,881</u>	<u>59,761,821</u>	<u>61,012,704</u>
Net Revenues Available	9,519,397	10,540,815	10,553,826
Debt Service on 2004 Bonds	\$ 779,813	\$ 1,121,020	\$ 1,090,975
Debt Service on 2007A Bonds	see note	see note	551,906
Debt Service on 2007B Bonds			<u>\$ 682,713</u>
Total Debt Service Series 2004 & 2007	\$ 779,813	\$ 1,121,020	\$ 2,325,594
Debt Service Coverage 2004, 2007A&B Bonds	12.21 X	9.40 X	4.54 X
Required Minimum Coverage	1.25 X	1.25 X	1.25 X
Total Net Revenues less 2004, 2007A and 2007B Bonds	<u>\$ 8,739,585</u>	<u>\$ 9,419,795</u>	<u>\$ 8,228,232</u>
FMPA Loan Debt Service	(112,640)	(96,784)	(87,826)
Transfer from Communications Fund	<u>112,640</u>	<u>96,784</u>	<u>87,826</u>
Net Revenues after Debt Service	\$ 8,739,585	\$ 9,419,795	\$ 8,228,232
Debt Service Coverage FMPA Loan	12.21 X	12.67 X	4.40 X

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

	<u>FY ENDING SEPT. 30, 2004</u>	<u>FY ENDING SEPT. 30, 2005</u>	<u>FY ENDING SEPT. 30, 2006</u>
Gross Revenues	\$ 18,357,691	\$ 20,390,719	\$ 24,260,195
Less Expenses	<u>14,912,625</u>	<u>15,811,099</u>	<u>18,265,045</u>
Net Revenues Available	\$ 3,445,066	\$ 4,579,620	\$ 5,995,150
Debt Service on 2004 Bonds	see note	see note	see note
Debt Service on 2007A Bonds			
Debt Service on 2007B Bonds			

Debt Service Coverage 2004, 2007A&B Bonds

Required Minimum Coverage

Plus Capacity Charges

Debt Service Coverage 2004, 2007A and B Bonds

Required Minimum Coverage including Capacity Charges

Notes: 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 amortization expenses.

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

Series 2004

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

Series 2007A & 2007B

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

First two years 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
Utility System Revenue Bonds
(Gas, Water and Wastewater Systems)
Series 2004, 2007A & 2007B
Last Six Fiscal Years

	<u>FY ENDING SEPT. 30, 2007</u>	<u>FY ENDING SEPT. 30, 2008</u>	<u>FY ENDING SEPT. 30, 2009</u>
Gross Revenues	\$ 25,959,785	\$ 26,425,520	\$ 25,543,939
Less Expenses	<u>17,799,914</u>	<u>19,022,708</u>	<u>16,634,389</u>
Net Revenues Available	\$ 8,159,871	\$ 7,402,812	\$ 8,909,550
Debt Service on 2004 Bonds	\$ 1,075,151	\$ 1,121,020	\$ 1,509,114
Debt Service on 2007A Bonds	see note	see note	1,039,044
Debt Service on 2007B Bonds	see note	see note	<u>63,130</u>
Total Debt Service Series 2004 & 2007	\$ 1,075,151	\$ 1,121,020	\$ 2,611,288
Debt Service Coverage 2004, 2007A&B Bonds	7.59 X	6.60 X	3.41 X
Required Minimum Coverage	1.15 X	1.15 X	1.15 X
Plus Capacity Charges	\$ 2,636,498	\$ 1,821,414	\$ 821,616
Debt Service Coverage 2004, 2007A and B Bonds	10.04 X	8.23 X	3.73 X
Required Minimum Coverage including Capacity Charges	1.25 X	1.25 X	1.25 X

CITY OF LEESBURG, FLORIDA

Anti-Dilution Test - Base Method

First Test		Fiscal Year 2004/2005	Fiscal Year 2005/2006	Fiscal Year 2006/2007	Fiscal Year 2007/2008	Fiscal Year 2008/2009	
2 Year Average Legally Available Non-Ad Valorem Revenues		\$ 16,569,744	\$ 19,141,986	\$ 20,736,664	\$ 21,113,231	\$ 20,471,401	
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	
Coverage ⁽¹⁾		4.32	4.99	5.41	5.50	5.34	
Second Test (Fiscal Year 2009)		Fiscal Year Ending 2004	Fiscal Year Ending 2005	Fiscal Year Ending 2006	Fiscal Year Ending 2007	Fiscal Year Ending 2008	Fiscal Year Ending 2009
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
Non-Enterprise Fund Revenues ⁽³⁾	B	17,908,901	22,636,644	23,984,451	27,640,613	26,330,808	26,965,374
Costs of Essential Services	C	11,343,425	14,035,437	15,993,630	15,484,386	17,446,181	16,982,852
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
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
Available Revenues - [A - ((A/B) * C) - D] =	F	3,442,706	5,303,013	4,676,029	7,828,340	5,013,237	5,825,155
Coverage [F / E] ⁽²⁾		1.70	2.63	2.32	3.88	2.48	2.88

(1) 1.10 Times Coverage Required - Additional Bonds Test

(2) 2.00 Times Coverage Required - Additional Bonds Test

(3) Line A Plus Ad Valorem Taxes as Shown on Page 124 Titled "Historical No-Ad Valorem Revenues Worksheet"

CITY OF LEESBURG, FLORIDA

Historical Non-Ad Valorem Revenues Worksheet

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
CB&A Worksheet - CB&A Non-Ad Valorem Revenues						
1. Charges for Services ⁽¹⁾				\$ 501,759	\$ 558,761	\$ 633,992
2. Intergovernmental ⁽¹⁾				2,783,708	2,634,143	2,769,819
3. Licenses and Permits ⁽¹⁾				234,022	135,999	151,094
4. Fines and Forfeitures ⁽¹⁾				213,821	187,940	152,687
5. Investment Income ⁽¹⁾				281,554	144,887	98,646
6. Miscellaneous ⁽¹⁾				4,952,339	4,500,274	4,419,416
7. Non-Ad Valorem Taxes (Sum of Utility Taxes and Other Taxes Less Restricted) ⁽¹⁾				4,828,932	5,187,563	4,675,228
8. Utility and Business Unit Transfers ⁽¹⁾				10,073,394	8,914,449	9,034,052
9. Less funds detailed in worksheet "Diverse General Fund Revenue Sources"				<u>(1,915,241)</u>	<u>(1,991,842)</u>	<u>(1,264,306)</u>
Legally Available Non-Ad Valorem Revenues	\$ 14,374,556	\$ 18,764,932	\$ 19,519,040	\$ 21,954,288	\$ 20,272,174	\$ 20,670,628
2 Year Average		16,569,744	19,141,986	20,736,664	21,113,231	20,471,401
Ad Valorem Taxes ⁽²⁾	<u>3,534,345</u>	<u>3,871,712</u>	<u>4,465,411</u>	<u>5,686,325</u>	<u>6,058,634</u>	<u>6,294,746</u>
Total Legally Available Revenue	<u>\$ 17,908,901</u>	<u>\$ 22,636,644</u>	<u>\$ 23,984,451</u>	<u>\$ 27,640,613</u>	<u>\$ 26,330,808</u>	<u>\$ 26,965,374</u>
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
Public Safety ⁽¹⁾	10,298,327	11,641,923	12,800,910	13,655,962	13,949,569	13,820,325
Total Cost of Essential Services	<u>\$ 11,343,425</u>	<u>\$ 14,035,437</u>	<u>\$ 15,993,630</u>	<u>\$ 15,484,386</u>	<u>\$ 17,446,181</u>	<u>\$ 16,982,852</u>
Legally Available Non-Ad Valorem Revenues	\$ 14,374,556	\$ 18,764,932	\$ 19,519,040	\$ 21,954,288	\$ 20,272,174	\$ 20,670,628
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)
Less Allocable Essential Services ⁽³⁾	<u>(9,104,785)</u>	<u>(11,634,853)</u>	<u>(13,015,945)</u>	<u>(12,298,883)</u>	<u>(13,431,871)</u>	<u>(13,018,407)</u>
Available Revenues	<u>\$ 3,442,705</u>	<u>\$ 5,303,013</u>	<u>\$ 4,676,029</u>	<u>\$ 7,828,339</u>	<u>\$ 5,013,237</u>	<u>\$ 5,825,155</u>
MADS on Covenant Debt	<u>\$ 2,019,868</u>					
Coverage	1.70	2.63	2.32	3.88	2.48	2.88

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

(2) Source is the Statement of Activities - 2007, 2008 and 2009 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
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
General Fund Revenues Available for CB&A	\$ 0	\$ 0	\$ 0	\$ 21,954,291	\$ 20,272,174	\$ 20,670,625
Revenues not available for CB&A:						
Ad Valorem Revenues	<u>3,534,345</u>	<u>3,871,712</u>	<u>4,465,411</u>	<u>5,686,325</u>	<u>6,058,634</u>	<u>6,294,746</u>
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
Charges For Services	0	0	2,585	146,745	153,336	133,420
Miscellaneous Revenues	523,450	594,478	606,740	635,911	653,414	612,623
Total Non-Ad Valorem Revenues	<u>1,565,612</u>	<u>1,724,094</u>	<u>1,770,791</u>	<u>1,915,241</u>	<u>1,991,842</u>	<u>1,264,306</u>
Totals for Revenues not available for CB&A	<u>\$ 5,099,957</u>	<u>\$ 5,595,806</u>	<u>\$ 6,236,202</u>	<u>\$ 7,601,566</u>	<u>\$ 8,050,476</u>	<u>\$ 7,559,052</u>

CITY OF LEESBURG, FLORIDA

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

Period	Series 1999	Series 2004	Series 2008	Series 2009	Series 2009	Series 2009	Aggregate Debt
Ending	Cap Improv	Cap Improv	TIF - CRA Carver¹	Communications	TIF - CRA 441/27¹	Magnolia Townhomes	Service
2010	\$ 501,876	\$ 1,119,645	\$ 199,999	\$ 124,850	\$ 694,969	\$ 152,150	\$ 2,793,489
2011	503,126	1,118,485	199,999	123,203	695,281	153,000	2,793,094
2012	503,691	1,121,460	199,999	124,692	694,981	993,000	3,637,823
2013	503,698	1,123,370	199,999	125,975	798,031	994,440	3,745,513
2014	503,038	1,123,370	199,999	127,052	799,356	994,860	3,747,675
2015	501,750	1,122,808	199,999	127,922	795,450	994,260	3,742,189
2016	499,825	1,120,608	199,998	123,585	899,306	992,640	3,835,962
2017	501,900	1,122,808	0	124,249	895,694	0	2,644,651
2018	503,150	1,118,743	0	124,706	896,194	0	2,642,793
2019	503,575	1,122,143	0	124,956	895,994	0	2,646,668
2020	503,175	1,120,175	0	0	998,294	0	2,621,644
2021	501,950	1,122,613	0	0	997,750	0	2,622,313
2022	499,900	1,118,475	0	0	1,099,188	0	2,717,563
2023	502,025	1,123,025	0	0	1,097,406	0	2,722,456
2024	503,050	1,120,738	0	0	1,099,003	0	2,722,791
2025	502,975	1,121,875	0	0	1,195,713	0	2,820,563
2026	501,800	1,121,175	0	0	1,197,581	0	2,820,556
2027	504,525	1,118,638	0	0	1,197,788	0	2,820,951
2028	500,875	1,119,263	0	0	1,196,331	0	2,816,469
2029	501,125	1,121,738	0	0	1,198,094	0	2,820,957
2030	0	1,122,313	0	0	1,196,875	0	2,319,188
2031	0	1,121,638	0	0	1,197,500	0	2,319,138
2032	0	1,118,600	0	0	1,195,875	0	2,314,475
2033	0	1,123,200	0	0	1,196,875	0	2,320,075
2034	0	1,119,913	0	0	1,195,375	0	2,315,288
2035	0	0	0	0	1,196,250	0	1,196,250
2036	0	0	0	0	1,199,250	0	1,199,250
	<u>\$ 10,047,029</u>	<u>\$ 28,026,819</u>	<u>\$ 1,399,992</u>	<u>\$ 1,251,190</u>	<u>\$ 27,720,404</u>	<u>\$ 5,274,350</u>	<u>\$ 73,719,784</u>
						Maximum:	<u>\$ 3,835,962</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

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

Period Ending	Series 1999 Cap Improv	Series 2004 Cap Improv	Series 2008 CRA-Carver	Aggregate Debt Service
2010	\$ 501,876	\$ 1,119,645	\$ 199,999	\$ 1,821,520
2011	503,126	1,118,485	199,999	1,821,610
2012	503,691	1,121,460	199,999	1,825,150
2013	503,698	1,123,370	199,999	1,827,067
2014	503,038	1,123,370	199,999	1,826,407
2015	501,750	1,122,808	199,999	1,824,557
2016	499,825	1,120,608	199,998	1,820,431
2017	501,900	1,122,808	0	1,624,708
2018	503,150	1,118,743	0	1,621,893
2019	503,575	1,122,143	0	1,625,718
2020	503,175	1,120,175	0	1,623,350
2021	501,950	1,122,613	0	1,624,563
2022	499,900	1,118,475	0	1,618,375
2023	502,025	1,123,025	0	1,625,050
2024	503,050	1,120,738	0	1,623,788
2025	502,975	1,121,875	0	1,624,850
2026	501,800	1,121,175	0	1,622,975
2027	504,525	1,118,638	0	1,623,163
2028	500,875	1,119,263	0	1,620,138
2029	501,125	1,121,738	0	1,622,863
2030	0	1,122,313	0	1,122,313
2031	0	1,121,638	0	1,121,638
2032	0	1,118,600	0	1,118,600
2033	0	1,123,200	0	1,123,200
2034	0	1,119,913	0	1,119,913
	<u>\$ 10,047,029</u>	<u>\$ 28,026,819</u>	<u>\$ 1,399,992</u>	<u>\$ 39,473,840</u>
			Maximum	<u>\$ 1,827,066</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
2010	\$ 0	\$ 694,969	\$ 152,150	\$ 847,119
2011	124,850	695,281	153,000	973,131
2012	123,203	694,981	993,000	1,811,184
2013	124,692	798,031	994,440	1,917,163
2014	125,975	799,356	994,860	1,920,191
2015	127,052	795,450	994,260	1,916,762
2016	127,922	899,306	992,640	2,019,868
2017	123,585	895,694	0	1,019,279
2018	124,249	896,194	0	1,020,443
2019	124,706	895,994	0	1,020,700
2020	124,956	998,294	0	1,123,250
2021	0	997,750	0	997,750
2022	0	1,099,188	0	1,099,188
2023	0	1,097,406	0	1,097,406
2024	0	1,099,003	0	1,099,003
2025	0	1,195,713	0	1,195,713
2026	0	1,197,581	0	1,197,581
2027	0	1,197,788	0	1,197,788
2028	0	1,196,331	0	1,196,331
2029	0	1,198,094	0	1,198,094
2030	0	1,196,875	0	1,196,875
2031	0	1,197,500	0	1,197,500
2032	0	1,195,875	0	1,195,875
2033	0	1,196,875	0	1,196,875
2034	0	1,195,375	0	1,195,375
2035	0	1,196,250	0	1,196,250
2036	0	1,199,250	0	1,199,250
	<u>\$ 1,251,190</u>	<u>\$ 27,720,404</u>	<u>\$ 5,274,350</u>	
			Maximum:	<u>\$ 2,019,868</u>

CITY OF LEESBURG, FLORIDA

Refunding & Capital Improvement Revenue Bonds, Series 1999

Dated Date: 4/1/2009

Delivery Date: 4/1/2009

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
4/1/2010			\$ 163,438	\$ 163,438	
10/1/2010	\$ 175,000	5.000%	163,438	338,438	\$ 501,876
4/1/2011			159,063	159,063	
10/1/2011	185,000	5.100%	159,063	344,063	503,126
4/1/2012			154,346	154,346	
10/1/2012	195,000	5.125%	154,346	349,346	503,692
4/1/2013			149,349	149,349	
10/1/2013	205,000	5.200%	149,349	354,349	503,698
4/1/2014			144,019	144,019	
10/1/2014	215,000	5.250%	144,019	359,019	503,038
4/1/2015			138,375	138,375	
10/1/2015	225,000	5.300%	138,375	363,375	501,750
4/1/2016			132,413	132,413	
10/1/2016	235,000	5.500%	132,413	367,413	499,826
4/1/2017			125,950	125,950	
10/1/2017	250,000	5.500%	125,950	375,950	501,900
4/1/2018			119,075	119,075	
10/1/2018	265,000	5.500%	119,075	384,075	503,150
4/1/2019			111,788	111,788	
10/1/2019	280,000	5.500%	111,788	391,788	503,576
4/1/2020			104,088	104,088	
10/1/2020	295,000	5.500%	104,088	399,088	503,176
4/1/2021			95,975	95,975	
10/1/2021	310,000	5.500%	95,975	405,975	501,950
4/1/2022			87,450	87,450	
10/1/2022	325,000	5.500%	87,450	412,450	499,900
4/1/2023			78,513	78,513	
10/1/2023	345,000	5.500%	78,513	423,513	502,026
4/1/2024			69,025	69,025	
10/1/2024	365,000	5.500%	69,025	434,025	503,050
4/1/2025			58,988	58,988	
10/1/2025	385,000	5.500%	58,988	443,988	502,976
4/1/2026			48,400	48,400	
10/1/2026	405,000	5.500%	48,400	453,400	501,800
4/1/2027			37,263	37,263	
10/1/2027	430,000	5.500%	37,263	467,263	504,526
4/1/2028			25,438	25,438	
10/1/2028	450,000	5.500%	25,438	475,438	500,876
4/1/2029			13,063	13,063	
10/1/2029	475,000	5.500%	13,063	488,063	501,126
4/1/2030					
	<u>\$ 6,015,000</u>		<u>\$ 4,032,038</u>	<u>\$ 10,047,038</u>	

CITY OF LEESBURG, FLORIDA

Capital Improvement Revenue Bonds, Series 2004

Dated Date: 4/1/2009
 Delivery Date: 4/1/2009

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
4/1/2010					\$ 379,823	\$ 379,823	
10/1/2010	\$ 360,000	3.100%			379,823	739,823	\$ 1,119,645
4/1/2011					374,243	374,243	
10/1/2011	370,000	3.250%			374,243	744,243	1,118,485
4/1/2012					368,230	368,230	
10/1/2012	385,000	3.400%			368,230	753,230	1,121,460
4/1/2013					361,685	361,685	
10/1/2013	400,000	3.750%			361,685	761,685	1,123,370
4/1/2014					354,185	354,185	
10/1/2014	415,000	3.750%			354,185	769,185	1,123,370
4/1/2015					346,404	346,404	
10/1/2015	430,000	4.000%			346,404	776,404	1,122,808
4/1/2016					337,804	337,804	
10/1/2016	445,000	4.000%			337,804	782,804	1,120,608
4/1/2017					328,904	328,904	
10/1/2017	465,000	4.100%			328,904	793,904	1,122,808
4/1/2018					319,371	319,371	
10/1/2018	480,000	4.500%			319,371	799,371	1,118,743
4/1/2019					308,571	308,571	
10/1/2019	505,000	4.350%			308,571	813,571	1,122,143
4/1/2020					297,588	297,588	
10/1/2020	525,000	5.250%			297,588	822,588	1,120,175
4/1/2021					283,806	283,806	
10/1/2021	555,000	5.250%			283,806	838,806	1,122,613
4/1/2022					269,238	269,238	
10/1/2022	580,000	5.250%			269,238	849,238	1,118,475
4/1/2023					254,013	254,013	
10/1/2023	615,000	5.250%			254,013	869,013	1,123,025
4/1/2024					237,869	237,869	
10/1/2024	645,000	5.250%			237,869	882,869	1,120,738
4/1/2025					220,938	220,938	
10/1/2025	680,000	5.250%			220,938	900,938	1,121,875
4/1/2026					203,088	203,088	
10/1/2026	715,000	5.250%			203,088	918,088	1,121,175
4/1/2027					184,319	184,319	
10/1/2027	750,000	5.250%			184,319	934,319	1,118,638
4/1/2028					164,631	164,631	
10/1/2028	790,000	4.750%			164,631	954,631	1,119,263
4/1/2029					145,869	145,869	
10/1/2029	830,000	4.750%			145,869	975,869	1,121,738
4/1/2030					126,156	126,156	
10/1/2030	870,000	5.250%			126,156	996,156	1,122,313
4/1/2031					103,319	103,319	
10/1/2031	915,000	5.250%			103,319	1,018,319	1,121,638
4/1/2032					79,300	79,300	
10/1/2032	960,000	5.250%			79,300	1,039,300	1,118,600
4/1/2033					54,100	54,100	
10/1/2033	1,015,000	5.250%			54,100	1,069,100	1,123,200
4/1/2034					27,456	27,456	
10/1/2034	665,000	5.250%	400,000	5.00%	27,456	1,092,456	1,119,913
10/1/2034							
	<u>\$ 15,765,000</u>				<u>\$ 12,261,820</u>	<u>\$ 28,026,820</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

	<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
2009	5/1/2009					
2009	11/1/2009			\$ 27,948	\$ 27,948	\$ 27,948
2010	5/1/2010	\$ 147,314	4.360%	27,948	175,262	
2010	11/1/2010			24,737	24,737	199,999
2011	5/1/2011	153,880	4.360%	24,737	178,617	
2011	11/1/2011			21,382	21,382	199,999
2012	5/1/2012	160,739	4.360%	21,382	182,121	
2012	11/1/2012			17,878	17,878	199,999
2013	5/1/2013	167,903	4.360%	17,878	185,781	
2013	11/1/2013			14,218	14,218	199,999
2014	5/1/2014	175,387	4.360%	14,218	189,605	
2014	11/1/2014			10,394	10,394	199,999
2015	5/1/2015	183,204	4.360%	10,394	193,598	
2015	11/1/2015			6,400	6,400	199,999
2016	5/1/2016	193,598	4.360%	6,400	199,998	199,998
		<u>\$ 1,182,025</u>		<u>\$ 245,914</u>	<u>\$ 1,427,939</u>	

Supported, on junior lien basis, on non-ad valorem revenues after 1999 bonds, and then after 2004 bonds. It is fully covered by Carver TIF¹.

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
(Communications Enterprise Project)**

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

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
2009					
11/1/2010	\$ 80,000	4.130%	\$ 44,850	\$ 124,850	\$ 124,850
5/1/2011			19,101	19,101	
11/1/2011	85,000	4.130%	19,101	104,101	123,202.50
5/1/2012			17,346	17,346	
11/1/2012	90,000	4.130%	17,346	107,346	124,692.00
5/1/2013			15,488	15,488	
11/1/2013	95,000	4.130%	15,488	110,488	125,975.00
5/1/2014			13,526	13,526	
11/1/2014	100,000	4.130%	13,526	113,526	127,051.50
5/1/2015			11,461	11,461	
11/1/2015	105,000	4.130%	11,461	116,461	127,921.50
5/1/2016			9,293	9,293	
11/1/2016	105,000	4.130%	9,293	114,293	123,585.00
5/1/2017			7,124	7,124	
11/1/2017	110,000	4.130%	7,124	117,124	124,248.50
5/1/2018			4,853	4,853	
11/1/2018	115,000	4.130%	4,853	119,853	124,705.50
5/1/2019			2,478	2,478	
11/1/2019	120,000	4.130%	2,478	122,478	124,956.00
	<u>\$ 1,005,000</u>		<u>\$ 246,190</u>	<u>\$ 1,251,190</u>	

(1) Refunding of existing FMPA Pooled Loan Note; \$1,005,000 set to close October 2, 2009. Has CB&A support, expected to be released following 9/30/2010 Audit.

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

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
11/12/2009					
5/1/2010	\$ 35,000	2.000%	\$ 319,753	\$ 354,753	
11/1/2010			340,216	340,216	\$ 694,969
5/1/2011	15,000	2.000%	340,216	355,216	
11/1/2011			340,066	340,066	695,281
5/1/2012	15,000	2.000%	340,066	355,066	
11/1/2012			339,916	339,916	694,981
5/1/2013	120,000	3.000%	339,916	459,916	
11/1/2013			338,116	338,116	798,031
5/1/2014	125,000	3.000%	338,116	463,116	
11/1/2014			336,241	336,241	799,356
5/1/2015	125,000	3.250%	336,241	461,241	
11/1/2015			334,209	334,209	795,450
5/1/2016	235,000	3.500%	334,209	569,209	
11/1/2016			330,097	330,097	899,306
5/1/2017	240,000	3.750%	330,097	570,097	
11/1/2017			325,597	325,597	895,694
5/1/2018	250,000	4.000%	325,597	575,597	
11/1/2018			320,597	320,597	896,194
5/1/2019	260,000	4.000%	320,597	580,597	
11/1/2019			315,397	315,397	895,994
5/1/2020	375,000	4.000%	315,397	690,397	
11/1/2020			307,897	307,897	998,294
5/1/2021	390,000	4.125%	307,897	697,897	
11/1/2021			299,853	299,853	997,750
5/1/2022	510,000	4.125%	299,853	809,853	
11/1/2022			289,334	289,334	1,099,188
5/1/2023	530,000	4.250%	289,334	819,334	
11/1/2023			278,072	278,072	1,097,406
5/1/2024	555,000	4.375%	278,072	833,072	
11/1/2024			265,931	265,931	1,099,003
5/1/2025	680,000	4.750%	265,931	945,931	
11/1/2025			249,781	249,781	1,195,713
5/1/2026	715,000	4.750%	249,781	964,781	
11/1/2026			232,800	232,800	1,197,581
5/1/2027	750,000	4.750%	232,800	982,800	
11/1/2027			214,988	214,988	1,197,788
5/1/2028	785,000	4.750%	214,988	999,988	
11/1/2028			196,344	196,344	1,196,331
5/1/2029	825,000	4.750%	196,344	1,021,344	
11/1/2029			176,750	176,750	1,198,094
5/1/2030	865,000	5.000%	176,750	1,041,750	
11/1/2030			155,125	155,125	1,196,875
5/1/2031	910,000	5.000%	155,125	1,065,125	
11/1/2031			132,375	132,375	1,197,500
5/1/2032	955,000	5.000%	132,375	1,087,375	
11/1/2032			108,500	108,500	1,195,875
5/1/2033	1,005,000	5.000%	108,500	1,113,500	
11/1/2033			83,375	83,375	1,196,875
5/1/2034	1,055,000	5.000%	83,375	1,138,375	
11/1/2034			57,000	57,000	1,195,375
5/1/2035	1,110,000	5.000%	43,125	1,153,125	
11/1/2035			43,125	43,125	1,196,250
5/1/2036	1,170,000	5.000%	14,625	1,184,625	
11/1/2036			14,625	14,625	1,199,250
	<u>\$ 14,605,000</u>		<u>\$ 13,115,407</u>	<u>\$ 27,720,407</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 Revenue Note, Series 2009
(Magnolia Townhomes Project)**

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

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
11/3/2009					
5/1/2010			\$ 75,650	\$ 75,650	
11/1/2010			76,500	76,500	\$ 152,150
5/1/2011			76,500	76,500	
11/1/2011			76,500	76,500	153,000
5/1/2012			76,500	76,500	
11/1/2012	\$ 840,000	3.400%	76,500	916,500	993,000
5/1/2013			62,220	62,220	
11/1/2013	870,000	3.400%	62,220	932,220	994,440
5/1/2014			47,430	47,430	
11/1/2014	900,000	3.400%	47,430	947,430	994,860
5/1/2015			32,130	32,130	
11/1/2015	930,000	3.400%	32,130	962,130	994,260
5/1/2016			16,320	16,320	
11/1/2016	960,000	3.400%	16,320	976,320	992,640
	<u>\$ 4,500,000</u>		<u>\$ 774,350</u>	<u>\$ 5,274,350</u>	

(1) Expected to close October/November 2009, \$4,500,000 tax-exempt 7-year Note as refunding of existing \$4,000,000 Series 2006 Note. Will have CB & A support.

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

Year	Population ¹	Personal Income (thousands of dollars) ^{1,2}	Per Capita Personal Income ^{2,3}	Median Age ^{3, 4}	Unemployment Rate ⁴		
					Lake County	Florida	United States ⁵
2000	15,956	392,629	24,607	45.1	2.5%	3.6%	4.0%
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%

Sources: All information reported from available statistics as of November 2009.

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

² Florida 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. For Fiscal Year 2009, the latest information provided on this website was for 2007.

³ U. S. Census Bureau (<http://factfinder.census.gov>)

⁴ State of Florida, Department of Labor and Employment Security, Bureau of Labor Market Information (<http://fred.labormarketinfo.com>).

⁵ U.S. Department of Labor, Bureau of Labor Statistics (<http://data.bls.gov>)

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

Employer	2009			2000		
	Employees	City Rank	Percentage of Total County Employment	Employees	City Rank	Percentage of Total County Employment
Central Florida Health Alliance (fka LRMC)	3,000	1	2.22%	1,300	1	1.39%
Lake County School Board	671	2	0.50%	524	4	0.39%
Lifestream Behavioral Center	555	3	0.41%	400	7	0.30%
City of Leesburg	537	4	0.40%	424	6	0.31%
Lake Sumter Community College	521	5	0.39%	260	9	0.19%
Lake Port Properties	400	6	0.30%	430	5	0.32%
Dura Stress	350	7	0.26%			
Lake-Sumter EMS	280	8	0.21%			
Cutrale Citrus Juices, USA, Inc.	275	9	0.20%	245	10	0.18%
Publix	250	10	0.19%			
Embarq Florida Inc				650	2	0.48%
Florida Crushed Stone				600	3	0.44%
Home Depot, Inc.				262	8	0.19%
Total	6,839		5.06%	5,095		4.20%
Lake County Labor Force	135,039			93,300		

Source: Labor Force data obtained for Lake County from Florida Labor Market Statistics, www.fred.labormarketinfo.com

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

<u>Function</u>	<u>2000</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>
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	7.00	8.00	5.00	5.00
Finance	39.00	41.00	41.00	43.00	44.00	43.00	47.00	51.50	50.00	50.00
Human Resources	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.50	6.00	6.00
MIS	7.00	8.00	8.00	10.00	11.00	14.00	12.00	12.00	12.00	12.00
Police										
Officers	61.10	62.10	62.10	66.25	72.25	73.25	77.25	76.75	72.00	72.25
Civilians	20.75	24.75	24.75	25.75	25.75	25.75	26.00	30.00	34.25	34.00
Fire										
Firefighters and officers	36.00	36.00	36.00	37.00	43.00	49.00	56.00	68.00	66.00	66.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works										
GIS / Engineering	8.00	7.00	7.00	7.34	8.34	8.50	12.00	13.00	7.00	7.00
Other	23.75	27.50	20.50	16.00	18.00	20.50	25.00	26.00	16.10	16.10
Planning & Zoning	9.25	12.00	12.00	11.66	11.66	14.00	18.00	20.00	5.50	5.50
Housing & Economic Development	3.00	3.00	3.00	4.00	4.00	4.00	4.00	5.00	3.00	3.00
Library	22.30	22.30	22.30	23.00	23.00	23.80	28.25	28.75	22.00	25.47
Recreation	38.75	39.75	39.75	43.75	43.65	45.65	51.00	56.50	52.00	52.00
Airport					1.00	1.00	1.00	1.00	1.00	1.00
Subtotal for Governmental Funds	286.90	301.40	294.40	305.75	324.65	341.45	376.50	409.00	357.85	361.32
Electric	53.00	55.00	55.00	53.50	47.50	49.50	49.50	55.00	50.00	50.00
Gas	12.92	16.00	16.00	16.50	17.50	22.50	22.50	21.00	19.00	19.00
Water	18.41	22.50	22.50	23.59	27.00	28.50	30.50	30.50	34.50	34.50
Wastewater	31.67	37.50	37.50	38.91	37.00	38.00	41.50	43.50	46.50	46.50
Stormwater	6.00	6.50	6.50	5.50	4.00	4.00	4.00	4.00	4.00	4.00
Communication					2.00	3.00	5.00	5.00	5.00	5.00
Solid Waste	17.00	19.00	19.00	19.00	19.00	18.00	18.00	19.00	19.90	19.90
Carver Heights CRA									1.00	1.00
Building Permits								9.50	6.50	6.50
Subtotal for Business Type Funds	139.00	156.50	156.50	157.00	154.00	163.50	171.00	187.50	186.40	186.40
Total	425.90	457.90	450.90	462.75	478.65	504.95	547.50	596.50	544.25	547.72

Source: City Annual Budget

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Responses to calls for service	40,283	41,000	39,560	41,534	44,060	54,659	52,061	50,893	47,078	44,459
Part I crimes	1,482	1,500	1,363	1,236	1,365	1,563	1,532	1,429	1,565	1,572
Traffic crashes & citations	8,898	9,070	6,890	8,130	7,491	10,844	8,356	6,553	6,567	6,271
Fire										
Emergency responses	4,300	4,900	5,182	4,669	4,230	4,440	4,693	5,264	5,831	6,395
Inspections	404	810	1,822	1,805	1,900	1,351	1,278	1,392	1,344	1,803
Pre-fire plans	N/A	N/A	311	254	164	578	455	468	306	107
Solid Waste										
Residential tons taken to incinerator	5,000	5,200	5,672	6,000	6,108	1,832	7,730	8,167	8,167	7,457
Residential tons of recyclables	1,500	812	416	400	486	101	406	402	402	390
Hand commercial collected	1,031	1,149	1,126	608	786	164	763	784	784	864
Commercial dumpster collected	8,485	8,762	9,541	7,693	9,840	2,865	11,729	11,293	11,293	12,598
Fleet Maintenance										
Vehicles owned by the City	N/A	N/A	610	644	625	673	655	696	584	609
Percent maintained by Fleet	N/A	N/A	53%	90%	100%	100%	100%	100%	100%	100%
Preventive maintenance complete	N/A	N/A	302	640	710	550	656	675	557	450
Community Development										
Building permits issued within the City	1,537	430	311	406	2,122	3,666	4,599	2,878	2,238	1,943
Construction value of permits (thousands)	\$ 41,483	\$ 39,185	\$ 43,973	\$ 23,483	\$ 42,477	\$ 135,535	\$ 162,042	\$ 86,858	\$ 82,479	\$ 36,367
Culture and Recreation										
Youth programs	93	97	72	83	85	54	144	131	166	150
Number of bookings at rental facilities	650	582	539	501	608	829	760	6,935	6,331	5,782
Total service hours	1,950	2,000	1,469	1,645	1,298	N/A	2,786	22,101	27,035	28,213
Participants using the pools	10,750	10,700	7,029	8,082	11,360	10,137	16,525	23,633	12,818	16,903
Library service hours	3,360	3,360	3,350	3,390	3,292	3,346	3,482	3,270	3,296	2,402
Circulation - adults	201,838	201,706	216,761	224,067	250,516	258,695	252,150	265,918	273,155	274,996
Circulation - juvenile	40,879	33,286	32,840	31,222	34,416	59,367	68,984	77,636	83,589	86,610
Internet use	20,071	21,636	15,929	34,146	33,198	34,985	44,264	65,210	138,985	141,556
Electric										
Number of residential customers	15,125	15,336	15,551	15,801	16,425	17,013	17,439	17,841	17,732	17,666
Average daily consumption (KWh)	34.73	35.37	34.00	36.67	33.70	35.23	36.14	33.86	33.11	32.65
Gas										
Number of residential customers	7,838	8,047	8,186	8,421	8,845	9,130	9,607	10,116	11,300	11,259
Average daily consumption (therms)	0.67	0.77	0.60	0.73	0.67	0.63	0.58	0.53	0.43	0.57
Water										
Number of residential customers	8,901	9,163	9,372	9,633	10,056	10,491	14,504	15,426	13,885	15,616
Average daily consumption (gallons)	372.60	332.83	310.33	284.38	311.65	293.68	286.18	322.30	478.44	530
Wastewater										
Number of residential customers	N/A	N/A	9,357	9,609	10,185	10,618	14,051	15,515	12,861	17,032
Average daily sewage treatment (gallons)	N/A	N/A	177.34	196.30	210.97	232.13	207.89	318.44	207.39	174

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.

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police stations	2	2	2	1	1	1	1	1	1	1
Fire stations	2	2	2	3	3	3	4	4	4	4
Solid Waste										
Collection trucks	17	20	24	22	24	23	21	23	23	19
Annexation Acres	193.30	3,720.96	126.22	1,025.04	125.49	1,005.12	1,704.21	2,374.07	271.04	1.63
Corporate Limits:										
Acres	14,010.29	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
Square Miles	21.89	27.71	27.90	29.50	29.70	31.26	33.78	38.08	38.50	38.52
Streets										
Paved (miles)	80.7	80.9	80.9	84.1	84.1	79.0	79.0	79	79	79
Unpaved (miles)	3.2	3.2	3.2	3.2	3.2	1.7	1.7	1.7	1.7	1.7
Culture and Recreation										
Rental facilities	3	3	3	3	3	6	6	224	225	225
Museum	N/A	1	1	1	1	1	1	1	1	1
Parks facilities managed	10	10	10	22	22	50	50	22	23	23
Parks acreage	226	226	226	280	280	290	290	300	300	300
Library facilities	1	1	1	1	1	1	1	1	1	1
Volumes in collection	129,535	174,607	170,427	114,492	133,604	139,394	140,990	132,914	128,849	129,882
Electric										
Primary electric lines within the city (miles)	358	365	371	376	382	389	392	392	392	440
Overhead conductor replaced (feet)	N/A	N/A	38,769	35,000	12,769	20,825	N/A	1,000	41,392	9,870
Underground primary conductor replaced (feet)	N/A	N/A	22,000	33,000	270	16,450	37,500	3,000	25,519	24,975
Gas										
Gas mains	205	205	211	218	226	227	236	237	238	239
Gate stations	2	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles)	332	332	332	325	325	255	295	350	302	375
Maximum capacity (millions of gallons)	3.5	7.5	7.9	9.1	9.1	9.1	28.0	28	28	28
Deep wells	14	15	15	15	17	17	20	21	21	21
Wastewater										
Sewers force mains (miles)	101	103	103	103	103	61	63	77	81	81
Sewers gravity lines (miles)	70	70	70	70	116	130	133	165	169	169
Lift stations	97	100	100	102	110	114	124	146	173	162
Disposal plants	2	2	2	2	2	2	2	2	3	3
Maximum capacity (millions of gallons per day)	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,870	8,370
Communication										
Fiber optics cable (miles)	N/A	38	50	70	140	158	166	169	171	173

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

OTHER REPORTS SECTION

This section contains the following subsections:

- ◆ Schedule of Expenditures of Federal Awards
- ◆ Schedule of Expenditures of State Financial Assistance
- ◆ Independent Auditors' Reports

**CITY OF LEESBURG, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
U.S. Department of Justice				
Direct:				
Bulletproof Vest Partnership		16.607	\$ 12,484	\$ 6,404
Indirect:				
Passed Through State of Florida Department of Law Enforcement:				
Byrne Grant - JAG	2009-JAGD-LAKE-3-T8-016	16.738	4,280	4,280
Total U.S. Department of Justice			<u>16,764</u>	<u>10,684</u>
U.S. Department of Labor				
Indirect:				
Passed Through Workforce Central Florida:				
WIA Adult Program	438	17.258	9,698	962
WIA Adult Program	438	17.258	9,698	6,876
WIA Adult Program	438-1	17.258	10,260	3,703
WIA Adult Program	572	17.258	2,258	750
Total U.S. Department of Labor			<u>31,914</u>	<u>12,291</u>
U.S. Department of Transportation				
Direct:				
Extend Runway 13/31 - Phase One Design	3-12-0042-014-2006	20.106	675,434	9,837
Extend Runway 13/31 - Phase One Construction	3-12-0042-015-2007	20.106	2,995,618	113,314
Extend Runway 13/31 - Phase Two Land Mitigation	3-12-0042-017-2008	20.106	111,240	111,239
Extend Runway 13/31 - Phase Two Land Mitigation	3-12-0042-018-2008	20.106	968,872	172,044
Extend Runway 31 - Phase Two and Three Mitigation and Construction	3-12-0042-019-2009	20.106 ARRA	3,835,397	2,432,109
Subtotal Expenditures - CFDA No. 20.106			<u>8,586,561</u>	<u>2,838,543</u>
Indirect:				
Passed Through State of Florida Department of Transportation:				
Lee/Wild Trail Design Phase 2		20.205	264,000	198,508
Total U.S. Department of Transportation			<u>8,850,561</u>	<u>3,037,051</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(Concluded)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security				
Indirect:				
Passed Through State of Florida Division of Emergency Management:				
Disaster Grants		97.036	\$ 27,882	\$ 27,882
Passed Through Florida Department of Financial Services:				
SAFER Fire Grant	EMW-2005-FF-01331	97.083	<u>1,200,000</u>	<u>173,618</u>
Total U.S. Department of Homeland Security			<u>1,227,882</u>	<u>201,500</u>
Total Expenditures of Federal Programs			<u>\$ 10,127,121</u>	<u>\$ 3,261,526</u>

Note to the Schedule of Expenditures of Federal Programs

Basis of Presentation

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

CITY OF LEESBURG, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

<u>State Grantor/Program Title</u>	<u>Grant Number</u>	<u>CSFA Number</u>	<u>Program or Award Amount</u>	<u>State Expenditures</u>
Florida Department of Environmental Protection				
Direct:				
Fountain Lake Trail	A8031	37.017	\$ 200,000	\$ 19,639
Whispering Pines Stormwater	SO263	37.039	714,500	345,512
Indirect:				
Passed Through St. Johns River Water Management District	SJ38213	37.066	2,660,000	369,321
Total Florida Department of Environmental Protection			3,574,500	734,472
Florida Department of Transportation				
Direct:				
Runway and Taxiway Lighting	AP034	55.004	320,000	254,576
Runway 3/21 Design Overlay	AP996	55.004	180,000	150,814
Runway 13/31 Phase I	AON33	55.004	120,110	23,113
Extend Runway 13/31 Phase II and III	AON33	55.004	20,133	4,244
Total Florida Department of Transportation			640,243	432,747
Florida Department of Health				
Direct:				
EMS Computer Aided Dispatch Equipment	M7032	64.003	60,750	53,897
Total Expenditures of State Projects			\$ 4,275,493	\$ 1,221,116

Note to the Schedule of Expenditures of State Projects

Basis of Presentation

The accompanying schedule of expenditures of state projects is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, *Rules of the Auditor General, Local Governmental Entity Audits*.

DEBT DISCLOSURE SECTION

This section contains the following subsections:

- ◆ Historical Statement of Pledged Revenues for all City of Leesburg bonds
- ◆ Pro Forma Debt Service Coverage
- ◆ Current Rate Ordinances for the Electric System and Utilities Systems
- ◆ Rate Comparisons for all Utilities
- ◆ Ten Largest Customers for each Utility System
- ◆ Historical Operating Results for each Utility System

DEBT DISCLOSURE
CITY OF LEESBURG, FLORIDA
SEPTEMBER 30, 2009

HISTORIC STATEMENT OF PLEDGED REVENUES AND PRO FORMA DEBT SERVICE COVERAGE

The information in the following table sets forth the historic Pledged Revenues, and the coverage provided by Sales Tax and Guaranteed Entitlements of debt service on the 1999 Bonds for the indicated years and the coverage provided by Pledged Revenues (after payment of debt service on the 1999 Bonds) for the indicated years of maximum amount debt service on the Series 2004 Bonds for such years.

City of Leesburg, Florida
Historical Operating Results
System

Amounts expressed in thousands

Description	Fiscal Year Ended September 30						
	2003	2004	2005	2006	2007	2008	2009
Half-Cent Sales Tax	\$ 822	\$ 919	\$ 997	\$ 1,094	\$ 1,002	\$ 964	\$ 899
Guaranteed Entitlement	309	309	309	309	309	309	309
Miscellaneous Revenues	2	5	3	-	-	-	-
Total	\$ 1,134	\$ 1,233	\$ 1,309	\$ 1,403	\$ 1,311	\$ 1,273	\$ 1,208
Debt Service on 1999 Bonds	\$ 499	\$ 498	\$ 498	\$ 496	\$ 495	\$ 497	\$ 500
Half-Cent Sales Tax and Guaranteed Entitlement less Debt Service on 1999 Bonds	\$ 635	\$ 735	\$ 812	\$ 907	\$ 816	\$ 776	\$ 708
Public Services Tax	2,125	2,601	2,955	2,771	2,858	3,058	3,127
Total	\$ 2,759	\$ 3,336	\$ 3,767	\$ 3,678	\$ 3,675	\$ 3,834	\$ 3,835
Annual Debt Service on Series 2004 Bonds	\$	\$ 126	\$ 798	\$ 798	\$ 1,114	\$ 1,111	\$ 1,111
Debt Service Coverage		26.42	4.72	4.61	3.30	3.45	3.45
Required Coverage ²	1.25	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 seven fiscal years ended September 30, 2003 through 2009 are shown in the table below.

City of Leesburg, Florida Historical Operating Results System	Amounts expressed in thousands						
	Fiscal Year Ended September 30						
Description	2003	2004	2005	2006	2007	2008	2009
Operating Revenues	\$ 40,019	\$ 45,347	\$ 49,716	\$ 60,197	\$ 60,077	\$ 69,371	\$ 70,986
Less: Operating Expenses ¹	33,430	38,456	42,428	52,211	51,343	59,762	61,013
Net Operating Revenues	\$ 6,589	\$ 6,891	\$ 7,287	\$ 7,986	\$ 8,734	\$ 9,609	\$ 9,973
Other Income ²	799	731	588	491	785	932	581
Total Available for Debt Service	\$ 7,388	\$ 7,623	\$ 7,875	\$ 8,477	\$ 9,519	\$ 10,541	\$ 10,554
Debt Service							
Series 1999A ³	1,160	351	-	-	-	-	-
Series 2004 Bonds ⁴	-	-	-	-	780	1,096	1,091
Series 2007A and 2007B Bonds ⁵	-	-	-	-	-	1,235	1,235
Total Electric System Debt Service	\$ 1,160	\$ 351	\$ -	\$ -	\$ 780	\$ 2,331	\$ 2,326
Capital Contribution/Impact Fees	\$ 158	\$ 296	\$ 2,060	\$ 1,158	\$ 772	\$ 622	\$ 274
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
Total Transfers In/(Out)	(4,972)	(8,856)	(6,865)	(5,314)	(6,577)	(5,729)	(4,843)
Net Funds Available from Operations	\$ 1,414	\$ (1,288)	\$ 3,071	\$ 4,321	\$ 2,934	\$ 3,103	\$ 3,659
Debt Service Coverage:⁶							
Debt Service Coverage on Bonds	6.37	21.74	-	-	12.21	4.52	4.54
Required Coverage Test	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 System		Amounts expressed in thousands							
Description		Fiscal Year Ended September 30							
		2003	2004	2005	2006	2007	2008	2009	2009
	Operating Revenues	\$ 6,674	\$ 7,601	\$ 8,605	\$ 10,324	\$ 8,575	\$ 10,071	\$ 10,071	\$ 8,255
	Less: Operating Expenses	6,342	7,231	7,581	8,983	6,868	7,760	7,760	5,701
	Net Operating Revenues	\$ 331	\$ 370	\$ 1,025	\$ 1,340	\$ 1,707	\$ 2,312	\$ 2,312	\$ 2,554
	Other Income	102	78	55	78	127	97	97	73
	Total Available for Debt Service	\$ 433	\$ 448	\$ 1,079	\$ 1,418	\$ 1,834	\$ 2,408	\$ 2,408	\$ 2,627
	Debt Service								
	Series 1999A and 1999B Bonds	142	43	-	-	-	-	-	-
	Series 2004 Bonds	-	-	-	-	255	253	253	253
	Series 2007A and 2007B Bonds	-	-	-	-	-	118	118	118
	Total Debt Service	\$ 142	\$ 43	\$ -	\$ -	\$ 255	\$ 371	\$ 371	\$ 371
	Capital Contribution/Impact Fees	-	-	\$ 4	-	-	195	195	115
	Amount Available for Working Capital, Transfer to the General Fund & Capital Improvements	\$ 291	\$ 405	\$ 1,083	\$ 1,418	\$ 1,579	\$ 2,232	\$ 2,232	\$ 2,372
	Total Transfers In/(Out)	(634)	(767)	(1,138)	(820)	(851)	(1,072)	(1,072)	(863)
	Net Funds Available from Operations	\$ (343)	\$ (362)	\$ (54)	\$ 598	\$ 728	\$ 1,160	\$ 1,160	\$ 1,508
	Debt Service Coverage:								
	Debt Service Coverage on Bonds	3.05	10.44	-	-	7.19	6.50	6.50	7.09
	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 - Water Utility

City of Leesburg, Florida Historical Operating Results System	Amounts expressed in thousands						
	Fiscal Year Ended September 30						
Description	2003	2004	2005	2006	2007	2008	2009
Operating Revenues	\$ 3,961	\$ 4,490	\$ 4,401	\$ 5,565	\$ 7,383	\$ 6,996	\$ 6,874
Less: Operating Expenses	2,778	3,403	3,451	3,883	4,891	4,958	4,879
Net Operating Revenues	\$ 1,183	\$ 1,087	\$ 951	\$ 1,682	\$ 2,492	\$ 2,038	\$ 1,995
Other Income	241	176	127	148	178	161	324
Total Available for Debt Service	\$ 1,424	\$ 1,263	\$ 1,078	\$ 1,831	\$ 2,670	\$ 2,199	\$ 2,319
Debt Service							
Series 1999A and 1999B Bonds	339	103	-	-	-	-	-
Series 2004 Bonds	-	-	-	-	530	526	526
Series 2007A and 2007B Bonds	-	-	-	-	-	674	674
Total Debt Service	\$ 339	\$ 103	\$ -	\$ -	\$ 530	\$ 1,200	\$ 1,200
Capital Contribution/Impact Fees	\$ 347	\$ 811	\$ 1,097	\$ 2,467	\$ 1,624	\$ 680	\$ 822
Amount Available for Working Capital, Transfer to the General Fund & Capital Improvements	\$ 1,432	\$ 1,972	\$ 2,175	\$ 4,297	\$ 3,764	\$ 1,678	\$ 1,941
Total Transfers In/(Out)	(1,765)	(811)	(1,785)	(568)	(793)	(804)	(828)
Net Funds Available from Operations	\$ (334)	\$ 1,161	\$ 390	\$ 3,729	\$ 2,971	\$ 874	\$ 1,113
Debt Service Coverage:							
Debt Service Coverage on Bonds	4.20	12.31	-	-	5.03	1.83	1.93
Required Coverage Test	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 System		Amounts expressed in thousands					
		Fiscal Year Ended September 30					
Description	2003	2004	2005	2006	2007	2008	2009
Operating Revenues	\$ 4,609	\$ 5,868	\$ 7,079	\$ 7,908	\$ 9,157	\$ 9,630	\$ 9,426
Less: Operating Expenses	3,687	4,279	4,780	5,399	6,041	6,305	6,054
Net Operating Revenues	\$ 923	\$ 1,588	\$ 2,299	\$ 2,510	\$ 3,116	\$ 3,325	\$ 3,372
Other Income	93	145	123	237	539	82	591
Total Available for Debt Service	\$ 1,016	\$ 1,733	\$ 2,423	\$ 2,747	\$ 3,656	\$ 3,407	\$ 3,963
Debt Service							
Series 1999A and 1999B Bonds	241	73	-	-	-	-	-
Series 2004 Bonds	-	-	-	-	735	729	729
Series 2007A and 2007B Bonds	-	-	-	-	-	311	311
Total Debt Service	\$ 241	\$ 73	\$ -	\$ -	\$ 735	\$ 1,040	\$ 1,040
Capital Contribution/Impact Fees	\$ 601	\$ 1,219	\$ 2,679	\$ 1,826	\$ 1,012	\$ 1,142	\$ -
Amount Available for Working Capital, Transfer to the General Fund & Capital Improvements	\$ 1,376	\$ 2,879	\$ 5,102	\$ 4,572	\$ 3,933	\$ 3,509	\$ 2,924
Total Transfers In/(Out)	(331)	(404)	(1,045)	(497)	(664)	(733)	(724)
Net Funds Available from Operations	\$ 1,046	\$ 2,475	\$ 4,057	\$ 4,075	\$ 3,269	\$ 2,776	\$ 2,200
Debt Service Coverage:							
Debt Service Coverage on Bonds	-	-	-	-	4.98	3.28	3.81
Required Coverage Test	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 seven fiscal years ended September 30, 2003 through 2009 are shown in the table below.

City of Leesburg, Florida Historical Operating Results System	Amounts expressed in thousands						
	Fiscal Year Ended September 30						
Description	2003	2004	2005	2006	2007	2008	2009
Operating Revenues	\$ 15,244	\$ 17,958	\$ 20,086	\$ 23,797	\$ 25,116	\$ 26,697	\$ 24,555
Less: Operating Expenses	12,807	14,913	15,811	18,265	17,800	19,023	16,634
Net Operating Revenues	\$ 2,437	\$ 3,045	\$ 4,275	\$ 5,532	\$ 7,316	\$ 7,674	\$ 7,921
Other Income	436	400	305	463	844	340	988
Total Available for Debt Service	\$ 2,873	\$ 3,445	\$ 4,580	\$ 5,995	\$ 8,160	\$ 8,014	\$ 8,909
Debt Service							
Series 1999A and 1999B Bonds ¹	722	218	-	-	-	-	-
Series 2004 Bonds ²	-	-	-	-	1,520	1,508	1,508
Series 2007A and 2007B Bonds ³	-	-	-	-	-	1,102	1,103
Total Debt Service	\$ 722	\$ 218	\$ -	\$ -	\$ 1,520	\$ 2,610	\$ 2,610
Capital Contribution/Impact Fees	\$ 948	\$ 2,030	\$ 3,781	\$ 4,292	\$ 2,636	\$ 2,016	\$ 937
Amount Available for Working Capital, Transfer to the General Fund & Capital Improvements	\$3,099	\$5,257	\$8,360	\$10,287	\$9,276	\$7,420	\$7,236
Total Transfers In/(Out)	(2,730)	(1,982)	(3,968)	(1,885)	(2,309)	(2,609)	(2,415)
Net Funds Available from Operations	\$ 369	\$ 3,275	\$ 4,392	\$ 8,402	\$ 6,968	\$ 4,811	\$ 4,822
Debt Service Coverage:⁴							
Debt Service Coverage on Bonds	-	-	-	-	5.37	3.07	3.41
Required Coverage Test	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

⁴Excludes revenues from capacity charges per Bond Resolution.

CITY OF LEESBURG, FLORIDA

Electric System

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

Line No.	Comparable Utility	Fuel Adj. (\$/1000 kWh)	Usage			
			500 kWh	1,000 kWh	2,000 kWh	3,000 kWh
Residential Service						
1	City of Leesburg, Florida	\$39.75	\$71.14	\$131.66	\$252.70	\$373.74
Florida Municipalities or Cooperatives:						
2	City of Gainesville	59.75	62.08	134.20	295.95	457.70
3	City of Lakeland	56.97	60.89	113.79	227.08	342.86
4	City of Ocala	55.21	74.59	139.84	195.05	250.26
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	64.70	67.91	129.50	252.68	375.86
Investor-Owned Utilities ^[2]:						
8	Florida Power and Light	63.36	47.51	89.33	172.97	256.61
9	Progress Energy	46.11	65.70	123.37	253.48	383.59
10	Tampa Electric Company	54.46	60.21	109.91	229.32	348.73
11	Average		63.27	119.79	233.39	347.30
12	Minimum		47.51	89.33	172.97	250.26
13	Max		74.59	139.84	295.95	457.70
General Service (Nondemand)						
			500 kWh	1,000 kWh	2,000 kWh	3,000 kWh
14	City of Leesburg, Florida	\$39.75	\$74.73	\$138.84	\$267.06	\$395.28
Florida Municipalities or Cooperatives:						
15	City of Gainesville	59.75	90.38	155.25	301.50	464.25
16	City of Lakeland	56.97	64.24	118.49	226.98	335.46
17	City of Ocala	55.21	77.39	142.55	272.88	403.21
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	64.70	61.53	115.15	222.39	329.63
Investor-Owned Utilities ^[2]:						
21	Florida Power and Light	66.88	63.47	117.85	226.62	335.39
22	Progress Energy	49.23	82.08	144.58	269.58	394.59
23	Tampa Electric Company	57.78	71.17	131.83	253.16	374.49
24	Average		73.86	133.53	254.91	378.36
25	Minimum		63.47	117.85	226.62	335.39
26	Max		90.38	155.25	301.50	464.25

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	\$39.75	\$2,172.87	\$4,848.67	\$12,924.37	\$21,525.57
<u>Florida Municipalities or Cooperatives:</u>						
28	City of Gainesville	59.75	2,542.50	5,502.50	15,030.00	25,020.00
29	City of Lakeland	56.97	1,923.15	4,166.30	11,388.90	18,924.50
30	City of Ocala	55.21	2,403.64	5,076.54	14,092.34	23,757.34
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	64.70	1,889.12	4,204.72	11,029.62	18,342.02
<u>Investor-Owned Utilities ^[2]:</u>						
34	Florida Power and Light	58.36	1,874.01	4,106.21	11,067.51	23,294.87
35	Progress Energy	49.23	2,255.08	4,801.43	13,432.62	22,374.66
36	Tampa Electric Company	76.22	2,318.50	5,000.50	13,626.00	22,672.00
37	Average		2,154.50	4,636.77	12,715.87	21,808.67
38	Minimum		1,874.01	4,106.21	11,067.51	18,924.50
39	Max		2,542.50	5,502.50	15,030.00	25,020.00

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	\$17.52	\$38.08	\$58.64	\$79.19	\$99.75	\$110.03
Florida Municipalities:							
2	Energy Services of Pensacola	22.42	52.76	83.11	113.45	143.79	158.96
3	City of Gainesville	20.73	43.15	65.56	87.98	110.40	121.60
4	City of Tallahassee	24.15	53.44	82.73	112.03	141.32	155.97
Regulated Natural Gas Companies:							
5	City Gas Company of Florida ^[2]	22.35	51.06	79.76	108.46	137.17	149.05
6	Peoples Gas System, Inc. ^[3]	24.72	50.15	75.59	101.02	126.45	139.17
7	St. Joe Natural Gas Company	31.34	68.03	104.71	141.39	178.08	196.42
8	Average	24.28	53.10	81.91	110.72	139.53	153.53
9	Minimum	20.73	43.15	65.56	87.98	110.40	121.60
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	\$113.65	\$319.24	\$524.82	\$730.40	\$1,038.78	\$2,066.69
Florida Municipalities:							
12	Energy Services of Pensacola	166.45	474.49	782.53	1,090.57	1,552.63	3,092.83
13	City of Gainesville	124.58	313.75	502.92	692.08	975.83	1,921.67
14	City of Tallahassee	173.14	485.42	797.70	1,109.98	1,578.40	3,139.80
Regulated Natural Gas Companies:							
15	City Gas Company of Florida ^[2]	149.05	421.51	695.18	897.77	1,277.38	2,271.60
16	Peoples Gas System, Inc. ^[3]	151.70	385.10	618.49	851.89	1,201.99	2,368.98
17	St. Joe Natural Gas Company	162.37	447.11	731.85	1,016.59	1,443.70	2,579.46
18	Average	154.55	421.23	688.11	943.15	1,338.32	2,562.39
19	Minimum	124.58	313.75	502.92	692.08	975.83	1,921.67
20	Max	173.14	485.42	797.70	1,109.98	1,578.40	3,139.80

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					
		3,000 Gallons	5,000 Gallons	7,500 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
5/8" Meter Residential							
1	City of Leesburg, Florida	\$10.28	\$12.16	\$14.71	\$18.08	\$25.23	\$34.93
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	12.25	15.55	19.68	25.45	41.95	58.45
5	City of Homestead	10.34	12.56	15.34	18.11	23.66	29.21
6	City of Ocala	12.09	14.01	16.42	18.83	26.10	38.20
7	Orange County Public Utilities	9.18	11.88	15.26	18.63	32.03	45.43
8	Orlando Utilities Commission	9.40	11.56	14.50	18.48	26.42	35.61
9	St. Lucie County	46.82	54.70	64.55	80.33	111.88	154.83
10	City of St. Petersburg	17.19	23.17	32.05	44.04	69.34	102.89
11	City of Tallahassee	9.29	11.87	15.09	18.55	27.30	36.05
12	City of Vero Beach	16.15	17.85	24.80	31.75	45.65	73.45
13	Average	15.91	19.90	25.48	32.47	48.48	69.34
14	Minimum	9.18	11.56	14.50	18.11	23.66	29.21
15	Max	46.82	54.70	64.55	80.33	111.88	154.83

2" Meter Commercial					
		50,000 Gallons	150,000 Gallons	200,000 Gallons	500,000 Gallons
16	City of Leesburg, Florida	\$76.55	\$214.24	\$283.08	\$696.15
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	172.30	502.30	667.30	1,657.30
20	City of Homestead	142.02	328.02	421.02	979.02
21	City of Ocala	178.29	301.28	362.78	731.76
22	Orange County Public Utilities	95.95	230.95	298.45	703.45
23	Orlando Utilities Commission	98.80	252.90	329.95	792.25
24	St. Lucie County ^[2]	652.41	2,056.63	2,758.74	6,971.41
25	City of St. Petersburg ^[3]	220.17	519.17	668.67	1,565.67
26	City of Tallahassee	70.07	221.07	296.57	749.57
27	City of Vero Beach	184.15	444.15	574.15	1,354.15
28	Average	213.64	582.45	778.97	1,985.88
29	Minimum	70.07	221.07	296.57	703.45
30	Max	652.41	2,056.63	2,758.74	6,971.41

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 = 9,000 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					
		3,000 Gallons	5,000 Gallons	7,500 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
5/8" Meter Residential							
1	City of Leesburg, Florida	\$25.25	\$28.15	\$31.77	\$35.39	\$42.64	\$42.64
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	21.21	31.35	44.03	56.70	82.05	107.40
5	City of Homestead	23.23	29.25	36.78	44.30	59.35	74.40
6	City of Ocala	31.06	36.89	44.18	51.46	52.84	52.84
7	Orange County Public Utilities	24.19	30.73	38.91	47.08	60.16	60.16
8	City of Orlando ^[3]	20.95	26.81	34.14	41.46	53.18	53.18
9	St. Lucie County	38.51	51.35	67.40	83.45	83.45	83.45
10	City of St. Petersburg	20.98	28.46	37.81	47.16	65.86	84.56
11	City of Tallahassee ^[5]	27.85	36.93	48.28	59.63	82.33	105.03
12	City of Vero Beach	28.68	34.54	41.87	49.19	64.69	80.19
13	Average	26.51	34.37	44.18	54.00	65.84	74.68
14	Minimum	20.95	26.81	34.14	41.46	52.84	52.84
15	Max	38.51	51.35	67.40	83.45	83.45	107.40
2" Meter Commercial							
		50,000 Gallons	150,000 Gallons	500,000 Gallons			
16	City of Leesburg, Florida	\$185.43	\$482.28	\$1,521.28			
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	259.50	766.50	2,541.00			
20	City of Homestead	272.74	648.74	1,964.74			
21	City of Ocala	514.09	805.54	1,825.59			
22	Orange County Public Utilities	260.06	587.06	1,731.56			
23	City of Orlando ^[3]	232.84	699.72	2,333.22			
24	St. Lucie County ^[4]	481.39	1,444.17	4,813.89			
25	City of St. Petersburg	275.76	649.76	1,958.76			
26	City of Tallahassee	340.76	794.76	2,383.76			
27	City of Vero Beach	240.48	533.48	1,558.98			
28	Average	321.86	790.36	2,430.03			
29	Minimum	232.84	533.48	1,558.98			
30	Max	514.09	1,444.17	4,813.89			

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.

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 Richardson*
City Clerk

06/25/07

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. 08-13

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 MARCH 1, 2008; PROVIDING NEW PROPOSED BLOCK RATES; 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 03/01/2008	New Proposed Block Rates 03/01/2008
<u>Customer Charge Residential, Master-Meter, Commercial, and Sprinklers Meter Size</u>			
1.	ALL METER SIZES	\$ 7.40	
<u>Customer Charge Irrigation Meter Size</u>			
2.	ALL METER SIZES	\$ 3.70	
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)		New Proposed
	Consumption Charge Potable Water Residential		<u>Block Rates (CCF)</u>
	<u>Block Rates (Per CCF)</u>	\$ 0.6200	BAS1 (0-6)
3.	BAS1 (0-12)	\$ 0.7010	BAS2 (6-12)
4.	BAS2 (13-21)	\$ 0.9540	BAS3 (13-21)
5.	BAS3 (22-45)	\$ 1.2600	BAS4 (22-45)
6.	BAS4 (over 46)	\$ 2.2500	BAS5 (over 46)

Consumption Charge Potable Water Commercial

	<u>Block Rates (Per CCF)</u>	
7.	All CCF (No CAP)	\$ 0.92100

	<u>Consumption Charge Residential Irrigation</u>		<u>New Proposed</u>
	<u>Block Rates (Per CCF)</u>		<u>Block Rates (CCF)</u>
8.	BAS1 (0-12)	\$ 0.95400	BAS1 (0-9)
9.	BAS2 (13-21)	\$ 1.26000	BAS2 (10-33)
10.	BAS3 (22-45)	\$ 2.25000	BAS3 (over 34)
11.	BAS4 (over 46)		

Consumption Charge Commercial and Common Area Irrigation

	<u>Block Rates (Per CCF)</u>		<u>New Proposed</u>
			<u>Block Rates (CCF)</u>
12.	BAS1 (0-12)	\$ 0.95400	BAS1 (0-33)
13.	BAS2 (13-21)	\$ 1.26000	BAS2 (over 34)
14.	BAS3 (22-45)		
15.	BAS4 (over 46)		

(2) Inside the City Water Rates (1,000 Gallons):

Line No.	Description	Proposed Rates Effective 03/01/2008	New Proposed <u>Block Rates</u> 03/01/2008
----------	-------------	-------------------------------------	--

Customer Charge Residential, Master-Meter, Commercial, and Sprinklers

	<u>Meter Size</u>	
1.	ALL METER SIZES	\$ 7.40

Customer Charge Irrigation

	<u>Meter Size</u>	
2.	ALL METER SIZES	\$ 3.70

Consumption Charge (Per 1,000 Gallons)

	<u>Consumption Charge Potable Water Residential</u>		<u>New Proposes</u>
	<u>Block Rates (Per 1,000 Gallons)</u>		<u>Block Rates (Gall.)</u>
3.	BAS1 (0-8)	\$ 0.82900	BAS1 (0-4)
4.	BAS2 (9-15)	\$ 0.93700	BAS2 (5-8)
5.	BAS3 (16-33)	\$ 1.27500	BAS3 (9-15)
6.	BAS4 (over 33)	\$ 1.68400	BAS4 (16-33)
		\$ 3.00800	BAS5 (over 33)

	<u>Consumption Charge Potable Water Commercial</u>	
	<u>Block Rates (Per 1,000 Gallons)</u>	
7.	ALL GALLONS(No CAP)	\$ 1.23100

	<u>Consumption Charge Residential Irrigation</u>		<u>New Proposed</u>
	<u>Block Rates (Per 1,000 Gallons)</u>		<u>Block Rates (Gall.)</u>
8.	BAS1 (0-8)	\$ 1.27500	BAS1 (0-7)
9.	BAS2 (9-15)	\$ 1.68400	BAS2 (8-25)
10.	BAS3 (16-33)	\$ 3.00800	BAS3 (over 25)
11.	BAS4 (over 33)		

	<u>Consumption Charge Commercial and Common Area Irrigation</u>		
	<u>Block Rates (Per 1,000 Gallons)</u>		
			<u>New Proposed</u>
			<u>Block Rates (Gall.)</u>
12.	BAS1 (0-8)	\$ 1.27500	BAS1 (0-25)
13.	BAS2 (9-15)	\$ 1.68400	BAS2 (over 25)
14.	BAS3 (16-33)		
15.	BAS4 (over 33)		

(3) Outside the City Water Rates (CCF):

Line No.	Description	Proposed Rates Effective 03/01/2008	New Proposed Block Rates 03/01/2008
----------	-------------	-------------------------------------	-------------------------------------

	<u>Customer Charge Residential, Master-Meter, Commercial, Irrigation and Sprinklers</u>		
	<u>Meter Size</u>		
1.	ALL METER SIZES	\$ 9.25	

	<u>Customer Charge Irrigation</u>		
	<u>Meter Size</u>		
2.	ALL METER SIZES	\$ 4.63	

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

	<u>Consumption Charge Potable Water Residential</u>		<u>New Proposed</u>
	<u>Block Rates (Per CCF)</u>		<u>Block Rates (CCF)</u>
		\$ 0.77500	BAS1 (0-6)
3.	BAS1 (0-12)	\$ 0.87600	BAS2 (6-12)
4.	BAS2 (13-21)	\$ 1.19300	BAS3 (13-21)
5.	BAS3 (22-45)	\$ 1.57500	BAS4 (22-45)
6.	BAS4 (over 46)	\$ 2.81300	BAS5 (over 46)

Consumption Charge Potable Water Commercial
Block Rates (Per CCF)

7. All CCF (No CAP) \$ 1.15100

Consumption Charge Residential Irrigation
Block Rates (Per CCF)

New Proposed
Block Rates (CCF)

8.	BAS1 (0-12)	\$ 1.19300	BAS1 (0-9)
9.	BAS2 (13-21)	\$ 1.57500	BAS2 (10-33)
10.	BAS3 (22-45)	\$ 2.81300	BAS3 (over 34)
11.	BAS4 (over 46)		

Consumption Charge Commercial and Common Area Irrigation
Blocked Rates (Per CCF)

New Proposed
Block Rates (CCF)

12.	BAS1 (0-12)	\$ 1.19300	BAS1 (0-33)
13.	BAS2 (13-21)	\$ 1.57500	BAS2 (over 34)
14.	BAS3 (22-45)		
15.	BAS4 (over 46)		

(4) Outside the City Water Rates (1,000 Gallons):

Line No.	Description	Proposed Rates Effective 03/01/2008	New Proposed <u>Block Rates</u> 03/01/2008
-------------	-------------	---	--

Customer Charge Residential, Master-Meter, Commercial, Irrigation and Sprinklers
Meter Size

1. ALL METER SIZES \$ 9.25

Customer Charge Irrigation
Meter Size

2. ALL METER SIZES \$ 4.63

Consumption Charge (Per 1,000 Gallons)

Consumption Charge Potable Water Residential
Blocked Rates (Per 1,000 gallons)

New Proposed
Block Rates (Gall.)

3.	BAS1 (0-8)	\$ 1.03600	BAS1 (0-4)
4.	BAS2 (9-15)	\$ 1.17100	BAS2 (5-8)
5.	BAS3 (16-33)	\$ 1.59500	BAS3 (9-15)
6.	BAS4 (over 33)	\$ 2.10600	BAS4 (16-33)
		\$ 3.76100	BAS5 (over 33)

**Consumption Charge Potable Water Commercial
Block Rates (Per 1,000 Gallons)**

7.	ALL GALLONS (No CAP)	\$ 1.53900	
	Consumption Charge Residential Irrigation Block Rates (Per 1,000 Gallons)		
			New Proposed Block Rates (Gall.)
8.	BAS1 (0-8)	\$ 1.59500	BAS1 (0-7)
9.	BAS2 (9-15)	\$ 2.10600	BAS2 (8-25)
10.	BAS3 (16-33)	\$ 3.76100	BAS3 (over 25)
11.	BAS4 (over 33)		

**Consumption Charge Commercial and Common Area Irrigation
Block Rates (Per 1,000 Gallons)**

			New Proposed Block Rates (Gall.)
12.	BAS1 (0-8)	\$ 1.59500	BAS1 (0-25)
13.	BAS2 (9-15)	\$ 2.10600	BAS2 (over 25)
14.	BAS3 (16-33)		
15.	BAS4 (over 33)		

- (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.

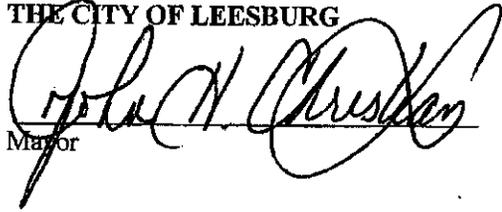
This ordinance shall become effective upon passage.

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 11th day of February, 2008.

THE CITY OF LEESBURG

By:

Mayor

A handwritten signature in black ink, appearing to read "John H. Christen", written over a horizontal line.

ATTEST:

A handwritten signature in black ink, appearing to read "Betty M. Richardson", written over a horizontal line.
City Clerk

F:\User\MarkB\City of Leesburg\Ordinances\Ordinance 22-211 Amendment.doc

02/11/08

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

Meter Size

1.	ALL METER SIZES	\$ 20.10	
----	-----------------	----------	--

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

Consumption Charge Wastewater Residential Block Rates (Per CCF)

New Proposed Block Rates CCF)

2.	Usage Up to 15 CCF	\$ 1.04200	Up to 21 CCF
----	--------------------	------------	--------------

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

Consumption Charge Wastewater Commercial and Municipal
Block Rates (Per CCF)

7.	COMMERCIAL I All CCF (No CAP)	\$ 1.71900
8.	COMMERCIAL II All CCF (No CAP)	\$ 2.13600
9.	COMMERCIAL III All CCF (No CAP)	\$ 2.65700
10.	COMMERCIAL IV All CCF (No CAP)	\$ 1.04200

(2) Inside the City Wastewater rates (1,000 Gallons):
Customer Charge Residential and Master-Meter

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

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.
----	----------------------------	------------	--

Customer Charge Commercial and Municipal
Commercial and Municipal Classes

3.	COMMERCIAL I	\$ 20.91
4.	COMMERCIAL II	\$ 35.59
5.	COMMERCIAL III	\$ 87.43
6.	COMMERCIAL IV	\$ 20.10

Consumption Charge Wastewater Commercial and Municipal
Block Rates (Per 1,000 Gallons)

7.	COMMERCIAL I All CCF (No CAP)	\$ 2.29800
8.	COMMERCIAL II All CCF (No CAP)	\$ 3.85600

9. COMMERCIAL III
All CCF (No CAP) \$ 3.55200

10. COMMERCIAL IV
All CCF (No CAP) \$ 1.39400

(3) Outside the City Wastewater Rates (CCF):
Customer Charge Residential and Master-Meter

Line No.	Description	Proposed Rates Rates Effective 03/01/2008	New Proposed Block Rates 03/01/2008
----------	-------------	---	---

Meter Size

1. ALL METER SIZES \$ 25.13

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

Consumption Charge Wastewater Residential Block Rates (Per CCF)	New Proposed Block Rates Th. Gall.
--	---------------------------------------

2. Usage Up to 15 CCF \$ 1.30300 Up to 21 CCF

Customer Charge Commercial and Municipal
Commercial and Municipal Classes

3. COMMERCIAL I \$ 26.14
4. COMMERCIAL II \$ 44.49
5. COMMERCIAL III \$ 109.29
6. COMMERCIAL IV \$ 25.13

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

Consumption Charge Wastewater Commercial and Municipal
Block Rates (Per CCF)

7. COMMERCIAL I
All CCF (No CAP) \$ 2.14900

8. COMMERCIAL II
All CCF (No CAP) \$ 2.67000

9. COMMERCIAL III
All CCF (No CAP) \$ 3.32100

10. COMMERCIAL IV
All CCF (No CAP) \$ 1.30300

(4) Outside the City Wastewater Rates (1,000 Gallons):

Customer Charge Residential and Master-Meter

Line No.	Description	Proposed Rates Rates Effective 03/01/2008	New Proposed Block Rates 03/01/2008
<u>Meter Size</u>			
1.	ALL METER SIZE Consumption Charge (Per 1,000 Gallons) Consumption Charge Wastewater Residential	\$ 25.13	
<u>Block Rates (Per 1,000 Gallons)</u>			
	Usage Up to 11,000 Gallons		New Proposed <u>Block Rates (Th. Gall.)</u>
2.	Usage Up to 11,000 Gallons	\$ 1.74200	Up to 15,000 Gall.
Customer Charge Commercial and Municipal			
<u>Commercial and Municipal Classes</u>			
3.	COMMERCIAL I	\$ 26.14	
4.	COMMERCIAL II	\$ 44.49	
5.	COMMERCIAL III	\$ 109.29	
6.	COMMERCIAL IV	\$ 25.13	
Consumption Charge Wastewater Commercial and Municipal			
<u>Block Rates (Per 1,000 Gallons)</u>			
7.	COMMERCIAL I All CCF (No CAP)	\$ 2.87300	
8.	COMMERCIAL II All CCF (No CAP)	\$ 3.57000	
9.	COMMERCIAL III All CCF (No CAP)	\$ 4.44000	
10.	COMMERCIAL IV All CCF (No CAP)	\$ 1.74200	

SECTION 2.

All ordinances or part of ordinances which are in conflict with this Ordinance are hereby repealed, to the extent necessary to alleviate the conflict, but shall continue in effect insofar as they are not in conflict herewith, unless repeal of the conflicting portion destroys the overall intent and effect of any of the conflicting ordinance, in which case those ordinances so affected shall be hereby repealed in their entirety.

SECTION 3.

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

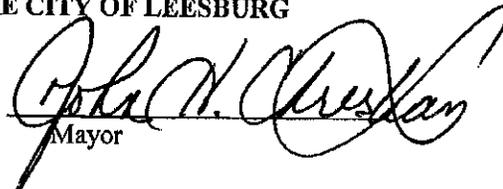
SECTION 4.

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

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 11th day of February, 2008.

THE CITY OF LEESBURG

By:


Mayor

ATTEST:


City Clerk

G:\User\MarkB\City of Leesburg\Ordinances\Ordinance 22-227 Amendment.doc
02/11/08