



# CITY OF LEESBURG FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING  
SEPTEMBER 30, 2015



## THE LAKEFRONT CITY





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**CITY OF LEESBURG, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**



**Prepared by Department of Finance**



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**CITY OF LEESBURG, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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## **INTRODUCTORY SECTION**



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## MISSION STATEMENT

"Dedicated to Our Community, Committed to Service Excellence"

March 31, 2016

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

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the City of Leesburg, Florida for the fiscal year ended September 30, 2015. The report fulfills the requirements set forth by State law, in accordance with the Florida Statutes Section 166.241 and Chapter 10.500 Rules of the Auditor General requires that all general purpose local governments publish each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) in the United States and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

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

Florida Statutes require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed by Moore, Stephens, Lovelace, P.A. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Leesburg for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City of Leesburg's financial statements for the fiscal year ended September 30, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Leesburg's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City of Leesburg is situated between Lake Harris and Lake Griffin in Lake County. To the south, the City extends past the intersection of U.S. Highway 27 with County Road 48, and south on County Road 33 past Florida's Turnpike. The City extends west on County Road 48 and County Road 470 past Florida's Turnpike to the Sumter County line. To the east, the City follows U.S. Highway 441 to County Road 473; the north is bounded by U.S. Highway 441 at Fruitland Park. The City occupies a land area of 40 square miles and has a population of almost 22,000. The City of Leesburg is located in north central Florida midway between the Gulf of Mexico and the Atlantic Ocean, approximately 200 miles southeast of the State Capital, Tallahassee, 80 miles northeast of Tampa, 40 miles northwest of Orlando and 70 miles southwest of Daytona Beach. The City is intersected by State Road 44, U.S. Highway 27, U.S. Highway 441 and Florida's Turnpike with Interstate 75 close by.

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

Leesburg's geographic location enables the City to offer three parks that include lake access to the beautiful Harris Chain of Lakes, one on Lake Griffin [Herlong Park] and two on Lake Harris [Venetian Gardens and Singletary Park]. Venetian Gardens offers a variety of recreational amenities, including great shoreline fishing opportunities, as seven pedestrian bridges connect islands within this picturesque setting. Other recreational amenities in Venetian Gardens include outdoor volleyball courts, a community swimming pool, Kids Korner Playground, pavilions, the Community Building, Venetian Cove Marina and Pat Thomas Stadium/Buddy Lowe Field that has hosted professional baseball in the past and is the current home of Leesburg High School varsity baseball and the Leesburg Lightning of the Florida Collegiate Summer League.

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

In 2007, the City's Library opened in a new building on Main Street consisting of almost 42,000 sq. ft. and featuring community meeting rooms, a Technology Lab, and an outdoor amphitheater for performances and events.

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

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

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

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

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

### **Budgetary Controls**

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

The City's adopted budget policy establishes budgetary control (i.e., the level at which expenditures cannot exceed the appropriated amount) at the fund level. Budgets for all governmental fund types are adopted on a basis consistent with GAAP. Department heads may make transfers of appropriations within a category from one division to another in their respective department, and transfers of appropriations between departments or categories can be approved by the City Manager. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget adopted by the City Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and major special revenue funds, these comparisons are presented as required supplementary information. For other governmental funds with appropriated annual budgets, these comparisons are presented in the Supplemental Information section of this report.

### **Economic Condition**

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

### **Local Economy**

Leesburg, and Lake County, as a whole, have transitioned in recent decades from agricultural roots to a growth-driven economy that is heavily centered in real estate, retail, personal services, and health care. For five of the last six years, Lake County's unemployment numbers have been slightly higher than the State of Florida and the United States, although it has decreased more than 5% since 2011. Housing prices have stabilized and are starting to slowly increase, as well as, ad valorem tax revenues. Vacancies in the downtown area have stabilized and are lower than levels experienced in the past. Overall, these factors have presented a challenge to the City in trying to prepare a balanced budget.

Although future revenues will be increasing, there is a need to address various budget items that were eliminated or reduced during the recession.

Leesburg's top private sector employer is Central Florida Health Alliance (fka LPMC), boasting a labor force of 1,850. Other principal employers within the City include Lifestream Behavioral Center, Lake Port Properties, Lake County School District and City of Leesburg. Health care, education, personal services, retail and construction are sectors with the highest employment levels in Lake County.

The County is striving to diversify its employment base and to overcome a lack of higher-wage jobs that are important to improve the local economy. One difficulty in attracting such employers could be related to desired public and higher education serving the local workforce. Typically, higher-paying employers look for cities and counties that exceed 30% of adults having higher educational degrees. Education should be a focal point for additional improvements as Lake County statistics show only about 10% of adults have attained these higher educational degrees.

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

Economic challenges and diminishing property values have a significant impact on the City's taxable property income since the recession began in FY 2008. FY2015 was the first year there was a slight increase in the City's property tax value. The prior years' decreases in the City's taxable value, coupled with property tax reform, have resulted in corresponding decreases in property tax revenues. Since FY2008, the City has seen the annual property tax revenues decrease from \$6.5 million to \$4.8 million. The taxable value is projected to increase slightly over the next year, but the rate of increase is not anticipated to be accelerating anytime soon.

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

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

### **Long-term Financial Planning**

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

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

In the past, the City typically extended services beyond the current available infrastructure based on a calculation to recoup the initial investment over a 5- to 7-year period.

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

- **Electric** – The department consistently evaluates the costs of outsourcing specific activities. In FY 2015, the Department started a major expansion into the Fruitland Park Area. The Villages will be adding 2,400 homes to the City of Fruitland Park in the next three years. The project will cost approximately \$7.5 million, which was primarily funded by the Villages. In addition, a revision to the 10-year Capital Improvement Plan is underway which will identify system replacements, upgrades, and improvements necessary to maintain a state of the art system well into the future.
- **Gas** – The City is a member of Florida Gas Utility (FGU), which is made up of natural gas utilities with a common goal of acquiring natural gas in bulk to reduce overall price to customers. Prior to 2006, the department followed a guideline of extending service to new customers based on a seven-year calculated return on initial investment. Since April of 2006, natural gas is being required in all new subdivisions within the city limits. Implementation of this policy will significantly reduce future capital outlay.
- **Water & Wastewater** – Future utility expansion will be based on the Utility Master Plan and assessed as development requires utility expansion. At the present time there is no funding source in water or wastewater for future utility expansion. The water utility is looking into long term solutions for increased water consumption driven by population growth. The Florida aquifer has limited resources and is not expected to keep pace with development. The Central Florida Water Initiative and other similar efforts will take a leading role in developing future water use policies.
- **Communications** – The utility has expanded their business marketing to customers for fiber optic cable and internet services. Because of expanded internet rates, and the offering of broadband communications services, the city continues to extend fiber optic connections to customers.
- **Solid Waste** – The Solid Waste Division recently executed a long term disposal agreement with Covanta Lake II, Inc. a waste to energy facility that produces electricity by burning municipal solid waste. The 5 year agreement includes an option to extend the contract for three additional 5 year terms. The negotiated disposal fee is considerably less than the fee recently paid to Lake County and represents a significant savings in operating expenses for the duration of the contract. The utility will continue to replace semi-automated residential side loading trucks with larger, fully automated trucks.
- **Information and Technology (IT)** – The IT Department is an important part of the City's operations, thus long-term financial planning includes preparing to replace computers as they become obsolete. All computer equipment is owned by the IT Department and leased to the other City departments, based on a five-year payback period. IT is actively involved with upgrading business technology as financial resources become available.
- **Fleet Maintenance** – All City vehicles are owned by Fleet Services, which is responsible for repairs, vehicle bid specifications and purchases. A lease fee, based on useful life, is charged to the user department. Fleet Services also maintains the City's two fuel sites.

#### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leesburg for its comprehensive annual financial report for the fiscal year ended September 30, 2014. This is the twenty-fifth consecutive year (fiscal years ended 1990-2014) 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 2014-15. This was the seventeen consecutive year the City received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, as a financial document, as an operations guide, and as a communications device.

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

Respectfully submitted,



Alfred (Al) Minner  
City Manager



William Spinelli, CPA  
Finance Director



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**CITY OF LEESBURG, FLORIDA  
PRINCIPAL CITY OFFICIALS  
SEPTEMBER 30, 2015**



**ELECTED OFFICIALS**

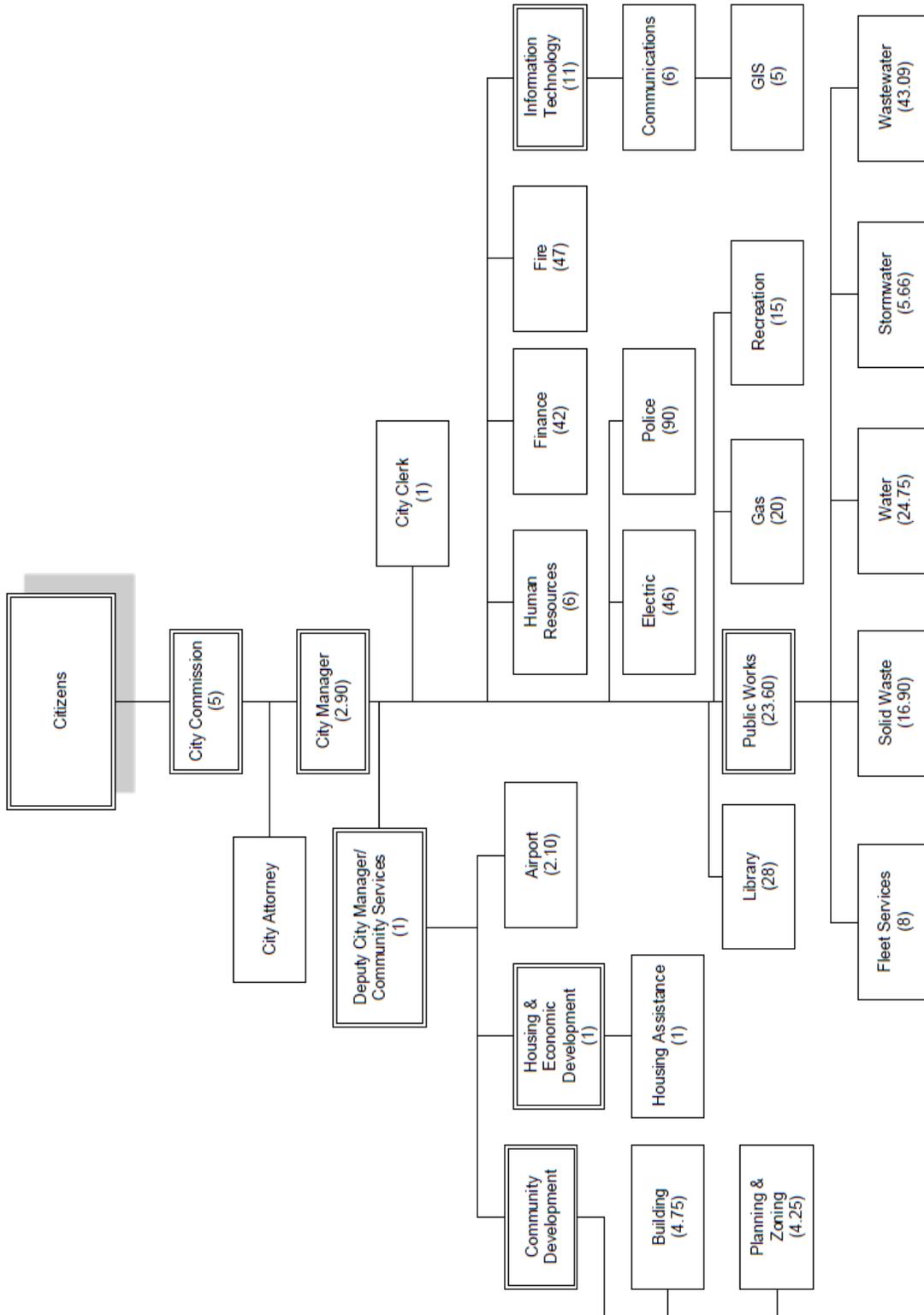
Elise Dennison	Mayor
Jay Hurley	Mayor, Pro-Tem
Robert Bone	Commissioner
John Christian	Commissioner
Dan Robuck	Commissioner

**APPOINTED OFFICIALS**

Al Minner	City Manager
Fred Morrison / McLin & Burnsed, P.A.	City Attorney

**EXECUTIVE STAFF**

Michael Rankin	Deputy City Manager
William Spinelli, CPA	Finance Director
Andi Purvis	City Clerk
Jakki Cunningham Perry	Human Resources Director
Tino Anthony	Information Technologies Director
Robert Hicks	Police Chief
David Johnson	Fire Chief
Lucy Gangone	Library Director
Travis Rima	Recreation Director
Patrick Foster	Electric Director
Jack Rogers, Jr.	Gas Director
D.C. Maudlin	Public Works Director





Government Finance Officers Association

**Certificate of  
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in Financial  
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**City of Leesburg  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO

## **FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leesburg, Florida (the "City") as of and for the fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2015, 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.

### ***Emphasis-of-Matter - Change in Accounting Principle***

As discussed in Note 19 to the financial statements, in the fiscal year ended September 30, 2015, the City adopted the provisions of Government Accounting Standards Board Statement (GASBS) Number 68, *Accounting and Financial Reporting for Pensions*. As a result of the implementation of GASBS 68, the City reported a restatement for the change in accounting principle as of October 1, 2014. Our opinions are not modified with respect to this matter.

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

**INDEPENDENT AUDITOR'S REPORT**  
*(Concluded)*

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Moore Stephens Lovelace, P.A.*

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
March 31, 2016



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**CITY OF LEESBURG, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2015**

The City of Leesburg (the City), Florida's Management's Discussion and Analysis presents an overview of the City's financial activities for the fiscal year ended September 30, 2015. Please read it in conjunction with the letter of transmittal, beginning on page 3, and the financial statements, beginning on page 37.

**Financial Highlights**

- The assets of the City exceed liabilities at the close of fiscal year 2015 by \$231 million (net position). Of this amount, \$55 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- During fiscal year 2015, the City adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This pronouncement required the restatement of the September 30, 2014 net position in governmental activities, business-type activities, enterprise and fiduciary funds. This change is described in detail in Note 19 of the financial statements and are reflected in the following discussion.
- The City's total net position decreased \$833,000 or .4%. Net position for governmental activities decreased \$28.5 million or 47%, while business-type net position increased \$27.7 million or 16%. The decrease in the governmental activities and the increase in the business-type activities is due almost entirely to the capital transfer of \$25 million in assets, from general government assets, into the newly created Airport Fund.
- As of September 30, 2015, the City's governmental funds reported combined ending fund balance of \$24.7 million, an increase of \$2.4 million in comparison with the reported amount of \$22.3 million in the prior year.
- On September 30, 2015, unassigned fund balance for the General Fund was \$12.7 million, or 55% of total General Fund expenditures and transfers out of \$22.9 million.
- Governmental funds' fund balance increased by \$2.4 million, which represents an improvement over the prior year net increase of \$710,597. The increase is mainly attributed to a decrease of \$1.5 million in capital expenditures coupled with \$1,000,000 of loan proceeds for the Greater Leesburg CRA Main Street Project.
- The Internal Service Funds change in net position increased by \$123,106. Internal service funds are considered governmental activities on the city-wide statements, but are included with the enterprise funds on the individual funds statements.
- The total enterprise funds change in net position increased by \$30.3 million from the previous year. The creation of the Airport Fund, which includes the transfer of \$25 million in assets from the general government, is the primary reason for the increase. The Electric, Water, and Wastewater Fund's net position increased \$1,094,948, \$722,825 and \$1,392,897 respectively. The Gas Fund had a decrease in net position of \$1,642.
- The City's total financed debt as of September 30, 2015, decreased \$3.4 million from \$133,197,202 to \$129,781,998. New debt was issued in 2015 to benefit from lower interest rates. The Greater Leesburg CRA borrowed \$1,000,000 to fund a portion of the Main Street Renovation project.

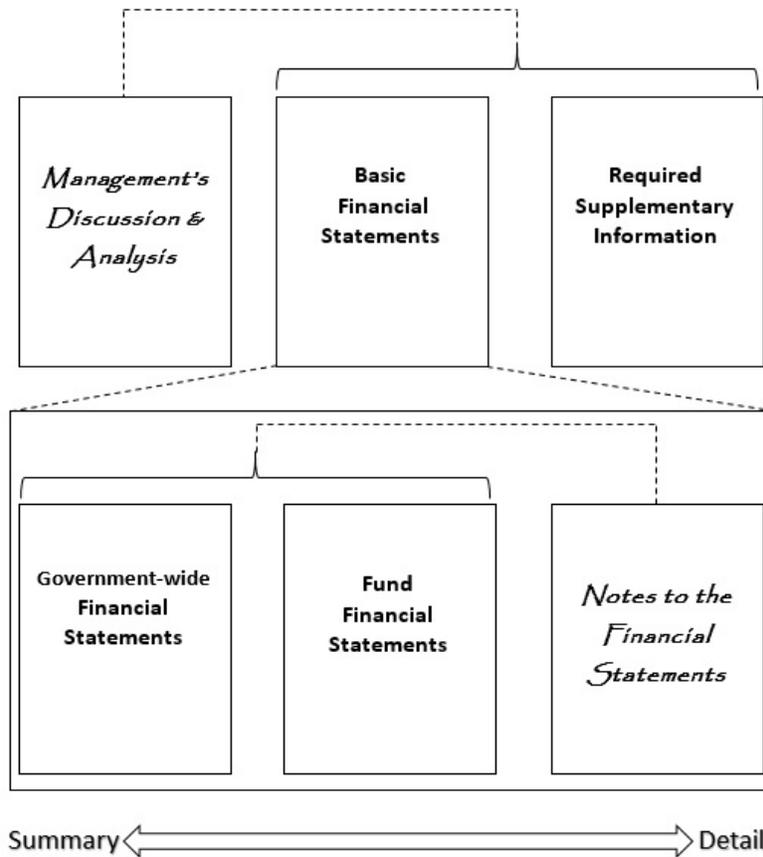
**CITY OF LEESBURG, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

**Overview of the Financial Statements**

This Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements provide information on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and fund level) allow the user to address relevant questions, broaden a basis for comparison and enhance the City's accountability. The City's basic financial statements are comprised of three components: 1) city-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements that explain information in 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.

This report also contains other Supplementary Information in addition to the basic financial statements that provides detail about the City's non-major governmental and internal service funds, non-major enterprise statements, each of which are added together and presented in single columns in the basic financial statements. The required parts of this annual report are arranged and relate to one another as shown in the following graphical representation:



**CITY OF LEESBURG, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2015**

**City-wide Financial Statements**

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

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

- The *Statement of Net Position* presents information on all of the City's assets and deferred outflows, less liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The *Statement of Activities* presents information showing how the government's net position changed during fiscal year 2015. All changes in net position are reported as soon as the occasion arises, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that result in cash flows in future fiscal periods (e.g., uncollected taxes and unused vacation leave when earned).

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

The internal service funds, namely health insurance, workers' compensation, risk management, and fleet maintenance are recorded as governmental activities on the entity-wide statements, but presented with the proprietary funds in the fund level statements.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detailed information about the City's major funds - not the City as a whole. Fund accounting helps to ensure and demonstrate compliance with finance-related legal requirements. Based on restrictions on the use of monies, the City established multiple funds that account for various services provided to residents and businesses. These fund financial statements focus on the City's most significant funds: governmental, proprietary, and fiduciary.

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

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

The City maintains twelve individual governmental funds. Separate information for the General Fund, Capital Projects Fund, and the Community Redevelopment Agency Fund, which are considered to be major funds, is presented in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplemental information section of this report.

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

**Proprietary Funds**

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

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

**CITY OF LEESBURG, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Fiduciary Funds**

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

**Notes to the Financial Statements**

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

**Other Information**

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

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

**City-wide Financial Analysis**

**Statement of Net Position**

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$231 million at the close of the fiscal year ended September 30, 2015.

**CITY OF LEESBURG, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2015**

At the end of fiscal year 2015 the City is able to report positive balances in all three categories of net position for governmental and business-type activities. The following table reflects the condensed Statement of Net Position for the current year as compared to the prior year:

**City of Leesburg's Net Position**

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current and other assets	\$ 37,724,773	\$ 36,846,187	\$ 108,631,313	\$ 102,542,664	\$ 146,356,086	\$ 139,388,851
Capital assets (net)	51,308,644	77,118,390	225,914,700	199,347,511	277,223,344	276,465,901
<b>Total assets</b>	<b>89,033,417</b>	<b>113,964,577</b>	<b>334,546,013</b>	<b>301,890,175</b>	<b>423,579,430</b>	<b>415,854,752</b>
<b>Deferred Outflow of Resources</b>	<b>4,315,348</b>	<b>948,573</b>	<b>2,443,113</b>	<b>1,846,435</b>	<b>6,758,461</b>	<b>2,795,008</b>
<b>Liabilities</b>						
Current and other liabilities	7,403,117	8,288,733	32,480,251	27,107,142	39,883,368	35,395,875
Long term liabilities	52,014,516	45,998,798	104,912,523	105,195,760	156,927,039	151,194,558
<b>Total liabilities</b>	<b>59,417,633</b>	<b>54,287,531</b>	<b>137,392,774</b>	<b>132,302,902</b>	<b>196,810,407</b>	<b>186,590,433</b>
<b>Deferred Inflow of Resources</b>	<b>1,814,502</b>		<b>486,792</b>		<b>2,301,294</b>	
<b>Net Position</b>						
Net Investment in capital assets	20,864,865	46,464,509	148,453,634	116,147,661	169,318,499	162,612,170
Restricted	6,168,033	3,833,845	425,869	14,966,539	6,593,902	18,800,384
Unrestricted	5,083,732	10,327,265	50,230,057	40,319,508	55,313,789	50,646,773
<b>Total net position</b>	<b>\$ 32,116,630</b>	<b>\$ 60,625,619</b>	<b>\$ 199,109,560</b>	<b>\$ 171,433,708</b>	<b>\$ 231,226,190</b>	<b>\$ 232,059,327</b>

The largest portion of the City's net position is reflected in the investment in capital assets (e.g., land, buildings, and equipment) less any related outstanding debt used to acquire those assets. Net investment in capital assets totals \$169.3 million, or 39% of all assets, which total \$423.6 million. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate the debt.

A portion of the City's net position, \$6.6 million, or 2.9% of total net position, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position totaling \$55.3 million, or 24% of the total net position, may be used to meet the City's ongoing obligations to citizens and creditors, and provide funding for various projects.

**CITY OF LEESBURG, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2015**

**Statement of Activities**

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

**City of Leesburg's Changes in Net Position**

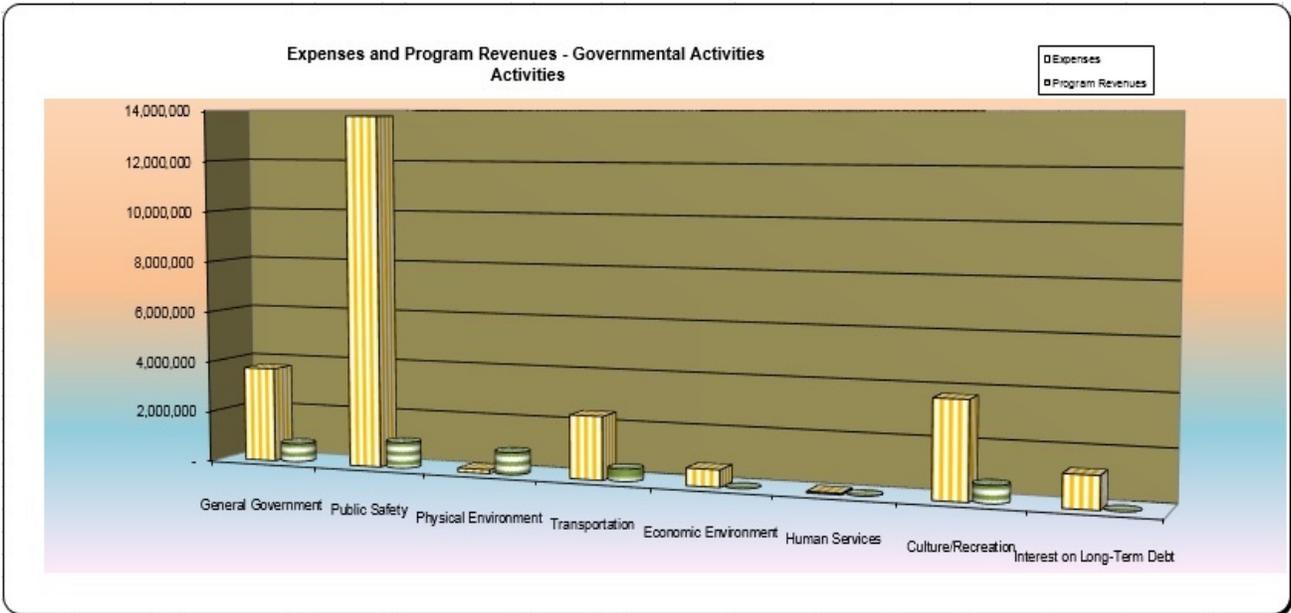
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 2,832,656	\$ 3,174,779	\$ 91,894,164	\$ 92,013,588	\$ 94,726,820	\$ 95,188,367
Operating Grants and Contributions	449,269	369,821	-	3,605	449,269	373,426
Capital Grants and Contributions	425,396	2,168,876	608,041	2,742,221	1,033,437	4,911,097
<b>General Revenues</b>						
<b>Taxes</b>						
Property Taxes	4,712,444	4,685,546	-	-	4,712,444	4,685,546
Sales Taxes	1,891,707	1,740,150	-	-	1,891,707	1,740,150
Utility Service Taxes	3,404,080	3,255,534	-	-	3,404,080	3,255,534
Communication Service Taxes	1,014,467	1,058,798	-	-	1,014,467	1,058,798
Other Taxes	1,029,655	991,612	-	-	1,029,655	991,612
State-shared Revenues, Unrestricted	1,955,382	1,786,037	-	-	1,955,382	1,786,037
County-shared Revenues, Unrestricted	420,008	418,531	-	-	420,008	418,531
Investment Income	246,563	105,996	785,893	566,516	1,032,456	672,512
Miscellaneous	111,601	179,925	131,805	18,216	243,406	198,141
<b>Total Revenues</b>	<b>18,493,228</b>	<b>19,935,605</b>	<b>93,419,903</b>	<b>95,344,146</b>	<b>111,913,131</b>	<b>115,279,751</b>
<b>Expenses</b>						
General Government	3,699,829	4,207,463	-	-	3,699,829	4,207,463
Public Safety	13,774,093	13,436,493	-	-	13,774,093	13,436,493
Physical Environment	145,811	164,599	-	-	145,811	164,599
Transportation	2,447,892	4,026,402	-	-	2,447,892	4,026,402
Economic Environment	665,364	601,599	-	-	665,364	601,599
Human Services	56,147	62,313	-	-	56,147	62,313
Culture/Recreation	3,724,975	3,787,423	-	-	3,724,975	3,787,423
Interest on Long-Term Debt	1,245,289	1,014,659	-	-	1,245,289	1,014,659
Electric	-	-	52,304,667	57,032,000	52,304,667	57,032,000
Gas	-	-	5,127,380	5,820,355	5,127,380	5,820,355
Water	-	-	5,973,909	6,087,119	5,973,909	6,087,119
Wastewater	-	-	8,436,457	8,255,645	8,436,457	8,255,645
Stormwater	-	-	847,931	930,551	847,931	930,551
Solid Waste	-	-	2,724,326	3,105,018	2,724,326	3,105,018
Communications	-	-	1,476,913	1,398,675	1,476,913	1,398,675
Airport Fund	-	-	1,997,024	-	1,997,024	-
<b>Total Expenses</b>	<b>25,759,400</b>	<b>27,300,951</b>	<b>78,888,607</b>	<b>82,629,363</b>	<b>104,648,007</b>	<b>109,930,314</b>
Change in Net Position Before Transfers	(7,266,172)	(7,365,346)	14,993,245	12,714,783	7,727,073	5,349,437
Transfers	(15,323,267)	10,864,327	15,323,267	(10,864,327)	-	-
Change in Net Position	(22,589,439)	3,498,981	30,316,512	1,850,456	7,727,073	5,349,437
Restatement	(5,919,550)	-	(2,640,660)	-	(8,560,210)	-
Net Position - Beginning	60,625,619	57,126,638	171,433,708	169,583,252	232,059,327	226,709,890
<b>Net Position - Ending</b>	<b>\$ 32,116,630</b>	<b>\$ 60,625,619</b>	<b>\$ 199,109,560</b>	<b>\$ 171,433,708</b>	<b>\$ 231,226,190</b>	<b>\$ 232,059,327</b>

**CITY OF LEESBURG, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

**Governmental Activities**

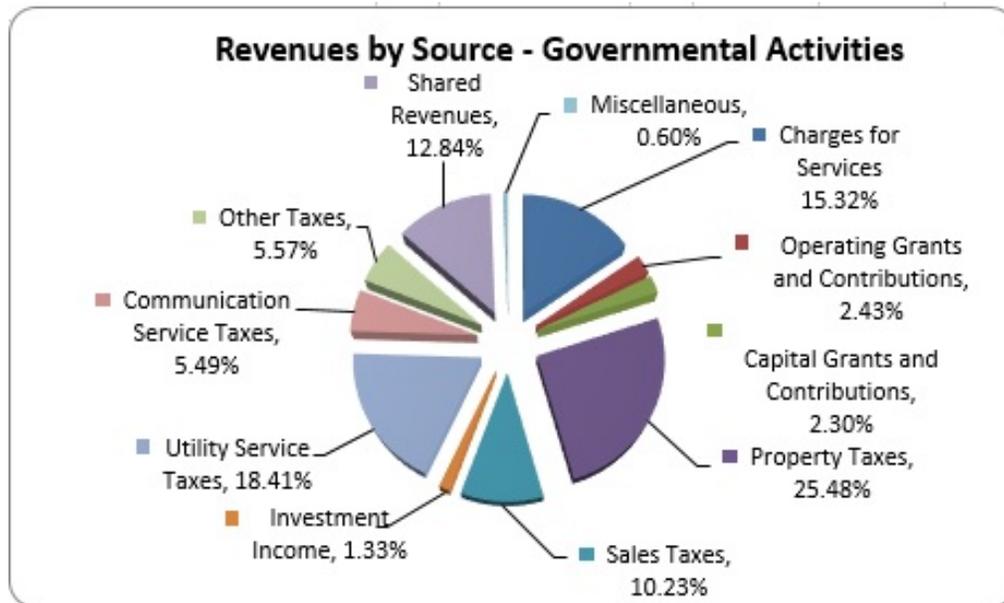
Governmental activities for the current fiscal year decreased the City's net position by \$28.5 million or 47%. The capital contribution of \$25 million in general government assets to the Airport Fund is responsible for the majority of the decrease. Overall program revenues decreased \$2,006,000. Revenue decreases in charges for services of \$342,000 and capital grants of \$1,744,000 offset an increase of \$79,500 in operating grants. Overall expenses decreased by \$1.5 million, attributed to the Airport activities being reported in a new proprietary fund. Revenue from property taxes increased slightly, reflecting an economy that is showing signs of recovery.

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



**CITY OF LEESBURG, FLORIDA  
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The pie chart depicting revenues by source for governmental activities reflects the percentage of individual revenue sources to total revenue sources for governmental activities.



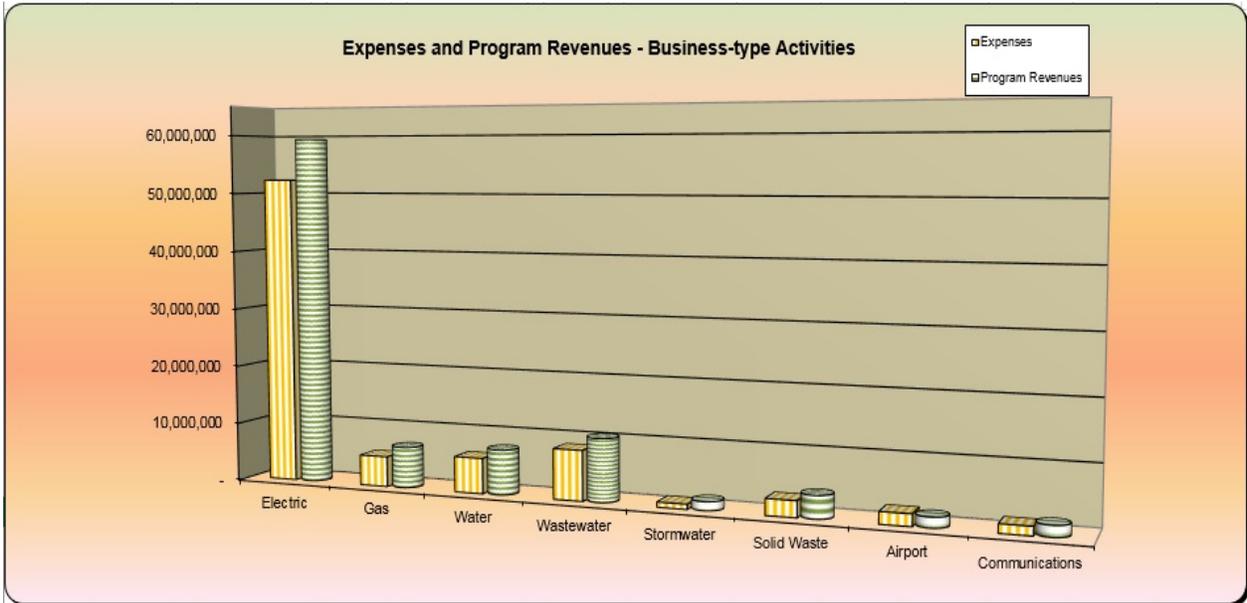
Activities of the City's four internal service funds are considered governmental rather than business-type activities. The net position of the four funds increased by \$123,000. The City's general employee health insurance fund net position decreased by \$63,222, or 2.2% even though the City continues to experience cost savings resulting from increased use of the City onsite wellness center, for which there is no cost to covered employees or dependents for visits, generic drugs dispensed from the center's formulary, and X-ray and MRI services performed by a third-party imaging center. The Workers' Compensation fund net position increased by \$81,765. The City established a Risk Management Fund in 2014, which charges the various departments an insurance fee for all costs related to General Liability, Excess Liability, Property/Casualty, Auto Physical Damage, Public Official and Employment Practices Liability. The Risk Management Fund charges City departments a fee based on factors such as number of vehicles, value of assets, and operating budget. The Fleet Maintenance fund tracks activities associated with providing vehicles and equipment services throughout the City's operation. Net operating income for the Fleet Maintenance Fund was \$691, which is a decrease of \$962,214 from the previous year. Combined operating expenses also increased by \$454,618.

**Business-type Activities** - Business-type activities for the current fiscal year increased the City's net position by \$27.7 million from \$171,433,708 to \$199,109,560. Net operating revenues of \$17.7 million were increased by transfers primarily to the governmental-type funds of \$15.3 million. In addition, the net position increased \$27.7 million, mostly from the transfer into the Airport Fund.

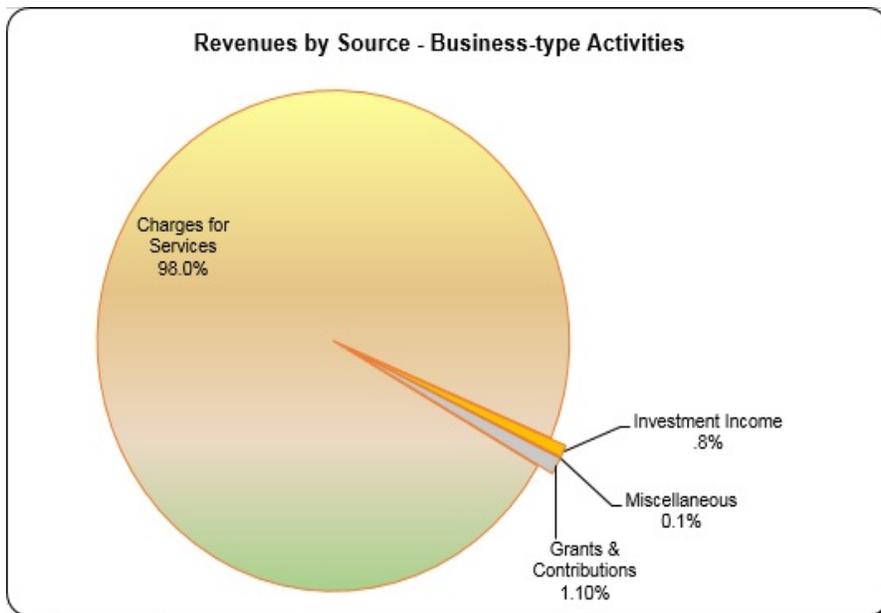
The GASB has issued Statement 68. This statement applies to how the City reports the accounting and funding of pension plans. Prior period adjustments are displayed on the Governmental Statement of Activities and the Statement of Revenues, Expenses and Changes in Fund Position of the Proprietary Funds to reflect the changes related to this GASB Statement. The Net Position balance for the government wide financial statements for 2014 was \$232,059,327. After a reduction of \$8,560,210 in the 2014 Net Position balance due to a Prior Period Adjustment based on the calculations for GASB 68 as mentioned above, the revised 2014 Net Position is \$223,499,117. This is reflected on the Statement of Activities for September 30, 2015 as Net Position, Beginning of Year, Adjusted.

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



The pie chart reflecting revenues by source for business-type activities presents charges for services as 98% of overall business-type activities.



**CITY OF LEESBURG, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

**Financial Analysis of the City's Funds**

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

**Governmental Funds**

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

As of the end of fiscal year 2015, the City's governmental funds reported combined ending fund balances of \$24.7 million, an increase of \$2.4 million from the prior year. Unassigned fund balance of the governmental funds increased \$2 million to \$12.6 million, which is available for spending at the City's discretion. The remainder of fund balance is classified as nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed for other uses.

The General Fund is the primary general government operating fund of the City. At the end of fiscal year 2015, the fund balance of the General Fund was \$14.4 million. This fund balance is comprised of non-spendable funds totaling \$35,361, restricted funds of \$1.3 million, committed funds of \$3,300, assigned funds of \$322,000, and unassigned funds of \$12.6 million. This unassigned balance is an increase of \$2 million over the previous year, reflecting senior management's continued efforts to closely monitor financial activities of the City and exert fiscal oversight of the City's resources.

The Greater Leesburg CRA experienced an increase of \$1.2 million in expenditures due to the Main Street Improvement Project, while revenues increased \$135,000. A \$1,000,000 bank loan funded the significant increase in the Greater Leesburg CRA expenditures. The Carver/Montclair CRA revenues increased by \$94,000, while expenditures decreased by a \$380,000. Capital outlay expenditures in the CRA funds increased by \$804,000 and economic environment expenditures increased \$31,000. The U.S. Hwy 441 & 27 CRA experienced a year-to-year \$54,098 increase in revenues. U.S. Hwy 441 & 27 CRA expenditures increased \$18,500. These activities in the three CRAs combined to result in a reduction of \$896,647 in the CRA fund balance.

The fund balance for the Capital Projects Fund remained the same. Expenditures of \$1,537,000 were offset by corresponding interfund transfers.

**Proprietary Funds** - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position for Business-type Activities increased \$9.9 million, or 24.5%.

<u>Fund</u>	<b>Unrestricted Net Position</b>		
	<b>2015</b>	<b>2014</b>	<b>Change</b>
Electric	\$ 16,139,958	\$ 12,106,922	\$ 4,033,036
Gas	8,172,535	9,161,968	(989,433)
Water	8,019,849	7,195,200	824,649
Wastewater	10,827,333	5,326,798	5,500,535
Stormwater	2,901,764	3,166,132	(264,368)
Solid Waste	1,945,955	2,038,593	(92,638)
Airport	859,546	-	859,546
Communications	1,363,117	1,323,895	39,222
Total	<u>\$ 50,230,057</u>	<u>\$ 40,319,508</u>	<u>\$ 9,910,549</u>

**CITY OF LEESBURG, FLORIDA  
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The \$1.1 million increase in net position in the Electric Fund is due to an increase in operating income and a decrease in interest expense and transfers. Unrestricted net position in the Electric Fund increased by \$4,033,026 million from the 2014 amount. The Gas Fund net position remained basically unchanged reporting a minimal decrease of \$1,642. The \$454,000 change in net position for the Water Fund was primarily a result of an increase of \$426,000 in operating income. The change in net position for the Wastewater Fund increased \$1.4 million, a result of increased operating income of \$694,000, coupled with a decrease in the transfer.

**General Fund Budgetary Highlights**

The final General Fund budget of \$22.2 million is an increase over the original budget of \$21.8 million. The new Airport Fund received a transfer of \$450,000 from the General Fund to establish the fund.

Actual revenues and expenditures varied from revised budget estimates in some areas. Tax revenues exceeded expectations by \$463,000 as a result of collecting current and delinquent ad valorem taxes in excess of budget by \$125,000 and increases in utility and sales tax revenues totaling \$338,000. Charges for services also exceeded expectations by \$434,000 stemming primarily from timing issues related to reimbursement from FDOT for street light maintenance and fees from Lake County for Fire/Rescue responses. Expenditures lagged expectations in most areas. The majority of savings were in general government, public safety and human services with variances of \$313,047, \$932,911, and \$324,912 respectively. Saving in these and other areas stemmed from cost savings in the areas of salaries, reduced repair and maintenance costs, and reduced professional services and other third-party costs. Budgeted fund balance appropriations of \$682,698 were not needed as a result of revenues exceeding and expenditures lagging budgetary expectations.

**Capital Asset and Debt Administration**

**Capital Assets**

Capital assets include land, buildings, improvements other than buildings, intangible assets, vehicles and equipment, infrastructure, and construction in progress. The infrastructure asset category includes long-lived capital assets, typically stationary in nature, such as roads, sidewalks and bridges. At September 30, 2015, the City had investments in capital assets of \$277.2 million (net of accumulated depreciation), an increase of \$757,000 from the previous year.

Significant changes in capital assets include the following:

**City of Leesburg's Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 4,919,748	\$ 9,006,048	\$ 15,958,506	\$ 12,185,218	\$ 20,878,254	\$ 21,191,266
Buildings	35,974,875	43,680,053	41,881,275	33,831,138	77,856,150	77,511,191
Improvements Other Than Buildings	8,898,381	29,211,123	239,587,757	210,119,231	248,486,138	239,330,354
Intangible Assets	-	-	786,424	786,424	786,424	786,424
Equipment	28,545,069	28,363,722	37,776,248	36,980,926	66,321,317	65,344,648
Infrastructure	38,002,237	36,613,161	-	-	38,002,237	36,613,161
Construction in Progress	517,650	2,346,823	7,321,117	5,345,724	7,838,767	7,692,547
	116,857,960	149,220,930	343,311,327	299,248,661	460,169,287	448,469,591
Less: Accumulated Depreciation	(65,549,316)	(72,102,540)	(117,396,627)	(99,901,150)	(182,945,943)	(172,003,690)
Capital Assets, Net	\$ 51,308,644	\$ 77,118,390	\$ 225,914,700	\$ 199,347,511	\$ 277,223,344	\$ 276,465,901

**CITY OF LEESBURG, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

**Governmental-type Activities** - Construction Work-In-Progress (CWIP) decreased by \$1.8 million, reflecting the completion of capital projects and conversion to capital assets placed in service. An increase in Business-Type CWIP offset the Government Activities decrease in CWIP.

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

**Electric**

Lighting projects	\$	263,902
Electric distribution lines		1,253,383
Transformer purchases		500,527
Substation replacements/upgrades		106,308
Villages infrastructure		2,757,973

**Gas**

Mains, regulators, and equipment	\$	275,398
Meters		91,652

**Water**

Oak Drive Improvements	\$	351,172
Plantation Water Treatment Plant Upgrade		537,390
Sodium Hypochlorite Conversion		287,090

**Wastewater**

Plant treatment and disposal, collecting sewers, and equipment	\$	143,999
Bentley Rd Force Main		145,482

**Communications**

Line installation, relocations, and equipment	\$	298,084
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**Stormwater**

Infrastructure improvements	\$	528,542
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**CRA**

Mainstreet Project	\$	3,378,368
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Additional information on the City's capital assets can be found in Note 6 of the notes to the financial statements.

**Long-term Liabilities**

At the end of fiscal year 2015 the City had total long-term liabilities outstanding of \$140.3 million, attributable to outstanding bonds, notes, compensated absences, landfill postclosure payable, CR #3 decommissioning cost payable, and capital lease payable. \$77 million represents bonds secured solely by specified revenue sources, while a bond issue of \$14.2 million is secured by tax increment financing. \$28.5 million of the bonds are applicable to governmental activities, and \$62.9 million is for the business-type activities.

**CITY OF LEESBURG, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2015**

Other Post Employment Benefits (OPEB) are considered a liability on the statement of net position. This is an unfunded obligation and is calculated annually by the City's actuary. The calculated liability for 2015 is \$13.3 million. Additional information on the City's OPEB obligation can be found in Note 14 of the notes to the financial statements.

The City's long-term liabilities also include an amount for the City's Net Pension Liability in both the entity-wide and Proprietary Statements of Net Position. This amount is actuarially determined and represents the City's obligation for future pension benefits to its employees based on past service already provided. The amount is calculated net of any assets available to provide for these future payments. Additional information on the City's Net Pension Liability can be found in Note 12 of the notes to the financials.

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

	<u>9/30/2015</u> <u>Balance</u>	<u>9/30/2014</u> <u>Balance</u>	<u>Net</u> <u>Change</u>
<b>Revenue Bonds &amp; Notes</b>			
Bonds	\$ 91,371,451	\$ 93,472,688	\$ (2,101,237)
Notes	39,301,998	40,662,202	(1,360,204)
Total Revenues	<u>130,673,449</u>	<u>134,134,890</u>	<u>(3,461,441)</u>
<b>Other Liabilities</b>			
Compensated Absences	2,419,627	2,509,124	(89,497)
Capital Lease Payable	84,668	124,460	(39,792)
CR#3 Decommissioning Cost Payable	6,946,584	6,946,584	-
Landfill Postclosure Payable	189,446	249,107	(59,661)
Net Pension Liability	9,973,520	-	9,973,520
Other Postemployment Benefits	13,331,877	12,245,169	1,086,708
Total Other Liabilities	<u>32,945,722</u>	<u>22,074,444</u>	<u>10,871,278</u>
<b>Total Long Term Liabilities Outstanding</b>	<u>\$ 163,619,171</u>	<u>\$ 156,209,334</u>	<u>\$ 7,409,837</u>

The City is under constant surveillance and scrutiny from Wall Street rating agencies. Ratings were unchanged during fiscal year 2015:

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

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

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

**CITY OF LEESBURG, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

**Economic Factors and Next Year's Budget**

- The unemployment rate for Lake County at September 2015 was 5.1%, a decrease from a rate of 5.8% a year ago. This compares to the State average rate of 5.2%.
- The millage rate for 2015 remained unchanged at 4.3179 mills. The City ranked 4<sup>th</sup> lowest out of the 14 cities in Lake County. The City is able to retain ad valorem rates at a minimal level due in large part from the transfers from utility fund operations.
- Population increased slightly to 21,547 from the prior fiscal year of 21,057.
- The 2016 property values are projected to improve only slightly from 2015 levels, resulting in Ad Valorem revenues that are expected to increase over the 2015 level. Slowly improving economic conditions should lead to improving revenue sources.

**Other**

Power supply for 2015 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 73% of the electric department's annual operating expenses. In October 2015, Duke Energy, principle owner of the Crystal River #3 nuclear plant, purchased all the assets of the nuclear plant from the City. The acquisition included Duke Energy assuming future responsibility of the City's portion of associated decommissioning cost obligations.

**Requests for Information**

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



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## **CITY-WIDE FINANCIAL STATEMENTS**



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**CITY OF LEESBURG, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Pooled Cash and Investments	\$ 27,237,284	\$ 43,738,128	\$ 70,975,412
Restricted Assets:			
Temporarily Restricted:			
Pooled Cash and Investments	7,295,558	40,525,918	47,821,476
Cash with Fiscal Agent	1,124,811	1,034,413	2,159,224
Investments	-	6,824,314	6,824,314
Receivables (Net of Allowance for Uncollectibles)	687,777	11,683,584	12,371,361
Notes Receivables, Employees	21,870	-	21,870
Due from Other Governments	818,018	8,347	826,365
Prepaid Items	4,008	122,486	126,494
Inventories	535,447	4,694,123	5,229,570
Capital Assets Not Being Depreciated	5,437,398	23,279,623	28,717,021
Capital Assets Being Depreciated, Net of Depreciation	45,871,246	202,635,077	248,506,323
<b>Total Assets</b>	<u>89,033,417</u>	<u>334,546,013</u>	<u>423,579,430</u>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows on Bond Refunding	901,144	1,754,113	2,655,257
Deferred Outflows Pension-Related	3,414,204	689,000	4,103,204
<b>Total Deferred Outflows of Resources</b>	<u>4,315,348</u>	<u>2,443,113</u>	<u>6,758,461</u>
<b>Liabilities</b>			
Accounts Payable	1,061,827	7,155,907	8,217,734
Accrued Liabilities	1,668,200	525,565	2,193,765
Accrued Interest Payable	-	1,988,819	1,988,819
Customer Advances for Construction	-	4,550,318	4,550,318
Unearned Revenue	355,859	443,363	799,222
Claims Payable	1,057,777	-	1,057,777
Customer Deposits	111,938	5,337,294	5,449,232
Rate Stabilization Credit	-	8,610,032	8,610,032
Due to Other Governments	74,506	249,831	324,337
Noncurrent Liabilities:			
Due Within One Year	3,073,010	3,619,996	6,693,006
Due in More Than One Year	35,233,471	98,387,297	133,620,768
Net Pension Liability	7,546,741	2,426,779	9,973,520
Other Postemployment Benefits Liability	9,234,304	4,097,573	13,331,877
<b>Total Liabilities</b>	<u>59,417,633</u>	<u>137,392,774</u>	<u>196,810,407</u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows Pension-Related	1,814,502	486,792	2,301,294
<b>Net Position</b>			
Net Investment in Capital Assets	20,864,865	148,453,634	169,318,499
Restricted for:			
Hwy 441 Pond Maintenance	364,680	-	364,680
Public Safety	187,781	-	187,781
Housing Assistance Fund	309,946	-	309,946
Property Maintenance	-	93,754	93,754
Capital Projects	2,285,300	-	2,285,300
Debt Service	1,531,970	-	1,531,970
Special Revenue	1,488,356	-	1,488,356
Gas Depository Trust	-	332,115	332,115
Unrestricted	5,083,732	50,230,057	55,313,789
<b>Total Net Position</b>	<u>\$ 32,116,630</u>	<u>\$ 199,109,560</u>	<u>\$ 231,226,190</u>

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

**CITY OF LEESBURG, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ 3,699,829	\$ 710,031	\$ 7,179	\$ -	\$ (2,982,619)	\$ -	\$ (2,982,619)
Public Safety	13,774,093	937,188	3,202	63,471	(12,770,232)	-	(12,770,232)
Physical Environment	145,811	124,885	426,029	307,013	712,116	-	712,116
Transportation	2,447,892	467,402	-	-	(1,980,490)	-	(1,980,490)
Economic Environment	665,364	-	-	-	(665,364)	-	(665,364)
Human Services	56,147	-	-	-	(56,147)	-	(56,147)
Culture and Recreation	3,724,975	593,150	12,859	54,912	(3,064,054)	-	(3,064,054)
Interest on Long-Term Debt	1,245,289	-	-	-	(1,245,289)	-	(1,245,289)
<b>Total Governmental Activities</b>	<b>\$ 25,759,400</b>	<b>\$ 2,832,656</b>	<b>\$ 449,269</b>	<b>\$ 425,396</b>	<b>\$ (22,052,079)</b>	<b>\$ -</b>	<b>\$ (22,052,079)</b>
<b>Business-Type Activities</b>							
Electric Utility	52,304,667	59,075,284	-	202,205	-	6,972,822	6,972,822
Gas Utility	5,127,380	6,885,553	-	9,574	-	1,767,747	1,767,747
Water Utility	5,973,909	7,292,879	-	250,170	-	1,569,140	1,569,140
Wastewater Utility	8,436,457	10,541,479	-	-	-	2,105,022	2,105,022
Stormwater System	847,931	1,454,042	-	-	-	606,111	606,111
Solid Waste System	2,724,326	3,736,565	-	-	-	1,012,239	1,012,239
Airport	1,997,024	1,081,929	-	608,041	-	(307,054)	(307,054)
Communication Services Utility	1,476,913	1,826,433	-	-	-	349,520	349,520
<b>Total Business-Type Activities</b>	<b>78,888,607</b>	<b>91,894,164</b>	<b>-</b>	<b>1,069,990</b>	<b>-</b>	<b>14,075,547</b>	<b>14,075,547</b>
<b>Total Primary Government</b>	<b>\$ 104,648,007</b>	<b>\$ 94,726,820</b>	<b>\$ 449,269</b>	<b>\$ 1,495,386</b>	<b>\$ (22,052,079)</b>	<b>\$ 14,075,547</b>	<b>\$ (7,976,532)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes					\$ 4,712,444	\$ -	\$ 4,712,444
Sales Taxes					1,891,707	-	1,891,707
Utility Service Taxes					3,404,080	-	3,404,080
Communication Services Taxes					1,014,467	-	1,014,467
Other Taxes					1,029,655	-	1,029,655
State-shared Revenues, Unrestricted					1,955,382	-	1,955,382
County-shared Revenues, Unrestricted					420,008	-	420,008
Investment Income					246,563	785,893	1,032,456
Miscellaneous					111,601	131,805	243,406
Transfers					(15,323,267)	15,323,267	-
<b>Total General Revenues and Transfers</b>					<b>(537,360)</b>	<b>16,240,965</b>	<b>15,703,605</b>
<b>Change in Net Position</b>					<b>(22,589,439)</b>	<b>30,316,512</b>	<b>7,727,073</b>
<b>Net Position, Beginning of Year, Unadjusted</b>					<b>60,625,619</b>	<b>171,433,708</b>	<b>232,059,327</b>
<b>Prior Period Adjustment</b>					<b>(5,919,550)</b>	<b>(2,640,660)</b>	<b>(8,560,210)</b>
<b>Net Position, Beginning of Year, Adjusted</b>					<b>54,706,069</b>	<b>168,793,048</b>	<b>223,499,117</b>
<b>Net Assets - Ending</b>					<b>\$ 32,116,630</b>	<b>\$ 199,109,560</b>	<b>\$ 231,226,190</b>

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

## **FUND FINANCIAL STATEMENTS**



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## **MAJOR GOVERNMENTAL FUNDS**

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

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

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



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**CITY OF LEESBURG, FLORIDA  
BALANCE SHEET  
ALL GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	Major Funds			Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Community Redevelopment Agency Funds	Capital Projects Fund		
<b>Assets</b>					
Pooled Cash and Investments	\$ 13,579,277	\$ 1,790,782	\$ 131,848	\$ 1,438,100	\$ 16,940,007
Restricted Cash	899,445	6,030,930	-	5,851	6,936,226
Cash with Fiscal Agent	-	-	-	1,124,811	1,124,811
Accounts Receivables, Net of Allowance of \$75,410	551,431	-	-	13,771	565,202
Notes Receivable, Employees	21,870	-	-	-	21,870
Due from Other Funds	344,026	-	-	-	344,026
Due from Other Governments	440,527	310,406	-	67,085	818,018
Prepaid Items	4,008	-	-	-	4,008
Inventory	9,483	-	-	-	9,483
<b>Total Assets</b>	<u>\$ 15,850,067</u>	<u>\$ 8,132,118</u>	<u>\$ 131,848</u>	<u>\$ 2,649,618</u>	<u>\$ 26,763,651</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 344,096	\$ 87,885	\$ 135,488	\$ 14,317	\$ 581,786
Due to Other Funds	-	317,192	-	26,834	344,026
Due to Other Governments	69,850	-	-	4,656	74,506
Accrued Salaries	608,129	308	467	11,078	619,982
Unearned Revenue	348,351	-	7,508	-	355,859
Deposits	102,038	3,500	-	6,400	111,938
<b>Total Liabilities</b>	<u>1,472,464</u>	<u>408,885</u>	<u>143,463</u>	<u>63,285</u>	<u>2,088,097</u>
<b>Fund Balances</b>					
Nonspendable:					
Prepays	4,008	-	-	-	4,008
Inventory	9,483	-	-	-	9,483
Notes Receivable - Employees	21,870	-	-	-	21,870
Restricted for:					
Hwy 441 Pond Maintenance	364,680	-	-	-	364,680
Public Safety and Other Expenditures	187,781	-	-	-	187,781
Housing Assistance Fund	309,946	-	-	-	309,946
Capital Projects	469,784	6,016,447	-	-	6,486,231
Debt Service	-	1,706,786	-	1,124,811	2,831,597
Special Revenue Funds	-	-	-	1,488,356	1,488,356
Committed for:					
C.U.R.E. Program	3,285	-	-	-	3,285
Assigned for:					
Capital Projects	322,141	-	-	-	322,141
Unassigned (deficit)	12,684,625	-	(11,615)	(26,834)	12,646,176
<b>Total Fund Balances</b>	<u>14,377,603</u>	<u>7,723,233</u>	<u>(11,615)</u>	<u>2,586,333</u>	<u>24,675,554</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 15,850,067</u>	<u>\$ 8,132,118</u>	<u>\$ 131,848</u>	<u>\$ 2,649,618</u>	<u>\$ 26,763,651</u>

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



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**CITY OF LEESBURG, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
AS OF SEPTEMBER 30, 2015**

**Total Fund Balances of Governmental Funds** \$ 24,675,554

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

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

Cost of the Assets (excluding capital assets of the Internal Service Funds included below)	\$ 97,280,873	
Accumulated Depreciation (excluding internal service funds)	(48,918,860)	48,362,013

The internal service funds are used by management to charge the costs of health insurance and workers' compensation services, risk management costs and fleet operation costs to individual funds. The assets, deferred outflows, liabilities and deferred inflows of the internal service funds are included in governmental activities in the statement of net position. 11,532,038

Deferred Amounts on Refunding are not available to cover current liabilities and therefore are not considered revenue in the fund level statements. 901,144

Deferred Outflows related to Pensions are not reported in the governmental funds but will be recognized in pension expense on a long term basis (excluding Internal Service Funds). 3,377,514

Deferred Inflows related to Pensions are not reported in the governmental funds but will be recognized in pension expense on a long term basis (Excluding Internal Service Funds). (1,788,580)

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	(28,500,000)	
Notes Payable	(8,310,998)	
Compensated Absences	(1,374,800)	
Capital Lease Payable	(84,668)	
Net Other Postemployment Benefit Obligation	(9,234,304)	
Net Pension Liability (excluding internal service funds)	(7,438,283)	(54,943,053)

**Total Net Position of Governmental Activities** \$ 32,116,630

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



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**CITY OF LEESBURG, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Major Funds</b>			<b>Other</b>	<b>Total</b>
	<b>General</b>	<b>Community</b>	<b>Capital</b>	<b>Nonmajor</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Redevelopment</b>	<b>Projects</b>	<b>Governmental</b>	<b>Funds</b>
		<b>Agency Funds</b>	<b>Fund</b>	<b>Funds</b>	<b>Funds</b>
<b>Revenues</b>					
Taxes	\$ 11,005,938	\$ 530,230	\$ -	\$ 825,903	\$ 12,362,071
Licenses and Permits	258,885	-	-	747,705	1,006,590
Intergovernmental	2,280,813	310,406	-	152,626	2,743,845
Charges for Services	1,022,235	-	-	1,750	1,023,985
Fines and Forfeitures	115,093	-	-	41,547	156,640
Impact Fees	-	-	-	106,719	106,719
Miscellaneous:					
Interest	118,194	39,855	(98)	15,369	173,320
Rental	453,253	-	-	-	453,253
Other	95,628	103,000	-	124,885	323,513
<b>Total Revenues</b>	<u>15,350,039</u>	<u>983,491</u>	<u>(98)</u>	<u>2,016,504</u>	<u>18,349,936</u>
<b>Expenditures</b>					
Current:					
General Government	3,242,396	-	-	-	3,242,396
Public Safety	12,342,882	-	-	494,411	12,837,293
Physical Environment	69,833	-	-	-	69,833
Transportation	1,380,061	-	-	156	1,380,217
Economic Environment	205,232	295,653	-	71,681	572,566
Human Services	56,147	-	-	-	56,147
Culture and Recreation	2,906,347	-	-	-	2,906,347
Debt Service:					
Principal Payments	-	308,204	-	1,664,792	1,972,996
Interest and Fees	-	725,385	-	472,475	1,197,860
Capital Outlay	229,872	1,338,282	1,537,047	-	3,105,201
<b>Total Expenditures</b>	<u>20,432,770</u>	<u>2,667,524</u>	<u>1,537,047</u>	<u>2,703,515</u>	<u>27,340,856</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(5,082,731)</u>	<u>(1,684,033)</u>	<u>(1,537,145)</u>	<u>(687,011)</u>	<u>(8,990,920)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	3,141	-	-	-	3,141
Transfers from Other Funds	9,891,736	-	1,537,049	2,545,240	13,974,025
Transfers to Other Funds	(2,429,640)	(212,614)	-	(943,171)	(3,585,425)
Issuance of Debt	-	1,000,000	-	-	1,000,000
<b>Total Other Financing Sources (Uses)</b>	<u>7,465,237</u>	<u>787,386</u>	<u>1,537,049</u>	<u>1,602,069</u>	<u>11,391,741</u>
<b>Net Change in Fund Balances</b>	2,382,506	(896,647)	(96)	915,058	2,400,821
<b>Fund Balances, Beginning of Year</b>	<u>11,995,097</u>	<u>8,619,880</u>	<u>(11,519)</u>	<u>1,671,275</u>	<u>22,274,733</u>
<b>Fund Balances, End of Year</b>	<u>\$ 14,377,603</u>	<u>\$ 7,723,233</u>	<u>\$ (11,615)</u>	<u>\$ 2,586,333</u>	<u>\$ 24,675,554</u>

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



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**CITY OF LEESBURG, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**Net Change in Fund Balances - Total Governmental Funds** \$ 2,400,821

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

Governmental funds report capital purchases as expenditures. 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	\$ 3,111,625	
Assets contributed to Airport	(25,711,867)	
Net Book Value of Disposals	(3,301)	
Depreciation Expense	<u>(2,736,449)</u>	(25,339,992)

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:

<b>Principal Repayments:</b>		
Capital Improvement Revenue Bonds	620,000	
Notes Payable	1,313,204	
Capital Lease Payable	<u>39,792</u>	1,972,996

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

Issuance of Debt		(1,000,000)
------------------	--	-------------

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	140,740	
Change in Deferred Amount on Refunding	(47,429)	
Pension Expense	(124,162)	
Change in Other Postemployment Benefit Liability	<u>(715,519)</u>	(746,370)

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.

123,106

**Change in Net Position of Governmental Activities** **\$ (22,589,439)**

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



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## MAJOR PROPRIETARY FUNDS

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

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

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

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

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

**Airport Fund** accounts for the costs associated with the management, construction, maintenance, protections, control, regulation, use, and enhancement of the City's International Airport.

## INTERNAL SERVICE FUNDS

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

**CITY OF LEESBURG, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Major Funds</b>		
	<b>Electric Utility Fund</b>	<b>Gas Utility Fund</b>	<b>Water Utility Fund</b>
<b>Assets</b>			
Current Assets:			
Pooled Cash and Investments	\$ 16,290,955	\$ 8,784,011	\$ 6,255,382
Restricted Pooled Cash and Investments:			
Debt Service Account	2,225,433	98,803	877,436
Customer Deposits Account	4,573,925	593,370	479,160
Villages Construction Project	6,531,539	-	-
Rate Stabilization	8,570,810	-	-
Landfill Escrow	-	-	-
Cash with Fiscal Agent	-	173,496	360,886
Receivables:			
Customer Accounts, Unbilled	2,960,025	225,392	322,458
Customer Accounts, Billed	6,142,844	335,641	471,087
(Allowance for Doubtful Accounts)	(769,022)	(57,679)	(102,086)
Miscellaneous Receivables	-	-	-
Due from Other Governments	-	-	-
Prepaid Items	31,512	11,306	2,587
Inventory	3,947,795	311,287	203,595
<b>Total Current Assets</b>	<b>50,505,816</b>	<b>10,475,627</b>	<b>8,870,505</b>
Noncurrent Assets:			
Restricted Assets:			
Pooled Cash and Investments:			
Renewal and Replacement Account	3,463,990	-	1,964,104
Property Maintenance	-	-	-
Impact Fees Account	-	-	233,266
Bond Proceeds	-	483,060	2,517,136
Depository Trust Account	-	332,115	-
Investments:			
Trust Account	6,824,314	-	-
<b>Total Restricted Assets</b>	<b>10,288,304</b>	<b>815,175</b>	<b>4,714,506</b>
Property, Plant, and Equipment:			
Land	3,547,105	370,111	363,470
Buildings	2,635,837	555,852	6,043,696
Improvements Other Than Buildings	109,176,580	14,651,563	44,274,659
Machinery and Equipment	16,172,301	1,579,447	5,872,543
Less Accumulated Depreciation and Amortization	(42,098,570)	(6,183,531)	(20,445,511)
Intangible Assets	-	-	544,042
Construction in Progress	3,991,075	345,243	1,103,534
<b>Total Property, Plant, and Equipment</b>	<b>93,424,328</b>	<b>11,318,685</b>	<b>37,756,433</b>
<b>Total Noncurrent Assets</b>	<b>103,712,632</b>	<b>12,133,860</b>	<b>42,470,939</b>
<b>Total Assets</b>	<b>154,218,448</b>	<b>22,609,487</b>	<b>51,341,444</b>
<b>Deferred Outflows of Resources</b>			
Deferred Amounts on Bond Refunding	405,631	226,172	470,458
Deferred Outflows-Pension Related	282,135	98,797	91,560
<b>Total Deferred Outflows of Resources</b>	<b>687,766</b>	<b>324,969</b>	<b>562,018</b>

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

Business-type Activities - Enterprise Funds				Governmental
Major Funds				Activities
Wastewater Utility Fund	Airport Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 6,558,261	\$ 1,030,383	\$ 4,819,136	\$ 43,738,128	\$ 10,297,277
640,081	-	116,461	3,958,214	-
3,500	-	7,859	5,657,814	-
-	-	-	6,531,539	-
-	-	-	8,570,810	-
-	-	90,498	90,498	-
500,031	-	-	1,034,413	-
442,254	-	345,535	4,295,664	-
1,132,557	24,126	476,690	8,582,945	-
(159,096)	-	(107,142)	(1,195,025)	-
-	-	-	-	122,575
-	8,347	-	8,347	-
-	-	77,081	122,486	-
-	-	231,446	4,694,123	525,964
9,117,588	1,062,856	6,057,564	86,089,956	10,945,816
4,298,799	-	1,646,574	11,373,467	359,332
93,754	-	-	93,754	-
684,245	-	-	917,511	-
-	-	-	3,000,196	-
-	-	-	332,115	-
-	-	-	6,824,314	-
5,076,798	-	1,646,574	22,541,357	359,332
6,219,584	4,698,649	759,587	15,958,506	-
24,644,907	7,987,127	13,856	41,881,275	564,988
29,168,860	23,317,037	18,999,057	239,587,756	148,127
12,508,794	133,353	1,509,810	37,776,248	18,842,571
(29,515,417)	(11,257,734)	(7,685,273)	(117,186,036)	(16,630,456)
31,792	-	-	575,834	-
117,623	168,235	1,595,407	7,321,117	21,401
43,176,143	25,046,667	15,192,444	225,914,700	2,946,631
48,252,941	25,046,667	16,839,018	248,456,057	3,305,963
57,370,529	26,109,523	22,896,582	334,546,013	14,251,779
651,852	-	-	1,754,113	-
121,981	-	94,527	689,000	36,690
773,833	-	94,527	2,443,113	36,690

(Continued)

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

**CITY OF LEESBURG, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2015**  
*(Concluded)*

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Major Funds</b>		
	<b>Electric Utility Fund</b>	<b>Gas Utility Fund</b>	<b>Water Utility Fund</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts and Retainage Payable	\$ 6,309,286	\$ 121,974	\$ 359,991
Due to Other Governments	229,813	15,720	-
Other Accrued Expenses	125,365	241,123	39,614
Compensated Absences	230,733	56,357	105,406
Unearned Revenue	-	152,905	11,149
	<u>6,895,197</u>	<u>588,079</u>	<u>516,160</u>
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	4,573,925	272,850	479,160
Estimated Landfill Closure Cost Payable	-	-	-
Customer Advances for Construction	4,548,618	-	-
Accrued Interest Payable	973,433	114,388	499,196
Bonds and Notes Payable - Current Portion	1,252,000	157,928	739,176
Rate Stabilization Credit	8,610,032	-	-
Current Liabilities Payable from Restricted Assets	<u>19,958,008</u>	<u>545,166</u>	<u>1,717,532</u>
Total Current Liabilities	<u>26,853,205</u>	<u>1,133,245</u>	<u>2,233,692</u>
Noncurrent Liabilities:			
Claims Payable	-	-	-
Capital Improvement Revenue Refunding Note 2009	-	-	-
Electric Utility Revenue Note 2013	8,275,000	-	-
Utility Revenue Refunding Bond Payable 2013	-	3,180,884	6,616,499
Revenue Bonds Payable, Series 2007	20,665,000	2,257,774	12,936,327
(Unamortized Discounts and Premiums)	93,301	133,780	278,946
Utility Revenue Refunding Note Payable 2010	-	-	3,069,531
Electric Utility Refunding Revenue Note 2014	13,994,000	-	-
Compensated Absences	188,781	46,110	86,241
Landfill Postclosure Costs Payable	-	-	-
Decommissioning Costs Payable	6,946,584	-	-
Other Postemployment Benefits	1,176,198	498,272	710,774
Net Pension Liability	1,034,195	443,991	239,686
Total Noncurrent Liabilities	<u>52,373,059</u>	<u>6,560,811</u>	<u>23,938,004</u>
<b>Total Liabilities</b>	<u>79,226,264</u>	<u>7,694,056</u>	<u>26,171,696</u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows-Pension Related	<u>199,334</u>	<u>69,802</u>	<u>64,689</u>
<b>Net Position</b>			
Net Investment in Capital Assets	59,340,658	6,665,948	17,647,228
Restricted for:			
Gas Depository Trust	-	332,115	-
NP Property Maintenance	-	-	-
Unrestricted	16,139,958	8,172,535	8,019,849
<b>Total Net Position</b>	<u>\$ 75,480,616</u>	<u>\$ 15,170,598</u>	<u>\$ 25,667,077</u>

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

Business-type Activities - Enterprise Funds				Governmental Activities
Major Funds				
Wastewater Utility Fund	Airport Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 108,688	\$ 16,209	\$ 239,759	\$ 7,155,907	\$ 480,041
-	-	4,298	249,831	-
64,560	3,617	51,286	525,565	1,048,218
100,408	2,530	59,413	554,847	19,808
105,309	174,000	-	443,363	-
<u>378,965</u>	<u>196,356</u>	<u>354,756</u>	<u>8,929,513</u>	<u>1,548,067</u>
3,500	-	7,859	5,337,294	-
-	-	63,149	63,149	-
1,700	-	-	4,550,318	-
392,251	-	9,551	1,988,819	-
747,896	-	105,000	3,002,000	-
-	-	-	8,610,032	-
<u>1,145,347</u>	<u>-</u>	<u>185,559</u>	<u>23,551,612</u>	<u>-</u>
<u>1,524,312</u>	<u>196,356</u>	<u>540,315</u>	<u>32,481,125</u>	<u>1,548,067</u>
-	-	-	-	1,057,777
-	-	450,000	450,000	-
-	-	-	8,275,000	-
9,167,617	-	-	18,965,000	-
5,665,899	-	-	41,525,000	-
385,424	-	-	891,451	-
3,690,469	-	-	6,760,000	-
-	-	-	13,994,000	-
82,152	2,070	48,611	453,965	16,207
-	-	126,297	126,297	-
-	-	-	6,946,584	-
1,050,672	4,884	656,773	4,097,573	-
454,859	-	254,048	2,426,779	108,458
<u>20,497,092</u>	<u>6,954</u>	<u>1,535,729</u>	<u>104,911,649</u>	<u>1,182,442</u>
<u>22,021,404</u>	<u>203,310</u>	<u>2,076,044</u>	<u>137,392,774</u>	<u>2,730,509</u>
<u>86,182</u>	<u>-</u>	<u>66,785</u>	<u>486,792</u>	<u>25,922</u>
25,115,689	25,046,667	14,637,444	148,453,634	2,946,631
-	-	-	332,115	-
93,754	-	-	93,754	-
10,827,333	859,546	6,210,836	50,230,057	8,585,407
<u>\$ 36,036,776</u>	<u>\$ 25,906,213</u>	<u>\$ 20,848,280</u>	<u>\$ 199,109,560</u>	<u>\$ 11,532,038</u>

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

**CITY OF LEESBURG, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Major Funds</b>		
	<b>Electric Utility Fund</b>	<b>Gas Utility Fund</b>	<b>Water Utility Fund</b>
<b>Operating Revenues</b>			
Charges for Services	\$ 57,184,852	\$ 6,756,638	\$ 6,971,436
Other	1,890,432	128,915	321,443
<b>Total Operating Revenues</b>	<u>59,075,284</u>	<u>6,885,553</u>	<u>7,292,879</u>
<b>Operating Expenses</b>			
Personal Services	3,190,101	1,157,007	1,391,776
Purchased Energy	36,569,207	2,208,520	-
Supplies and Materials	272,618	90,314	279,280
Maintenance Costs	997,789	66,145	178,138
Contracted Services	1,471,256	32,831	231,587
Other Services and Charges	3,953,055	836,010	1,653,236
Depreciation and Amortization	3,865,793	427,177	1,212,765
Change in Decommissioning/ Postclosure Estimate	-	-	-
Claims Expense	-	-	-
Insurance Premiums	-	-	-
<b>Total Operating Expenses</b>	<u>50,319,819</u>	<u>4,818,004</u>	<u>4,946,782</u>
<b>Operating Income</b>	<u>8,755,465</u>	<u>2,067,549</u>	<u>2,346,097</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment Income	511,901	60,983	58,679
Other Nonoperating Income	-	-	-
Gain (Loss) on Sale of Assets	88,420	(65,156)	-
Interest Expenses	(1,980,847)	(244,220)	(1,027,127)
Other Nonoperating Expense	(4,001)	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(1,384,527)</u>	<u>(248,393)</u>	<u>(968,448)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>7,370,938</u>	<u>1,819,156</u>	<u>1,377,649</u>
<b>Transfers and Capital Contributions</b>			
Grants	-	-	-
Capital Contributions	202,205	9,574	250,170
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(6,478,195)	(1,830,372)	(904,994)
<b>Total Transfers and Capital Contributions</b>	<u>(6,275,990)</u>	<u>(1,820,798)</u>	<u>(654,824)</u>
<b>Change in Net Position</b>	1,094,948	(1,642)	722,825
<b>Net Position, Beginning of Year (Unadjusted)</b>	75,507,444	15,646,900	25,212,360
<b>Prior Period Adjustment</b>	(1,121,776)	(474,660)	(268,108)
<b>Net Position, Beginning of Year (Adjusted)</b>	<u>74,385,668</u>	<u>15,172,240</u>	<u>24,944,252</u>
<b>Net Position, End of Year</b>	<u>\$ 75,480,616</u>	<u>\$ 15,170,598</u>	<u>\$ 25,667,077</u>

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

<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
<b>Major Funds</b>				<b>Activities</b>
<b>Wastewater Utility Fund</b>	<b>Airport Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
\$ 9,958,686	\$ 160,562	\$ 6,959,981	\$ 87,992,155	\$ 8,415,988
582,793	921,367	57,059	3,902,009	308,698
<u>10,541,479</u>	<u>1,081,929</u>	<u>7,017,040</u>	<u>91,894,164</u>	<u>8,724,686</u>
2,203,547	127,432	1,622,594	9,692,457	495,707
-	-	-	38,777,727	-
303,411	14,196	268,329	1,228,148	153,716
471,849	107,250	503,049	2,324,220	529,608
375,042	160,646	1,074,333	3,345,695	861,926
2,122,522	212,201	1,098,883	9,875,907	91,092
1,591,114	1,375,299	515,861	8,988,009	900,812
-	-	(59,661)	(59,661)	-
-	-	-	-	4,559,770
-	-	-	-	1,149,099
<u>7,067,485</u>	<u>1,997,024</u>	<u>5,023,388</u>	<u>74,172,502</u>	<u>8,741,730</u>
<u>3,473,994</u>	<u>(915,095)</u>	<u>1,993,652</u>	<u>17,721,662</u>	<u>(17,044)</u>
100,947	8,353	45,030	785,893	73,241
-	43,047	338	43,385	66,909
(192,885)	-	-	(169,621)	-
(1,176,087)	-	(25,782)	(4,454,063)	-
-	-	-	(4,001)	-
<u>(1,268,025)</u>	<u>51,400</u>	<u>19,586</u>	<u>(3,798,407)</u>	<u>140,150</u>
<u>2,205,969</u>	<u>(863,695)</u>	<u>2,013,238</u>	<u>13,923,255</u>	<u>123,106</u>
-	608,041	-	608,041	-
-	25,711,867	-	26,173,816	-
-	450,000	212,614	662,614	-
(813,072)	-	(1,024,581)	(11,051,214)	-
<u>(813,072)</u>	<u>26,769,908</u>	<u>(811,967)</u>	<u>16,393,257</u>	<u>-</u>
1,392,897	25,906,213	1,201,271	30,316,512	123,106
35,136,604	-	19,930,400	171,433,708	11,528,779
(492,725)	-	(283,391)	(2,640,660)	(119,847)
<u>34,643,879</u>	<u>-</u>	<u>19,647,009</u>	<u>168,793,048</u>	<u>11,408,932</u>
<u>\$ 36,036,776</u>	<u>\$ 25,906,213</u>	<u>\$ 20,848,280</u>	<u>\$ 199,109,560</u>	<u>\$ 11,532,038</u>

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

**CITY OF LEESBURG, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Major Funds</b>		
	<b>Electric Utility Fund</b>	<b>Gas Utility Fund</b>	<b>Water Utility Fund</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers and Users	\$ 63,888,715	\$ 6,809,681	\$ 7,182,778
Payments to Suppliers for Goods and Services	(43,651,053)	(3,354,996)	(2,103,961)
Cash Paid for Insurance Claims	-	-	-
Cash Paid to Employees for Services	(3,212,677)	(1,163,455)	(1,387,900)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>17,024,985</u>	<u>2,291,230</u>	<u>3,690,917</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(6,478,195)	(1,830,372)	(904,994)
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>(6,478,195)</u>	<u>(1,830,372)</u>	<u>(904,994)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Interest Paid on Revenue Bonds and Customer Deposits	(2,000,942)	(241,331)	(1,028,877)
Acquisition and Construction of Capital Assets	(5,770,130)	(369,510)	(1,984,633)
Proceeds/Loss from the Disposition of Capital Assets	88,420	-	-
Principal Paid on Capital Debt	(787,000)	(154,552)	(716,862)
Capital Contributions	1,205,110	9,574	250,170
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(7,264,542)</u>	<u>(755,819)</u>	<u>(3,480,202)</u>
<b>Cash Flows from Investing Activities</b>			
Interest Received	511,901	60,983	58,679
Purchase of Crystal River Decommissioning Investments	(209,427)	-	-
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>302,474</u>	<u>60,983</u>	<u>58,679</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	3,584,722	(233,978)	(635,600)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>38,071,930</u>	<u>10,698,833</u>	<u>13,322,970</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 41,656,652</u>	<u>\$ 10,464,855</u>	<u>\$ 12,687,370</u>

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

Business-type Activities - Enterprise Funds				Governmental
Major Funds				Activities
Wastewater Utility Fund	Airport Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 10,542,915	1,231,803	\$ 6,996,315	\$ 96,652,207	\$ 8,412,643
(3,276,380)	(478,084)	(2,883,060)	(55,747,534)	(3,037,730)
-	-	-	-	(4,718,994)
(2,169,545)	(114,331)	(1,606,974)	(9,654,882)	45,707
5,096,990	639,388	2,506,281	31,249,791	701,626
-	450,000	212,614	662,614	-
(813,072)	-	(1,024,581)	(11,051,214)	-
(813,072)	450,000	(811,967)	(10,388,600)	-
(1,173,342)	-	(27,502)	(4,471,994)	-
314,515	(1,375,299)	(1,651,187)	(10,836,244)	(365,987)
-	43,047	-	131,467	1,838
(723,586)	-	(100,000)	(2,482,000)	-
-	1,264,894	-	2,729,748	-
(1,582,413)	(67,358)	(1,778,689)	(14,929,023)	(364,149)
100,947	8,353	45,030	785,893	73,241
-	-	-	(209,427)	-
100,947	8,353	45,030	576,466	73,241
2,802,452	1,030,383	(39,345)	6,508,634	410,718
9,976,219	-	6,719,873	78,789,825	10,245,891
\$ 12,778,671	1,030,383	\$ 6,680,528	\$ 85,298,459	\$ 10,656,609

(Continued)

**CITY OF LEESBURG, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**  
*(Concluded)*

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Major Funds</b>		
	<b>Electric Utility Fund</b>	<b>Gas Utility Fund</b>	<b>Water Utility Fund</b>
<b><u>Reconciliation of Cash and Cash Equivalents to Balance Sheet</u></b>			
Total Unrestricted Equity in Pooled Cash and Cash Equivalents	\$ 16,290,955	\$ 8,784,011	\$ 6,255,382
Total Restricted Equity in Pooled Cash and Cash Equivalents & Cash with Fiscal Agent	25,365,697	1,680,844	6,431,988
<b>Total Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 41,656,652</u></b>	<b><u>\$ 10,464,855</u></b>	<b><u>\$ 12,687,370</u></b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>			
Operating Income (Loss)	\$ 8,755,465	\$ 2,067,549	\$ 2,346,097
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	3,865,793	427,177	1,212,765
Decrease (Increase) in Assets:			
Customer Accounts (Net of Allowances)	(78,161)	4,523	48,708
Miscellaneous Receivables	-	-	-
Prepaid Items	15,739	-	(89)
Inventory	(313,156)	3,183	19,861
Decrease (Increase) in Deferred Outflows Pension	(282,135)	(98,797)	(91,560)
Increase (Decrease) in Liabilities:			
Accounts Payable	(37,422)	(77,789)	218,508
Unearned Revenue	-	-	-
Due to Other Governments	(52,289)	755	-
Accrued Expenses	300	(44,631)	1,497
Claims Payable	-	-	-
Rate Stabilization Credit	5,481,457	-	-
Other Postemployment Benefits Liability	109,892	46,399	53,725
Net Pension Liability	(87,581)	(30,669)	(28,422)
Decommissioning/Postclosure Payable	-	-	-
Other	(552,251)	(76,272)	(154,862)
Increase (Decrease) in Deferred Inflows Pension	199,334	69,802	64,689
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b><u>\$ 17,024,985</u></b>	<b><u>\$ 2,291,230</u></b>	<b><u>\$ 3,690,917</u></b>
<b><u>Noncash Investing, Capital or Financing Transactions</u></b>			
Contributions of Capital Assets from City's Governmental Activities	-	-	-

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

Business-type Activities - Enterprise Funds				Governmental Activities
Major Funds				Internal Service Funds
Wastewater Utility Fund	Airport Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
\$ 6,558,261	\$ 1,030,383	\$ 4,819,136	\$ 43,738,128	\$ 10,297,277
6,220,410	-	1,861,392	41,560,331	359,332
<u>\$ 12,778,671</u>	<u>\$ 1,030,383</u>	<u>\$ 6,680,528</u>	<u>\$ 85,298,459</u>	<u>\$ 10,656,609</u>
\$ 3,473,994	\$ (915,095)	\$ 1,993,652	\$ 17,721,662	\$ (17,044)
1,591,114	1,375,299	515,861	8,988,009	900,812
7,383	(24,126)	(19,850)	(61,523)	-
-	-	-	-	(3,393)
-	-	11,328	26,978	-
-	-	(40,489)	(330,601)	62,822
(121,981)	-	(94,527)	(689,000)	(36,690)
(3,556)	16,209	139,972	255,922	(315,111)
-	174,000	-	174,000	-
-	-	646	(50,888)	-
5,356	3,617	(41,896)	(75,757)	1,036,947
-	-	1,669	1,669	(933,178)
-	-	-	5,481,457	-
90,355	4,884	65,934	371,189	-
(37,866)	-	(29,343)	(213,881)	(11,389)
-	-	(59,661)	(59,661)	-
6,009	4,600	(3,800)	(776,576)	(8,072)
86,182	-	66,785	486,792	25,922
<u>\$ 5,096,990</u>	<u>\$ 639,388</u>	<u>\$ 2,506,281</u>	<u>\$ 31,249,791</u>	<u>\$ 701,626</u>
-	\$ 25,711,867	-	\$ 25,711,867	-

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



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## **FIDUCIARY FUNDS**

**Pension Trust Funds** account for the activities of the firefighters' and police officers' and the general employees' pension funds, which accumulate resources for pension benefits and disability payments to qualified retirees.

**CITY OF LEESBURG, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2015**

	<b>Employee Retirement Funds</b>
<b>Assets</b>	
Cash	\$ 52,461
Investments, at Fair Value:	
U.S. Government Securities	7,486,437
Corporate Bonds	7,609,714
Corporate Stocks	30,738,892
Alternative Investments	12,486,766
Money Market	1,456,944
Mutual Funds	7,233,976
Total Investments	67,012,729
Interest Receivable	102,813
<b>Total Assets</b>	<b>67,168,003</b>
<b>Liabilities</b>	
Accounts Payable	-
<b>Total Liabilities</b>	<b>-</b>
<b>Net Position</b>	
Restricted for:	
Employees' Pension Benefits	\$ 67,168,003

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

**CITY OF LEESBURG, FLORIDA  
STATEMENT OF CHANGES IN FUND NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u><b>Employee Retirement Funds</b></u>
<b>Additions</b>	
Contributions:	
Employer	\$ 2,248,395
State	334,485
Employee	429,238
Total Contributions	<u>3,012,118</u>
Investment Income:	
Net Increase (Decrease) in Fair Value of Investments	(1,058,704)
Interest and Dividend Income	1,395,543
Other Income	137,327
Less: Investment Expenses	(412,100)
Total Investment Income	<u>62,066</u>
<b>Total Additions</b>	<u><b>3,074,184</b></u>
<b>Deductions</b>	
Benefit Payments	4,662,524
Refund of Contributions	993,074
Administrative Expense	185,066
<b>Total Deductions</b>	<u><b>5,840,664</b></u>
<b>Change in Plan Net Position</b>	<b>(2,766,480)</b>
<b>Net Position Restricted for Employees'</b>	
<b>Pension Benefits:</b>	
<b>Beginning of Year</b>	<u>69,934,483</u>
<b>End of Year</b>	<u><u>\$ 67,168,003</u></u>

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



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## **NOTES TO THE FINANCIAL STATEMENTS**

**CITY OF LEESBURG, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Financial Reporting Entity**

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

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

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

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

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

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

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

**CITY OF LEESBURG, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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

**B. Recent Government Accounting Standards Board (GASB) Statements**

In fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which revises and establishes new financial reporting requirements for most state and local governments that provide their employees with pension benefits. Statement 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

**C. Basic Financial Statements**

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

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

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

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

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

**CITY OF LEESBURG, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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

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

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

Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as electric, gas, communications, water, wastewater, stormwater and solid waste services. Operating expenses include all costs related to providing the service or product. These costs include salaries and benefits, supplies, travel, contract services, depreciation, administrative expenses, and/or other expenses directly related to the cost of services. All other revenue and expenses not meeting these definitions are reported as non-operating revenues and expenses.

All governmental fund financial statements are reported using a current financial resources measurement focus and a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. This period is within 180 days of the end of the fiscal year, and jointly assessed taxes collected through other governments, are within 60 days.

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

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

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

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

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

**CITY OF LEESBURG, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**E. Major Governmental Funds**

1. The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
2. The **Community Redevelopment Agency Fund** includes the **Greater Leesburg Community Redevelopment Agency, Carver Heights/Montclair Area Community Redevelopment Agency, and U.S. Highway 441 & 27 Community Redevelopment Agency**. These are incremental tax districts established pursuant to Florida Statutes and accounted for in a special revenue fund. The fund accounts for the incremental increase in ad valorem tax revenue collected within the designated community redevelopment areas. Revenues must be utilized and expended in accordance with the respective community redevelopment plans.
3. The **Capital Projects Fund** accounts for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**F. Major Enterprise Funds**

1. The **Electric Utility Fund** accounts for the purchase and distribution of electric services.
2. The **Gas Utility Fund** accounts for the purchase and distribution of gas services.
3. The **Water Utility Fund** accounts for costs for collection, treatment, and distribution of water services.
4. The **Wastewater Utility Fund** accounts for costs to provide wastewater and sanitary sewer services.
5. The **Airport Fund** accounts for the costs associated with the management, construction, maintenance, protections, control, regulation, use, and enhancement of the City's International Airport.

**G. Internal Service Funds**

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

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

**H. Fiduciary Funds**

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

**CITY OF LEESBURG, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**I. Encumbrances**

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

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

1. **Cash and Investments** - The City's cash and cash equivalents include cash on hand, demand deposits, and equity in pooled cash and investments. The equity in pooled cash and investments represents a fund's share of a cash and investment pool maintained by the City for use by all funds, except the pension funds and funds with agreements that require separate bank accounts. State statutes require all deposits of the City, including demand deposit accounts, time deposit accounts and money market accounts be held in institutions designated by the Treasurer of the State of Florida as "qualified depositories" and accordingly, are covered by a collateral pool as required by the statute.

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

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

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

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

3. **Inventories and Prepaid Items** - Inventories of expendable supplies held for consumption are priced at the "first-in-first-out" method of accounting. Governmental fund type inventories are recorded using the consumption method. Reported inventories in governmental funds are included with nonspendable fund balance because they are not in spendable form. In proprietary fund types, inventories are expended when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of prepaid items are recorded as expenditures when consumed rather than when purchased.
4. **Capital Assets** - Capital assets, which include land, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the city-wide financial statements.

**CITY OF LEESBURG, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

Capital asset purchases are recorded as capital outlay expenditures in the fund level governmental funds in the year of acquisition. Property, plant, and equipment with initial, individual costs that equal or exceed \$5,000 with estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs equal or exceed \$25,000 as long as they possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

For intangible assets, the City maintains a \$100,000 threshold for related assets. The costs of normal maintenance and repairs that do not add to the fair value of the asset or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of major business-type activities is included as part of the capitalized value of the assets constructed. During 2015 there was no capitalized interest.

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

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

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

- Deferred OutFlows/Inflows of Resources** - In addition to assets and liabilities, the statements of net position report a separate section for deferred outflows/inflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources until then. The City has two items that qualify for reporting in this category. 1) The deferred amounts on refunding reported in the city-wide and proprietary statements of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price, and is recognized as a component of interest expense in a systematic manner over the shorter of the life of the refunded or refunding debt. 2) The deferred amounts on pension obligations reported in the city-wide and proprietary statements of net position. A deferred amount on pension obligations results from expenses recognized over defined future periods.

The City's Statement of Net Position includes deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until then. The City's deferred inflows are pension related and can be found in the entity-wide and proprietary statements of net position. Deferred Inflows related to the City's pensions result from resources that will be available to reduce the City's pension expense but not until future periods.

- Contributions** - Contributions in the form of cash and capital assets to the governmental activities of the City are recognized on the Statement of Activities as revenues in the period they are received. Contributions of capital assets and primarily completed infrastructure from developers are recognized at the fair value at the date of donation. All contributions are reported on the Statement of Activities as program revenues, with operating contributions reported separately from capital contributions.

**CITY OF LEESBURG, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

7. **Interfund Activity** - Interfund activity within and among the City's three fund categories (governmental, proprietary, and fiduciary) are classified as reciprocal interfund activity and nonreciprocal interfund activity. Reciprocal interfund activity flows between funds with an expectation of repayment and is reported as interfund receivables and payables.

Reciprocal interfund activity flows without an expectation of repayment within a reasonable time and is reported as transfers between funds. Interfund services provided and used are sales and purchases of goods and services between funds for a price approximating their external value, and are reported as revenues and expenditures (or expenses) in the funds.

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

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

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

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

a. **Nonspendable** - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

b. **Restricted** - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

c. **Committed** - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Commission. Those committed amounts cannot be used for any other purpose unless City Commission removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process.

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

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

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

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then by unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

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

16. **Electric Rate Stabilization** - The City purchases bulk power from the Florida Municipal Power Agency (FMPA) and resells it to the electric utility customers. The Bulk Power Cost Adjustment can vary significantly from month to month. The Electric Rate Stabilization is designed to smooth out the electric utility rates paid by the electric utility customers. This stabilization process serves to minimize variances in the purchased power component of the City's electric utility service charge by passing along a more stable cost over time, even though the actual costs incurred by the City can vary. When bulk power costs are higher than usual, previously collected funds are used to stabilize the cost passed along to electric utility consumers. The converse occurs when actual costs are less than the amount charged since the difference between the actual cost and that charged consumers is reserved for future application.
17. **Reclassifications** - Certain 2014 amounts have been reclassified to conform to the 2015 presentation.

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 2 -BUDGET AND BUDGETARY DATA**

**A. Budget Policy**

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

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

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

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

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

**B. Excess of Expenditures Over Appropriations**

The Gas Tax Fund, Police Education Fund, Affordable Housing Fund, and Police Forfeitures Fund contained excesses of expenditures over appropriations during the fiscal year ended September 30, 2015.

No other individual fund contained an excess of total expenditures over total appropriations during the fiscal year ended September 30, 2015, except insignificant variances. However, within various funds, there may be an excess of expenditures over appropriations at the line item level.

**C. Deficit Fund Equity**

The following individual funds show deficit equity balances at September 30, 2015, in the amounts shown below:

<b>Fund</b>	<b>Type</b>	<b>Deficit</b>
Capital Projects Fund	Major Governmental Fund	\$ 11,615
Fire Impact Fee Fund	Nonmajor Governmental Fund	\$ 26,834

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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 3 -PROPERTY TAXES**

The City is permitted under its charter to levy up to \$10 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on general long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. Additional taxes assessed for the payment of general long-term debt issues of the City must be approved by the public. The tax rate assessed by the City for the year ended September 30, 2015 was \$4.3179 per \$1,000 of assessed property value. Current tax collections (inclusive of legally available early payment discounts) for the City were approximately 97.23% of the total tax levy. The property calendar provides for the tax revenue to be billed and collected within the applicable fiscal year.

**Calendar of Property Tax Events**

**Tax Collection**

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

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

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

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

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 -DEPOSITS AND INVESTMENTS**

**A. Pooling of Cash and Investments**

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

Deposits and investments as of September 30, 2015, are classified in the accompanying financial statements as follows:

**City-wide Cash and Investments**

**Statement of Net Position**

Cash and Cash Equivalents	\$ 70,975,412
Restricted:	
Cash and Cash Equivalents	49,980,700
Investments	6,824,314

**Statement of Fiduciary Net Position**

Cash Equivalents	52,461
Investments	67,012,729

**Total Cash and Investments**

\$ 194,845,616

Deposits and investments consist of the following:

**Governmental and Business-Type Activities**

Cash Deposits	\$ 35,186,341
Investments	83,278,432
Investments with Fiscal Agent:	
Debt Service Fund	1,124,811
Utilities CR3 Decommissioning Trust	6,824,314
Utilities Debt Service Account	1,034,413
Utilities Gas Deposit Account	332,115

**Fiduciary Fund Assets**

Cash	52,461
Defined Benefit Pension Plan Investments	67,012,729

**Total Cash and Investments**

\$ 194,845,616

**CITY OF LEESBURG , FLORIDA  
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**Primary Government Activities**

**1. Investments and Investment Practices**

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

For the fiscal year ended September, 2015, the City invested in the Florida Surplus Asset Fund Trust (FLSAFE) and Florida Prime (FP) investment pools. The investment pools operate under investment guidelines established by Section 215.47, Florida Statutes. Neither the FLSAFE nor FP are registrants with the Securities and Exchange Commission; however, they have adopted operating procedures consistent with the requirements for a 2a-7-like fund and the fair value of the position in the pools is equal to the value of the pool shares. The City’s investment in the FLSAFE and FP were rated AAAM by Standard & Poor’s.

As of September, 2015, the City had the following investments and maturities:

**2. Custodial Credit Risk**

Investment Type	Fair Value	Investment Maturities (In Years)				
		Less Than 1 Year	Less Than 2 Years	Less Than 3 Years	Less Than 4 Years	Less Than 5 Years
Local Government Investment Pools	\$ 19,212,675	\$ 19,212,675	\$ -	\$ -	\$ -	\$ -
Bank Certificates of Deposit	20,362,903	14,241,259	6,121,645	-	-	-
U.S. Government and Agencies	25,149,005	4,038,407	10,723,328	9,383,101	1,004,168	-
Corporate Fixed Income	18,553,848	4,769,388	9,285,215	4,499,245	-	-
<b>Total</b>	<b>\$ 83,278,432</b>	<b>\$ 42,261,729</b>	<b>\$ 26,130,188</b>	<b>\$ 13,882,346</b>	<b>\$ 1,004,168</b>	<b>\$ -</b>

At September 30, 2015, the carrying amount of the City’s deposits was \$35,186,341. Monies on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposits are defined as public deposits. The entire City’s public deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, “Florida Security for Public Deposits Act”, and covered by federal depository insurance. This act requires that the City maintain deposits only in “qualified public depositories”. All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer would implement procedures for payment of losses according to the validated claims of the City.

**CITY OF LEESBURG , FLORIDA  
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**3. Interest Rate Risk**

Interest rate risk is the risk that as market rates change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The City's formal investment policy ensures that securities mature to meet operating cash requirements to avoid the need to sell on the open market prior to maturity. In addition, the policy calls for investing operating funds primarily in shorter-term securities, mutual funds or investment pools from which funds can be readily withdrawn without penalty and which limit the average maturity of the portfolio from 90 days to three years. Reserve funds and other funds with longer-term investment horizons may be invested in securities not exceeding five years. As of September 30, 2015 the City of Leesburg investments weighted average maturity in years was 2.16.

**4. Credit Risk**

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

**5. Concentration of Credit Risk**

The City's investments are guaranteed by the U.S. Government or held in FLSAFE and FP investment pools.

**B. Fiduciary Activities**

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

**1. Credit Rating – All Fiduciary Funds**

Ratings as of September 30, 2015, for the fiduciary funds' corporate and agency obligations by Standard & Poor's follows:

Retirement Plan	Total	Rating				
		AAA	AA	A	BBB	N/R
Municipal Police Officers'	\$ 5,306,034	\$ 84,294	\$ 222,111	\$ 897,723	\$ 913,077	\$ 3,188,829
Municipal Firemen's	3,836,764	46,264	573,132	1,898,637	890,195	428,536
General Employees'	5,953,353	-	1,913,106	784,951	357,325	2,897,971
<b>Totals</b>	<b>\$ 15,096,151</b>	<b>\$ 130,558</b>	<b>\$ 2,708,349</b>	<b>\$ 3,581,311</b>	<b>\$ 2,160,597</b>	<b>\$ 6,515,336</b>

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.

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**General Employees' Retirement Plan**

City of Leesburg General Employees' Retirement Plan  
Distribution by Asset Type  
September 30, 2015

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 696,602	\$ 696,602	\$ -	\$ -	-
U.S. Government and Agencies	4,620,467	-	3,362,780	1,257,686	-
Mutual Funds	2,251,412	2,251,412	-	-	-
Corporate Obligations	1,332,887	-	975,562	357,325	-
<b>Total</b>	<b>8,901,368</b>	<b>\$ 2,948,014</b>	<b>\$ 4,338,342</b>	<b>\$ 1,615,011</b>	<b>\$ -</b>
Corporate Stock	15,962,652				
Alternative Investments*	8,861,376				
<b>Total</b>	<b>\$ 33,725,396</b>				

\*Alternative Investments include partnerships and hedge fund.

**a. Custodial Credit Risk**

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

**b. Interest Rate Risk**

Interest rate risk is the risk that as market rate change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates. As of September 30, 2015 the City of Leesburg investments weighted average maturity in years was 3.95.

**c. Credit Risk**

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

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**d. Concentration of Credit Risk**

The investment policy of the Trust contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. Investments in corporate common stock and convertible bonds are limited to 60% of plan assets. No more than 10% of plan assets shall be invested in one company. Except for U.S. Government and agency obligations, no more than 10% of plan assets can be invested in one issuer. No investments exceeded these thresholds at September 30, 2015.

**e. Foreign Currency**

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

**2. Municipal Police Officers' Retirement Plan**

City of Leesburg Municipal Police Officers' Retirement Plan  
Distribution by Asset Type  
September 30, 2015

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 413,717	\$ 413,717	\$ -	\$ -	\$ -
U.S. Government and Agencies	2,324,185	-	432,412	538,481	1,353,293
Corporate Obligations	2,981,848	-	1,152,389	561,039	338,365
Total	5,719,750	\$ 413,717	\$ 1,584,801	\$ 1,099,520	\$ 1,691,658
Corporate Stock	9,820,199				
Alternative Investments*	1,554,660				
Total	\$ 17,094,609				

\*Alternative Investment is a real estate partnership.

**a. Custodial Credit Risk**

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

**b. Interest Rate Risk**

Interest rate risk is the risk that as market rate change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates. As of September 30, 2015 the City of Leesburg investments weighted average maturity in years was 11.16.

**CITY OF LEESBURG , FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**c. Credit Risk**

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

**d. Concentration of Credit Risk**

The investment policy of the Trust contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. Investments in corporate common stock may not exceed 70% of plan assets. No more than 5% of plan assets may be invested in the common stock of any one company. Foreign investments are limited to 10% of plan assets. Investments in domestic fixed income obligations are limited to 45% of plan assets. No investments exceeded these thresholds at September 30, 2015.

**e. Foreign Currency**

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

**3. Municipal Firemen's Retirement Plan**

City of Leesburg Municipal Firemen's Retirement Plan  
Distribution by Asset Type  
September 30, 2015

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 346,625	\$ 346,625	\$ -	\$ -	\$ -
U.S. Government and Agencies	541,785	32	139,496	84,921	317,336
Mutual Funds	4,982,564	4,982,564	-	-	-
Corporate Obligations	3,294,979	-	1,431,427	1,431,671	431,881
Total	9,165,953	\$ 5,329,221	\$ 1,570,923	\$ 1,516,592	\$ 749,217
Corporate Stock	4,956,041				
Alternative Investments	2,070,730				
Total	<u>\$ 16,192,724</u>				

**a. Custodial Credit Risk**

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

**CITY OF LEESBURG , FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**b. Interest Rate Risk**

Interest rate risk is the risk that as market rate change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates. As of September 30, 2015 the City of Leesburg investments weighted average maturity in years was 9.56.

**c. Credit Risk**

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

**d. Concentration of Credit Risk**

The investment policy of the Trust contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. Investments in corporate common stock and convertible bonds are limited to 60% of plan assets. No more than 5% of plan assets may be invested in one company. Foreign investments are limited to 10% of plan assets. No investments exceeded these thresholds at September 30, 2015.

**e. Foreign Currency**

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

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 -INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of September 30, 2015, is as follows:

**a. Interfund Receivables and Payables**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Redevelopment Agency Fund	\$ 317,192
General Fund	Nonmajor Governmental	26,834
Total		<u>\$ 344,026</u>

The purpose of the above interfund balances was to reduce the negative cash balances and fund construction projects. The Community Redevelopment Agency Fund is awaiting reimbursement for a Community Development Block Grant.

**b. Interfund Transfers**

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds:</b>		
<b>Governmental</b>		
General Fund	\$ 9,891,736	\$ 2,429,640
Community Redevelopment Agency	-	212,614
Capital Projects	1,537,049	-
<b>Enterprise</b>		
Electric Utility	-	6,478,195
Gas Utility	-	1,830,372
Water Utility	-	904,994
Wastewater Utility	-	813,072
Airport	450,000	-
<b>Non-major Funds:</b>		
<b>Governmental</b>		
	2,545,240	943,171
<b>Enterprise</b>		
	212,614	1,024,581
	<u>\$ 14,636,639</u>	<u>\$ 14,636,639</u>

Interfund transfers represent a major source of funding in the General Fund. The amount of utility contribution to the general fund may not exceed 10% of the enterprise fund's estimated operating revenues and is determined by applying an established percentage against each enterprise fund's charges for services excluding surcharge revenue, gross receipts tax, and franchise fees. In addition to the Annual Operating Transfer, surcharge revenue, which is collected from customers outside the corporate limits at the same rate as public service tax, is collected in the Electric, Gas, and Water Funds and transferred to the General Fund. Transfers into the Capital Projects Fund were associated with the following projects: facility/building improvements, and road resurfacing. Transfers made into the non-major governmental funds were associated with debt service payments.

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**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2015, was as follows:

**A. Governmental Activities**

<b>Governmental Activities</b>	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not being Depreciated				
Land	\$ 9,006,048	\$ 473,759	\$ 4,560,059	\$ 4,919,748
Construction in Progress	2,346,823	3,557,001	5,386,174	517,650
<b>Total Capital Assets Not Being Depreciated</b>	<b>11,352,871</b>	<b>4,030,760</b>	<b>9,946,233</b>	<b>5,437,398</b>
Capital Assets Being Depreciated:				
Buildings	43,680,053	281,949	7,987,127	35,974,875
Improvements Other than Buildings	29,211,123	293,831	20,606,573	8,898,381
Equipment	28,363,722	598,098	416,751	28,545,069
Infrastructure (Roads and Streets)	36,613,161	1,738,517	349,441	38,002,237
<b>Total Capital Assets Being Depreciated</b>	<b>137,868,059</b>	<b>2,912,395</b>	<b>29,359,892</b>	<b>111,420,562</b>
Less Accumulated Depreciation for:				
Buildings	12,354,191	764,113	1,989,564	11,128,740
Improvements Other than Buildings	11,790,289	300,823	7,514,676	4,576,436
Equipment	23,648,684	1,356,365	343,600	24,661,449
Infrastructure (Roads and Streets)	24,309,376	1,215,960	342,645	25,182,691
<b>Total Accumulated Depreciation</b>	<b>72,102,540</b>	<b>3,637,261</b>	<b>10,190,485</b>	<b>65,549,316</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>65,765,519</b>	<b>(724,866)</b>	<b>19,169,407</b>	<b>45,871,246</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 77,118,390</b>	<b>\$ 3,305,894</b>	<b>\$ 29,115,640</b>	<b>\$ 51,308,644</b>

**B. Business-type Activities**

<b>Business-type Activities</b>	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not being Depreciated				
Land	\$ 12,185,218	\$ 4,715,739	\$ 942,451	\$ 15,958,506
Construction in Progress	5,345,724	11,030,965	9,055,572	7,321,117
<b>Total Capital Assets Not Being Depreciated</b>	<b>17,530,942</b>	<b>15,746,704</b>	<b>9,998,023</b>	<b>23,279,623</b>
Capital Assets Being Depreciated:				
Buildings	33,831,138	8,050,137	-	41,881,275
Improvements Other than Buildings	210,119,231	30,929,245	1,460,719	239,587,757
Intangible Assets	786,424	-	-	786,424
Equipment	36,980,926	921,548	126,226	37,776,248
<b>Total Capital Assets Being Depreciated</b>	<b>281,717,719</b>	<b>39,900,930</b>	<b>1,586,945</b>	<b>320,031,704</b>
Less Accumulated Depreciation for:				
Buildings	7,936,301	2,785,249	-	10,721,550
Improvements Other than Buildings	68,725,735	14,614,186	1,397,826	81,942,095
Intangible Assets	170,706	39,884	-	210,590
Equipment	23,068,408	1,595,716	141,733	24,522,391
<b>Total Accumulated Depreciation</b>	<b>99,901,150</b>	<b>19,035,035</b>	<b>1,539,559</b>	<b>117,396,626</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>181,816,569</b>	<b>20,865,895</b>	<b>47,386</b>	<b>202,635,078</b>
<b>Business-type Capital Assets, Net</b>	<b>\$ 199,347,511</b>	<b>\$ 36,612,599</b>	<b>\$ 10,045,409</b>	<b>\$ 225,914,701</b>

**CITY OF LEESBURG , FLORIDA  
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**C. Depreciation Expense**

**Depreciation Expense-Governmental Activities**

General Government and Administration	\$ 442,774
Public Safety	283,164
Physical Environment	12,485
Transportation	1,067,915
Economic Environment	88,712
Parks and Recreation	841,399
Fleet Services	900,812
<b>Total Depreciation Expense-Governmental Activities</b>	<u>\$ 3,637,261</u>

**Depreciation Expense-Business-type Activities**

Electric Utility	\$ 3,988,386
Gas Utility	434,218
Water Utility	1,227,439
Wastewater Utility	1,611,396
Solid Waste Utility	21,585
Communication Services	333,255
Stormwater	161,022
Airport Utility	11,257,734
<b>Total Depreciation Expense-Business-type Activities</b>	<u>\$ 19,035,035</u>

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**NOTE 7 -ELECTRIC POWER AGREEMENTS**

**A. Florida Municipal Power Agency**

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

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

The City, through FMPA's joint ownership agreement with Florida Power and Light Corporation has an entitlement share to a small portion of the output of the St. Lucie No. 2 nuclear power plant. For the fiscal year ended 9/30/2015, the City's entitlement share totaled 14,966 megawatt hours of generating capacity from the St. Lucie No. 2 nuclear power plant. The annual entitlement shares amount is based on the City's percent participation in the St. Lucie FMPA Project applied to the output of the plant over the same period. The operating license for Unit No. 2 is due to expire in 2043.

**2. All-Requirement Power Supply Project Agreement**

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

**B. Crystal River Unit No. 3 Participation Agreement**

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

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**NOTE 8 –LONG-TERM LIABILITIES**

**A. Long-term liability activity for the year ended September 30, 2015, was as follows:**

	Beginning Balance <sup>1</sup>	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
<u>Revenue Bonds:</u>					
Tax Increment Bonds - 2009	\$ 14,295,000	\$ -	\$ 125,000	\$ 14,170,000	\$ 235,000
Capital Improve Refunding Rev Bonds - 2013	14,825,000	-	495,000	14,330,000	505,000
Total Revenue Bonds	<u>29,120,000</u>	<u>-</u>	<u>620,000</u>	<u>28,500,000</u>	<u>740,000</u>
<u>Notes Payable:</u>					
Note Payable - 2008	476,802	-	183,204	293,598	293,598
Note Payable - 2009 Magnolia Townhomes	2,790,000	-	900,000	1,890,000	930,000
Note Payable - 2009 Capital Improve Rev	5,357,400	-	230,000	5,127,400	240,000
Note Payable - 2015 Greater Leesburg CRA	-	1,000,000	-	1,000,000	52,000
Total Revenue Notes	<u>8,624,202</u>	<u>1,000,000</u>	<u>1,313,204</u>	<u>8,310,998</u>	<u>1,515,598</u>
Total Revenue Bonds and Notes	<u>37,744,202</u>	<u>1,000,000</u>	<u>1,933,204</u>	<u>36,810,998</u>	<u>2,255,598</u>
<u>Other Liabilities:</u>					
Compensated Absences	1,559,627	1,296,803	1,445,615	1,410,815	775,948
Capital Lease Payable	124,460	-	39,792	84,668	41,464
Net Pension Liability	5,845,034	1,701,707	-	7,546,741	-
Other Postemployment Benefits	8,518,785	715,519	-	9,234,304	-
Total Other Liabilities	<u>16,047,906</u>	<u>3,714,029</u>	<u>1,485,407</u>	<u>18,276,528</u>	<u>817,412</u>
Total Governmental Activities	<u>\$ 53,792,108</u>	<u>\$ 4,714,029</u>	<u>\$ 3,418,611</u>	<u>\$ 55,087,526</u>	<u>\$ 3,073,010</u>
<b>Business-type Activities:</b>					
<u>Revenue Bonds:</u>					
Utility System Rev Bond - Series 2007A	\$ 20,720,000	\$ -	\$ 380,000	\$ 20,340,000	\$ 395,000
Utility System Rev Bond - Series 2007B	970,000	-	25,000	945,000	30,000
Electric System Rev Bond - Series 2007A	11,265,000	-	-	11,265,000	-
Electric System Rev Bond - Series 2007B	10,155,000	-	365,000	9,790,000	390,000
Utility System Refund Rev Bonds - 2013	20,305,000	-	665,000	19,640,000	675,000
Add: Premium, Less: Discount	937,688	-	46,237	891,451	-
Total Revenue Bonds	<u>64,352,688</u>	<u>-</u>	<u>1,481,237</u>	<u>62,871,451</u>	<u>1,490,000</u>
<u>Notes Payable:</u>					
Capital Improve Rev Refunding Note - 2009	655,000	-	100,000	555,000	105,000
Utility System Rev Refunding Note - 2010	7,830,000	-	525,000	7,305,000	545,000
Electric System Refunding Rev Note - 2013	9,000,000	-	357,000	8,643,000	368,000
Electric System Refunding Rev Note - 2014	14,553,000	-	65,000	14,488,000	494,000
Total Revenue Notes	<u>32,038,000</u>	<u>-</u>	<u>1,047,000</u>	<u>30,991,000</u>	<u>1,512,000</u>
Total Revenue Bonds and Notes Payable	<u>96,390,688</u>	<u>-</u>	<u>2,528,237</u>	<u>93,862,451</u>	<u>3,002,000</u>
<u>Other Liabilities:</u>					
CR#3 Decommissioning Cost Payable	6,946,584	-	-	6,946,584	-
Landfill Post closure Payable	249,107	-	59,661	189,446	63,149
Compensated Absences	949,497	854,824	795,509	1,008,812	554,847
Net Pension Liability	2,640,660	-	213,881	2,426,779	-
Other Postemployment Benefits	3,726,384	371,189	-	4,097,573	-
Total Other Liabilities	<u>14,512,232</u>	<u>1,226,013</u>	<u>1,069,051</u>	<u>14,669,194</u>	<u>617,996</u>
<b>Total Business-type Activities</b>	<u>\$ 110,902,920</u>	<u>\$ 1,226,013</u>	<u>\$ 3,597,288</u>	<u>\$ 108,531,645</u>	<u>\$ 3,619,996</u>

<sup>1</sup>Restated for Other Postemployment Benefits and Net Pension Liability

**CITY OF LEESBURG , FLORIDA**  
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**B. The following is a schedule of bonds and notes outstanding at September 30, 2015:**

<u>Description of Bonds/Notes</u>	<u>Purpose of Issue</u>	<u>Issued</u>	<u>Outstanding</u>	<u>Rates</u>
<b>Governmental Activities</b>				
Revenue Bonds and Revenue Notes:				
Capital Improvement Refunding Revenue Bonds - 2013	Capital Improvement	\$ 15,345,000	\$ 14,330,000	.4%-3.78%
Tax Increment Bonds - 2009 Hwy 441/27 CRA	Capital Improvement	14,605,000	14,170,000	2%-5%
Capital Improvement Revenue Note - 2009	Capital Improvement	6,227,400	5,127,400	4.73%
Magnolia Townhomes Note - 2009	Capital Improvement	4,500,000	1,890,000	3.40%
Note Payable - Carver Heights CRA - 2008	Real Estate	1,431,878	293,598	4.36%
Note Payable - Greater Leesburg CRA -2015	Capital Improvement	1,000,000	1,000,000	2.91%
<b>Total Governmental Activities</b>		<u>\$ 43,109,278</u>	<u>\$ 36,810,998</u>	
<b>Business-type Activities</b>				
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	9,790,000	5.64% - 5.90%
Utility System Revenue Bond - 2007A	Gas/Water/Wastewater	22,425,000	20,340,000	4.00% - 5.00%
Utility System Revenue Bond - 2007B	Wastewater	1,070,000	945,000	5.90%
Utility System Refunding Revenue Bonds - 2013	Gas/Water/Wastewater	21,010,000	19,640,000	2.00% - 5.00%
Capital Improvement Revenue Refunding Note - 2009	Fiber Optic Cable	1,005,000	555,000	4.13%
Utility System Revenue Refunding Note - 2010	Water/Wastewater	8,000,000	7,305,000	3.85%
Electric System Refunding Revenue Note - 2013	Electric	9,000,000	8,643,000	3.04%
Electric System Refunding Revenue Note - 2014	Electric	14,553,000	14,488,000	3.85%
<b>Total Business-type Activities</b>		<u>\$ 100,038,000</u>	<u>\$ 92,971,000</u>	

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

Fiscal Year	<b>Bonds Payable</b>			
	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 740,000	\$ 1,179,982	\$ 1,490,000	\$ 2,826,853
2017	755,000	1,158,982	1,545,000	2,762,439
2018	780,000	1,134,307	1,615,000	2,691,553
2019	805,000	1,108,182	1,690,000	2,622,770
2020	940,000	1,081,132	1,760,000	2,549,637
2021-2025	5,845,000	4,738,588	10,155,000	11,036,001
2026-2030	7,825,000	3,116,522	11,620,000	8,139,159
2031-2035	9,640,000	1,678,559	16,945,000	6,429,482
2036-2039	1,170,000	58,500	15,160,000	1,161,500
<b>Total</b>	<u>\$ 28,500,000</u>	<u>\$ 15,254,754</u>	<u>\$ 61,980,000</u>	<u>\$ 40,219,394</u>

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Notes Payable				
Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 1,515,598	\$ 326,444	\$ 1,512,000	\$ 1,096,937
2017	1,289,000	267,973	1,562,000	1,040,494
2018	342,000	237,158	1,624,000	981,980
2019	359,000	221,999	1,680,000	921,276
2020	376,000	206,072	1,745,000	858,325
2021-2025	2,122,000	658,458	9,054,000	3,329,471
2026-2030	2,307,400	373,154	7,330,000	1,782,655
2031-2035	-	-	6,484,000	548,588
<b>Total</b>	<b>\$ 8,310,998</b>	<b>\$ 2,291,258</b>	<b>\$ 30,991,000</b>	<b>\$ 10,559,726</b>

**D. Governmental Activity Liabilities**

A summary of all governmental long-term debt as of September 30, 2015, follows:

**1. Tax Increment Revenue Note Payable – 2008 (Carver Heights CRA)**

On December 23, 2008, the City signed a note for the acquisition of lands for public purposes, rehabilitation of certain public facilities, under grounding of certain City owned utilities, improvements to public parks, sidewalks and lighting improvements within the Carver Heights Community Redevelopment Agency. The note matures on May 1, 2016, and is collateralized by a pledge of tax increment revenue. To the extent tax increment revenues are insufficient, sales tax revenues, guaranteed entitlement, and public service tax are also pledged, subordinate to the Series 2013 bonds.

**2. Tax Increment Revenue Bonds, Series 2009**

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

**3. Magnolia Townhomes Note – 2009**

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

**CITY OF LEESBURG , FLORIDA**  
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**4. Capital Improvement Revenue Refunding Note – 2009**

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

**5. Capital Improvement Revenue Refunding Bonds, Series 2013**

On May 2, 2013, the City issued bonds in the amount of \$15,345,000 pursuant to Resolution No. 9182. The 2013 Bonds are a refunding of the Capital Improvement Bonds, 2004, are fully registered bonds and are collateralized by a pledge of the proceeds of the local government half-cent sales tax, the guaranteed entitlement portion of state revenue sharing funds, the public service tax and investment income earned on trust funds held for bond holder.

**6. Greater Leesburg Community Redevelopment Agency Note – 2015**

On January 12, 2015, the Agency authorized the issuance of its Redevelopment Revenue Note, Series 2015, pursuant to Resolution No. 31. Also on January 12, 2015 the City signed a loan agreement with Citizens First Bank in the amount of \$1,000,000 pursuant to Resolution No. 9533. The proceeds were used to finance the acquisition, construction and improvements of street improvements, undergrounding and replacement of all electric, water, wastewater, storm water and fiber optic relocation on Main Street from U.S. 27 to 9th Street, all within the Community Redevelopment Area of the Agency. The note is secured by Pledged Revenues of the Agency.

**7. Compensated Absences**

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

**8. Capital Lease**

During 2008, the City signed a lease-purchase agreement with Mine Safety Appliances Company. The lease, in the amount \$376,725, is being used to finance the purchase of breathing apparatuses for the Fire Rescue Department. The lease is to be paid within ten years at an imputed interest rate of 4.2% and will be paid in full in 2017. Two lease payments, \$45,020 and \$45,020, remain and are due on April 15, 2016 and April 15, 2017 respectively.

**CITY OF LEESBURG , FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**E. Business-type Activity Liabilities**

Following is a summary of all long-term liabilities of the proprietary funds at September, 2015:

**1. Electric System Revenue Bonds, Series 2007A and 2007B**

The City has issued \$11,265,000 and \$11,710,000, respectively, in Electric System Revenue Bonds, Series 2007A and Taxable Series 2007B. Both issues are fully registered. The bonds are payable solely from the net revenues of the Electric System on parity with the City's outstanding Electric System Revenue Note, Series 2013. The Series 2007 bonds are subject to early redemption prior to maturity. The bond resolutions provide for a sinking fund.

**2. Electric System Refunding Revenue Note – 2013**

On June 10, 2013, the City issued a note in the amount of \$9,000,000 pursuant to Resolution No. 9199. Proceeds from the Note were used to refinance the 2010 Electric Utility Revenue Note, a line of credit used to fund the purchase of the City's \$20 million Smart Grid Project. The 2013 Electric System Refunding Revenue Note is payable from and secured solely by net revenues of the City's electric system on parity with the City's outstanding Electric System Revenue Bonds, Series 2007A and Series 2007B and Note, Series 2014. The note is a 20 year obligation with interest at 3.04%.

**3. Electric System Refunding Revenue Note – 2014**

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

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

**4. Crystal River III Nuclear Decommission Costs Payable**

The City is responsible for its share of the future costs to decommission the Crystal River III Nuclear Generating Unit.

**5. Crystal River III Nuclear Decommissioning Trust Fund**

Federal law requires that an external trust fund be created to accumulate amounts to pay for future plant decommissioning costs. The City contributes to a common trust fund, maintained by Florida Municipal Power Agency (FMPA), for all its members that own a portion of the Crystal River III Nuclear Generating Unit. As of September 30, 2015, the City has a balance in the trust fund of \$6,946,584.

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
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**6. Utility System Revenue Bonds, Series 2007A and 2007B**

The City has issued \$22,425,000 and \$1,070,000, respectively, in Utility System Revenue Bonds, Series 2007A and Taxable Series 2007B. Both issues are fully registered. Bonds are payable solely from the net revenues of the gas, water, and wastewater systems on parity with the City's outstanding Utility System Revenue Bonds, Series 2013. The Series 2007 bonds are subject to early redemption prior to maturity. The bond resolutions provide for a sinking fund.

**7. Utility System Revenue Refunding Note – 2010**

On July 8, 2010, the City issued an \$8,000,000 note to be used solely to refinance the City's Bond Anticipation Note (BAN), 2006. The original BAN was used to acquire a water and wastewater utility system from the Plantation of Leesburg Limited Partnership. The note is payable solely from the net revenues of the gas, water, and wastewater systems on parity with the City's outstanding Utility System Revenue Bonds, Series 2007A, Series 2007B, and Series 2013.

**8. Utility System Revenue Bonds, Series 2013**

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

**9. Defeased Debt**

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

Utility System Refunding Revenue Bonds, Series 1999 A/B	\$17,335,000
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**10. Capital Improvement Revenue Refunding Note – 2009**

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

**11. Estimated Landfill Closure and Postclosure Care Costs**

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

<b>Balance, September 30, 2014</b>	\$	249,107
Adjustment of Estimate		(16,440)
Total Annual Costs Paid		(43,221)
<b>Balance, September 30, 2015</b>		189,446
Current Maturities		(63,149)
<b>Total Long-Term Portion</b>	\$	126,297

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

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The \$189,446 liability recorded represents the estimated costs of post-closure care for four years after closure as required by state and federal laws and regulations. This amount was calculated by the City's consulting engineer. The actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required to deposit adequate funds into an escrow account before year-end to meet postclosure care costs for the following year. During the year ended September, 1992, the City established an escrow sub-account within the City's pooled cash system for this purpose. The following is a schedule of the transactions in this account during fiscal year 2015:

<b>Balance, September 30, 2014</b>	\$	89,875
Investment Income (Loss)		623
<b>Balance, September 30, 2015</b>	\$	90,498

Escrow funds in the amount of \$90,498 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.

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**F. Pledged Revenues**

The City has pledged certain revenues to repay certain bonds and notes outstanding as of September 30, 2015. 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, 2015:

Debt Description	Governmental							Debt Service Payments Until	Pledged Through
	Half Cent Sales Tax <sup>1,8</sup>	Guaranteed Entitlement <sup>2</sup>	Public Service Tax <sup>3</sup>	Fund Transfer <sup>4</sup>	Gas Utility	Tax Increment Revenues <sup>5</sup>			
					GLCRA	CHCRA <sup>6</sup>	441/27CRA <sup>7</sup>		
2009 Capital Improvement Refunding Promissory Note	\$ 351,263							\$ 7,153,131	2030
2013 Capital Improvement Bonds	753,306							20,178,208	2035
2009 Capital Improvement Promissory Note (Magnolia)				\$ 979,560				1,954,770	2017
2015 Greater Leesburg (G/L) CRA Note					\$ 6,224			1,187,957	2026
2008 Redevelopment Revenue Note (CHCRA)	22,598					\$ 181,395		306,399	2016
2009 Tax Increment Revenue Bonds (441/27 CRA)	35,625	\$ 309,234	\$ 452,622					23,576,545	2036
<b>Total Debt Service</b>	<b>\$ 1,162,792</b>	<b>\$ 309,234</b>	<b>\$ 452,622</b>	<b>\$ 979,560</b>	<b>\$ 6,224</b>	<b>\$ 181,395</b>	<b>\$ -</b>	<b>\$ 54,357,010</b>	
Total pledged revenues available for fiscal year 2015 debt service	\$ 1,162,792	\$ 309,234	\$ 3,404,080	\$ 979,560	\$ 348,834	\$ 181,395	\$ -		
Total pledged revenues used for fiscal year 2015 debt service	1,162,792	309,234	452,622	979,560	6,224	181,395	-		
Fiscal year 2015 pledged revenues used as a percentage of revenues available	100.00%	100.00%	13.30%	100.00%	1.78%	100.00%	0.00%		

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

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

<sup>3</sup>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.

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

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

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

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

<sup>8</sup>In fiscal year 2015 the accounting method was changed from accruing interest for governmental debt to recording the payment when made. This resulted in only one interest payment recorded in 2015.

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Debt Description	Business-type						Debt Service Payments Until Debt Maturity	Pledged Through
	Electric Revenues	Gas Revenues	Water Revenues	Wastewater Revenues	Total Gas, Water, Wastewater Revenues	Communi-cations Revenues		
2007 A Electric System Revenue Bonds	\$ 551,906						\$ 22,476,520	2038
2007 B Electric System Revenue Bonds	939,425						15,098,660	2032
2013 Electric System Refunding Revenue Note <sup>4</sup>	619,474						11,218,288	2033
2014 Electric System Refunding Revenue Note <sup>5</sup>	622,788						20,759,810	2035
2007 A Utility System Revenue Bonds		\$ 151,195	\$ 866,299	\$ 318,150	\$ 1,335,644		35,496,972	2038
2007 B Utility System Revenue Bonds				80,755	80,755		1,567,894	2034
2010 Utility System Revenue Note		111,516	384,584	310,143	806,243		8,958,671	2026
2013 Utility System Refunding Revenue Bonds		232,135	482,861	669,035	1,384,031		27,559,347	2035
2009 Capital Improvement Revenue Note						\$ 123,266	613,956	2020
<b>Total Debt Service</b>	<b>\$ 2,733,593</b>	<b>\$ 494,846</b>	<b>\$ 1,733,744</b>	<b>\$ 1,378,083</b>	<b>\$ 3,606,673</b>	<b>\$ 123,266</b>	<b>\$ 143,750,118</b>	
Total pledged revenues available for fiscal year 2015 debt service	\$ 13,133,159	\$ 2,555,709	\$ 3,617,541	\$ 5,166,055	\$ 11,339,305	\$ 717,072		
Total pledged revenues used for fiscal year 2015 debt service	2,733,866	494,846	1,733,744	1,378,083	3,606,673	123,266		
Fiscal year 2015 pledged revenues used as a percentage of revenues available	20.82%	19.36%	47.93%	26.68%	31.81%	17.19%		

**Definitions:**

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

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

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

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

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

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

<sup>4</sup>**2013 Electric System Refunding Revenue Note** - a refunding of the 2010 Electric System Anticipation Note

<sup>5</sup>**2014 Electric System Refunding Revenue Note** - a refunding of the 2004 Electric System Revenue Bonds

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**NOTE 9 – CONDUIT DEBT**

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

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

As of September 30, 2015, the City had an aggregate principal amount of hospital revenue refunding bonds of approximately \$183,693,000. The amount of bonds outstanding for Leesburg Regional Medical Center was \$7,168,000. The amount of bonds outstanding for The Villages Tri-County Medical Center was \$78,995,000. The amount of bonds outstanding for Leesburg Regional Medical Center and The Villages Tri-County Medical Center as a combined entity was \$97,530,000.

**NOTE 10 – ARBITRAGE REBATE**

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

There is no arbitrage rebate liability as of September 30, 2015.

**NOTE 11– OPERATING LEASES**

The City is lessor on various leases of facilities located at the Leesburg Regional Airport and other leases for property owned by the City. Estimated amounts for leased assets are: cost \$10,642,976 and accumulated depreciation \$2,002,853. The following is a schedule of minimum future lease income on non-cancelable operating leases:

Fiscal Year	Amount
2016	\$ 446,583
2017	420,688
2018	375,978
2019	375,016
2020	327,394
2021-2025	1,183,904
2026-2030	274,907
<b>Total Minimum Lease Payments</b>	<b>\$ 3,404,470</b>

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**NOTE 12– DEFINED BENEFIT PENSION PLANS (PLAN)**

**A. Plan Descriptions and Contribution Information**

The City maintains three separate single-employer pension plans, a supplemental one for police officers, one for firemen, and a general employees' retirement plan that covers substantially all other full-time City employees including police officers. These plans are maintained as pension trust funds and included as part of the City's reporting entity. City ordinance and state law requires contributions to be determined by actuarial studies. The City Commission has the authority to establish and amend the benefit provisions of the plans. Administrative costs are financed through contributions and investment earnings.

**B. Basis of Accounting**

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

**C. Methods Used to Value Investments**

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

For financial statement purposes, plan assets are valued at market value for the General Employees', Municipal Police Officers' and Municipal Firemens' plans, as reported within the annual trustee statements. Because the plans do not issue stand-alone GAAP financial reports, the following individual financial reports are presented for each of the plans:

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	General Employees' Retirement Plan	Municipal Police Officers' Retirement Plan	Municipal Firemen's Retirement Plan	Total
<b>Assets</b>				
Cash	\$ 26,598	\$ 676	\$ 25,187	\$ 52,461
Investments, at Fair Value:				
U.S. Government Securities	4,620,467	2,324,185	541,785	7,486,437
Corporate Bonds	1,332,887	2,981,847	3,294,980	7,609,714
Corporate Stocks	15,962,652	9,820,200	4,956,040	30,738,892
Alternative Investments	8,861,376	1,554,660	2,070,730	12,486,766
Money Market	696,602	413,717	346,625	1,456,944
Mutual Funds	2,251,412	-	4,982,564	7,233,976
Total Investments	<u>33,725,396</u>	<u>17,094,609</u>	<u>16,192,724</u>	<u>67,012,729</u>
Accounts Receivable	-	-	-	-
Interest Receivable	68,221	-	34,592	102,813
<b>Total Assets</b>	<u>\$ 33,820,215</u>	<u>\$ 17,095,285</u>	<u>\$ 16,252,503</u>	<u>\$ 67,168,003</u>
<b>Liabilities</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position Restricted for Employees'</b>				
<b>Pension Benefits</b>	<u>\$ 33,820,215</u>	<u>\$ 17,095,285</u>	<u>\$ 16,252,503</u>	<u>\$ 67,168,003</u>

**SCHEDULE OF THE CHANGE IN PENSION PLAN NET POSITION AS OF SEPTEMBER 30, 2015**

<b>Additions</b>				
Contributions:				
Employer	\$ 1,429,268	\$ 240,775	\$ 578,352	\$ 2,248,395
State	-	168,105	166,380	334,485
Employee	-	250,545	178,693	429,238
Total Contributions	<u>1,429,268</u>	<u>659,425</u>	<u>923,425</u>	<u>3,012,118</u>
Investment Income:				
Net Appreciation (Depreciation) in Fair Value of Investments	143,525	(541,069)	(661,160)	(1,058,704)
Interest and Dividend Income	551,828	376,338	467,377	1,395,543
Other Income	3,356	71,452	62,519	137,327
Less: investment expenses	(195,845)	(117,680)	(98,575)	(412,100)
Total Investment Income	<u>502,864</u>	<u>(210,959)</u>	<u>(229,839)</u>	<u>62,066</u>
<b>Total Additions</b>	<u>1,932,132</u>	<u>448,466</u>	<u>693,586</u>	<u>3,074,184</u>
<b>Deductions</b>				
Benefit Payments	2,882,952	861,311	918,261	4,662,524
Refund of Contributions	109,981	237,064	646,029	993,074
Administrative Expense	73,709	46,543	64,814	185,066
<b>Total Deductions</b>	<u>(3,066,642)</u>	<u>(1,144,918)</u>	<u>(1,629,104)</u>	<u>(5,840,664)</u>
<b>Net Increase Decrease</b>	<u>(1,134,510)</u>	<u>(696,452)</u>	<u>(935,518)</u>	<u>(2,766,480)</u>
<b>Net Position Restricted for Employees'</b>				
<b>Pension Benefits:</b>				
<b>Beginning of Year</b>	34,954,725	17,791,737	17,188,021	69,934,483
<b>End of Year</b>	<u>\$ 33,820,215</u>	<u>\$ 17,095,285</u>	<u>\$ 16,252,503</u>	<u>\$ 67,168,003</u>

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

**1. General Employees' Retirement Plan (GERP)**

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

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

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

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

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

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

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

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

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

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

Termination of employment – Vesting Schedule: Less than 5 years zero percent vested; five or more years 100% vested.

Cost of living adjustment – Retirees (other than vested terminated members) and their beneficiaries receive a 2.00% increase in benefits each year October 1st commencing 3 years after their otherwise Normal Retirement Date.

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Early Retirement Window (July 1, 2014 to September 30, 2014) – Eligibility: Age 50 with 20 years of service by September 30, 2014 who elected to retire by September 30, 2014. Benefit: accrued benefit on Early Retirement Date, reduced based on the following schedule for each year that Early Retirement precedes Age 65.

Years of Credited Service at Retirement	Reduction Factor
35 or More	0.0%
30 to 35	0.5%
25 to 30	1.5%
20 to 25	2.0%

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

Participation: Not to exceed 60 months.

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

The DROP balance as of September 30, 2015 is \$0.

**2. Municipal Police Officers’ Retirement Plan (MPRP)**

The plan covers sworn police officers (other Police Department employees are covered in the GERP). Employees contribute 7.65% of their reportable W-2 compensation, less Christmas bonuses, but including lump sum payment of accrued sick leave, accrued annual leave, or accrued compensatory leave, plus all tax deferred (IRC Section 414(h) (2) and IRC Section 457 contributions) and tax exempt (IRC Section 125) items of income. Effective January 22, 2013, Salary shall not include more than 300 hours of overtime per year. The State of Florida collects and remits a 1% excise tax on gross premiums from casualty insurance policies covering property within the corporate limits to the fund pursuant to the provisions of Chapter 185, Florida Statutes.

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

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

Normal Retirement– Earlier of 1) age 52 (Age 50 for Members eligible for Normal Retirement as of October 31, 2015 under the prior provisions) and the completion of 25 years of credited service, or 2) age 55 and the completion of 10 years of credited service.

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Benefits Provided– 3.00% of Average final compensation times credited service prior to May 27, 2003; 2.00% for each year between May 27, 2003, and September 30, 2009; and 2.5% for each year of Credited Service between October 1, 2009 and September 30, 2015; and 3.00% for each year of Credited Service thereafter.

Early Retirement– Age 50 (age 45 for members who will be eligible for early retirement as of October 1, 2015, under the prior provisions) and completion of 10 years of credited service.  
Benefit– Accrued benefit, reduced 3.0% per year.

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

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

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

Contributions- Employee: 7.65% of basic compensation; remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

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

Participation: Not to exceed 60 months.

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

The DROP balance as September 30, 2015 is \$147,712.

**3. Municipal Firemen's Retirement Plan (MFRP)**

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

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

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

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

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

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

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

Disability– Total and permanent as determined by Board of Trustees, and for at least a period of 5 months if not service incurred. Not-line-of-duty benefit amount: Less than 10 Years: The monthly income which can be provided by the greater of (A) or (B), where: (A) is the actuarial present value of the accrued benefit at date of disability, and (B) is two times the Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 60% of the Member’s Anticipated Monthly Retirement Income at Normal Retirement Date. More than 10 Years: The monthly income which is the greater of (A) or (B), where: (A) is the monthly income which can be provided by the actuarial present value of the accrued benefit at date of disability, and (B) is 30% (.3) of the Participant’s Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 100% of the Member’s Anticipated Monthly Retirement Income at Normal Retirement Date.

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

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

Contributions- Employee: 6.5% of basic compensation; remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

**D. Membership**

Membership of each Plan consisted of the following:

<b>Date of Actuarial Valuation:</b>	<b>10/01/15</b>	<b>10/01/15</b>	<b>10/01/15</b>
	<b>GERP</b>	<b>MPRP</b>	<b>MFRP</b>
Retirees and Beneficiaries Receiving Benefits	225	31	25
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	221	10	2
Active Plan Members	221	65	52
<b>Total</b>	<b>667</b>	<b>106</b>	<b>79</b>

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**E. Investment Policy**

The following was the Board's adopted asset allocation policy as of September 30, 2015:

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

**F. Concentrations**

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

**G. Rate of Return**

GERP– For the year ended September 30, 2015 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 1.47 percent.

MPRP – For the year ended September 30, 2015 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was (1.21) percent.

MFRP – For the year ended September 30, 2015 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.45) percent.

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

**H. Net Pension Liability of Sponsor**

The components of the net pension liability of the sponsor of September 30, 2015 were as follows:

	GERP	MPRP	MFRP
Total Pension Liability	\$ 38,963,325	\$ 17,840,214	\$ 20,324,301
Plan Fiduciary Net Position	(33,820,101)	(17,092,313)	(16,241,906)
Sponsor's Net Pension Liability	\$ 5,143,224	\$ 747,901	\$ 4,082,395
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.80%	95.81%	79.91%

**CITY OF LEESBURG , FLORIDA  
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Actuarial Assumptions:

The measurement date is September 30, 2015 for all three pension plans. The measurement period for the pension expense was October 1, 2014 to September 30, 2015. The reporting period is October 1, 2014 through September 30, 2015.

The total pension liability for all plans was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumption applied to all measurement periods.

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Inflation	2.00%	3.00%	3.00%
Salary Increases	-	5%	4%-6%
Discount Rate	7.50%	8%	7.50%
Investment Rate of Return	7.50%	8%	7.50%

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

Mortality rates for the Police Officers' Fund was based on the RP-2000 Table with no projection - Based on a study of over 650 public safety funds, the table reflects a 1-% margin for future mortality improvements. Mortality rates for the Fire Fund was based on the RP-2000, combined healthy. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

For the General Employees' Fund, actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study for the period 1999-2006. The actuarial assumptions used for Firemens' Funds were based on the results of an actuarial experience study for the period 1998-2013. The acturial assumptions used for Police Officers' Funds were based on the results of an actuarial experience study for the period 1988-2009.

**I. Long Term Expected Rate of Return—All Plans**

The long-term expected rate of return on all pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2015 are summarized in the following table:

**CITY OF LEESBURG , FLORIDA**  
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Asset Class	GERP	MPRP	MFRP
	Long Term Expected Real Rate of Return	Long Term Expected Real Rate of Return	Long Term Expected Real Rate of Return
Domestic Equity	7.71%	7.50%	8.00%
International Equity	7.72%	8.50%	3.00%
Broad Market Fixed Income	-	2.50%	-
Global Fixed Income	2.32%	3.50%	-
TIPS	-	2.50%	3.10%
Bonds	-	-	4.40%
Convertibles	-	-	6.40%
Real Estate	5.09%	4.50%	4.60%
Hedge Funds	2.87%	-	-
REITS	-	-	7.00%
MLPs	-	-	10.40%

**J. Discount Rate**

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

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

**K. Net Pension Liability**

**General Employees' Plan**

**CHANGES IN NET PENSION LIABILITY**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2014	\$ 40,602,995	\$ 34,948,909	\$ 5,654,086
Changes for the year:			
Service cost	152,878	-	152,878
Interest	2,944,455	-	2,944,455
Differences between expected and actual experience	(1,744,070)	-	(1,744,070)
Contributions - employer	-	1,435,084	(1,435,084)
Contributions - employee	-	-	-
Net investment income	-	502,864	(502,864)
Benefit payments, including refunds of employee contributions	(2,992,933)	(2,992,933)	-
Administrative expense	-	(73,823)	73,823
Net changes	(1,639,670)	(1,128,808)	(510,862)
Balances at September 30, 2015	<u>\$ 38,963,325</u>	<u>\$ 33,820,101</u>	<u>\$ 5,143,224</u>

**CITY OF LEESBURG , FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Police Officers' Plan**

**CHANGES IN NET PENSION LIABILITY**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2014	\$ 17,654,396	\$ 17,781,102	\$ (126,706)
Changes for the year:			
Service cost	583,726	-	583,726
Interest	1,401,184	-	1,401,184
Differences between expected and actual experience	(1,091,580)	-	(1,091,580)
Changes in benefit terms	390,863	-	390,863
Contributions - employer	-	248,486	(248,486)
Contributions - state	-	168,105	(168,105)
Contributions - employee	-	250,545	(250,545)
Net investment income	-	(211,259)	211,259
Benefit payments, including refunds of employee contributions	(1,098,375)	(1,098,375)	-
Administrative expense	-	(46,291)	46,291
Net changes	185,818	(688,789)	874,607
Balances at September 30, 2015	<u>\$ 17,840,214</u>	<u>\$ 17,092,313</u>	<u>\$ 747,901</u>

Notes to Schedule

Changes of benefit terms:

For Fiscal year 2015, amounts reported as changes of benefit terms were resulted from:

- 3.00% times Credited Service earned prior to May 27, 2003, plus
- 2.00% times Credited Service earned between May 27, 2003 and September 30, 2009, plus
- 2.5% times Credited Service earned between October 1, 2009 and September 30, 2015, plus
- 3.00% times Credited Service earned on and after October 1, 2015.

**Firemens' Plan**

**CHANGES IN NET PENSION LIABILITY**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2014	\$ 19,985,840	\$ 17,027,525	\$ 2,958,315
Changes for the year:			
Service cost	512,330	-	512,330
Interest	1,483,143	-	1,483,143
Share Plan Allocation	55,931	-	55,931
Differences between expected and actual experience	(267,086)	-	(267,086)
Changes of benefit terms	-	-	-
Contributions - employer	-	609,819	(609,819)
Contributions - State	-	166,380	(166,380)
Contributions - employee	-	178,693	(178,693)
Net investment income	-	(244,332)	244,332
Benefit payments, including refunds of employee contributions	(1,445,857)	(1,445,857)	-
Administrative expense	-	(50,322)	50,322
Net changes	338,461	(785,619)	1,124,080
Balances at September 30, 2015	<u>\$ 20,324,301</u>	<u>\$ 16,241,906</u>	<u>\$ 4,082,395</u>

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Sensitivity of NPL to changes in discount rate**

**General Employees' Plan**

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's net pension liability	\$ 9,331,334	\$ 5,143,224	\$ 1,605,035

**Police Officers' Plan**

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
City's net pension liability	\$ 2,876,679	\$ 747,901	\$ (1,050,712)

**Firemens' Plan**

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's net pension liability	\$ 6,532,594	\$ 4,082,395	\$ 2,010,677

**Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions**

Pension expense at September 30, 2015 was: 1) General \$441,244 2) Police \$776,111 and 3) Fire \$761,950. On September 30, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**General Employees' Plan**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 1,162,714
Net Difference between projected and actual earnings	1,645,692	-
Total	<u>\$ 1,645,692</u>	<u>\$ 1,162,714</u>

**Police Officers' Plan**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 909,650
Net Difference between projected and actual earnings	1,256,632	-
Total	<u>\$ 1,256,632</u>	<u>\$ 909,650</u>

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Firemens' Plan**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 228,930
Net Difference between projected and actual earnings	1,200,879	-
Total	<u>\$ 1,200,879</u>	<u>\$ 228,930</u>

**Deferred Inflows/Outflows schedule for future years**

Amounts reported as deferred inflows or resources related to pensions will be recognized in pension expense as follows:

<u>Total year ended September 30:</u>	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firemens'</u>
2016	\$ (169,932)	\$ 132,228	\$ 262,064
2017	(169,932)	132,228	262,063
2018	411,425	132,228	262,063
2019	411,425	132,228	262,063
2020	-	(181,930)	(38,155)
Thereafter	-	-	(38,155)

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**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. All current employees are fully vested in any contributions authorized by the City Commission. New employees become fully vested over a four-year period. For the year ended September 30, 2015, the City Commission approved a contribution rate of 5% of compensation. Total contributions amounted to \$673,202 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)**

In accordance with Chapter 112.0801, Florida Statutes, the City allows retirees the option of continuing to participate in the City's group health insurance coverage at a premium cost of no more than the premium cost applicable to active employees. 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. Benefit provisions for the Plan are established by the City Commission and may be amended by the City Commission. Employees retiring before age fifty-five may remain in the City's plan and pay all premium costs. Employees who retire between the ages of fifty-five and fifty-eight and continue health coverage will become eligible for employer subsidized premiums at age fifty-eight. Employees retiring on or after attaining age fifty-eight with at least fifteen years of service remain in the plan with all employee premiums paid by the City up to a maximum of \$400; if the cost to the City for health insurance coverage on the retired employee exceeds \$400 a month, the retiree will bear the cost over and above \$400. This explicit City subsidy is available only for retiree coverage and is not available in whole or in part as an explicit subsidy for spouse or dependent coverage. The plan does not issue a publically available financial report.

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:

<b>Date of Actuarial Valuation:</b>	<b>10/01/2014</b>
Retirees and Beneficiaries Receiving Benefits	155
Active Plan Members	361
<b>Total</b>	<u>516</u>

**A. Annual OPEB Costs and Net OPEB Obligation**

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

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
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The cumulative difference between the Annual OPEB Cost for the year and the Employer Contribution for the year is called the Net OPEB Obligation. The Net OPEB Obligation is reflected as a liability in the statement of net position.

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)	\$ 2,578,652
Interest on Net OPEB Obligation (NOO)	489,807
Adjustment to ARC	(764,334)
Annual OPEB Cost	<u>2,304,125</u>
Employer Contributions Made	<u>(1,217,416)</u>
Increase(Decrease) in NOO	1,086,709
Net OPEB Obligation, Beginning of Year	<u>12,245,168</u>
Net OPEB Obligation, End of Year	<u><u>\$ 13,331,877</u></u>

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

**B. Schedule of Employer Contributions**

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
9/30/2015	\$ 2,304,125	52.8%	\$ 13,331,877
9/30/2014	1,883,628	52.3%	12,245,168
9/30/2013	1,853,015	49.4%	11,347,176

**C. Actuarial Methods and Assumptions**

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

**D. Funded Status and Funding Progress**

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

**CITY OF LEESBURG , FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

Following is a schedule of funding progress:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded (Overfunded) Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAAL as a Percentage of Payroll</b>
10/1/2014	\$ -	\$ 27,749,667	\$ 27,749,667	0.0%	\$ 21,150,249	131.5%

This information is helpful in determining whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

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

<b>Valuation Date</b>	October 1, 2014
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	Level Percentage, Closed
<b>Remaining Amortization Period</b>	23 Years
<b>Asset Valuation Method</b>	Market Value
<b>Actuarial Assumptions:</b>	
Investment Return	4.0%
Rate of Inflation	3.0%
Payroll Growth - All Employees	0.0%
Health Care Inflation	8.0%
	(decreasing 0.75% each year until the ultimate of 4.5% in Fiscal Year 2020)

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 15- SELF-INSURANCE FUND**

**A. Employee Health Insurance Fund**

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

**B. Workers' Compensation Insurance Fund**

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

Changes in claims liabilities for the last two years follow:

	<u>Balance October 1, 2014</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>(Claims Paid)</u>	<u>Balance September 30, 2015</u>
Employee Health				
Insurance Fund	\$ 379,625	\$ 4,223,634	\$ 4,137,955	\$ 465,304
Workers' Compensation				
Insurance Fund	<u>1,611,316</u>	<u>336,245</u>	<u>320,103</u>	<u>1,627,458</u>
	<u>\$ 1,990,941</u>	<u>\$ 4,559,879</u>	<u>\$ 4,458,058</u>	<u>\$ 2,092,762</u>
	<u>Balance October 1, 2013</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>(Claims Paid)</u>	<u>Balance September 30, 2014</u>
Employee Health				
Insurance Fund	\$ 309,561	\$ 3,834,697	\$ (3,764,633)	\$ 379,625
Workers' Compensation				
Insurance Fund	<u>1,676,434</u>	<u>142,106</u>	<u>(207,224)</u>	<u>1,611,316</u>
	<u>\$ 1,985,995</u>	<u>\$ 3,976,803</u>	<u>\$ (3,971,857)</u>	<u>\$ 1,990,941</u>

Claim liabilities are calculated based on an actuarial valuation, which includes consideration of non-incremental claims adjustment expenses. Management estimates that \$569,681 Workers' Compensation and \$465,304 of Employee Health Insurance claim liabilities are payable within one year (as included in Other Accrued Expenses). No settlements in excess of claims have been incurred in each of the past three years.

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 16– CONTINGENCIES AND COMMITMENTS**

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

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

**CITY OF LEESBURG , FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 17– CONSTRUCTION COMMITMENTS**

As of September 30, 2015 the City had the following commitments related to significant unfinished construction projects:

	Expended as of September 30, 2015	Remaining Commitment
<b>General Government:</b>		
Pave parking lot off Main St (near Napa)	\$ 2,200	\$ 12,550
Signs for Downtown	8,110	39,890
Underground Utility Lines	22,250	11,567
Entrance Improvements	-	2,043
Berry Park Pavilion & Picnic Shelter	-	90,000
Infrastructure Improvements	-	60,796
Carver residential undergrounding	130,322	295,386
Beecher St Computer Lab	4,202	798
Susan St Fencing	90,897	9,103
Susan St Reno (dugouts & benches)	2,488	7,322
Kids Korner/Splash Pad Parking Lot	117,887	113,179
Kids Korner Playground Reno	-	74,540
Splash Pad	13,978	286,022
VG Fountain Refurbishment	-	67,152
Update VG Signage	-	30,000
Main St Sidewalk Ramps-ADA Upgrades	-	15,000
Susan St Public Restroom Renovations	-	-
<b>Electric Utility:</b>		
Transformers	1,064,796	986,592
Distribution Lines	2,636,614	850,533
Sectionalizing Devices	6,234	169,997
Lights	645,533	487,928
Miscellaneous Subdivisions	1,165,380	2,244,946
Substations	106,308	1,725
<b>Gas Utility:</b>		
Meters	43,966	100,741
Mains	204,170	503,911
Regulators	27,261	55,267
Services	91,652	186,749
Bentley Ridge	-	79,445
Hidden Harbor	-	36,920
<b>Water Utility:</b>		
Mains	1,293,776	690,527
Miscellaneous Tools and Equipment	55,096	14,904
Plantation Upgrade	114,734	2,635,433
Plant and Storage	287,090	376,013
Reuse Main	53,224	746,988
<b>Wastewater Utility:</b>		
Collecting Sewers	444,990	895,907
Miscellaneous Tools and Equipment	49,062	157,585
Treatment & Disposal Plant	143,999	849,876
<b>Communication Utility:</b>		
Line Installations	362,309	227,412
Relocations	40,646	26,192
Core & Remote Switching	17,156	33,905
<b>Stormwater Utility:</b>		
Birchwood Ditch	189,584	16,626
Commerce & Industrial St. Ditch	345	444,964
Heritage Estates	37,971	109,772
Oak Terrace Improvements	-	335,000
Lake Griffin Improvements	58,448	105,688
<b>Airport Utility:</b>		
Extend Taxiway A	35,853	146,198
Seaplane Ramp	88	628,186
FBO Apron Ramp Extension	2,628	373,155
<b>Totals</b>	<u>\$ 9,571,247</u>	<u>\$ 15,634,433</u>

**CITY OF LEESBURG , FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 18– RISK MANAGEMENT**

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

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

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

**NOTE 19– PRIOR PERIOD ADJUSTMENT**

During fiscal year 2015, the City adopted GASB Statement No. 68., *Accounting and Financial Reporting for Pensions*. The pronouncement required the restatement of the September 30, 2014 net position in governmental activities, business-type activities, enterprise and internal service funds. This change is in accordance with generally accepted accounting principles.

The tables below present the details of the restatements:

**CITY OF LEESBURG, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

	Governmental Activities		
	Governmental Activities	Business-type Activities	Total
Net position, September 30, 2014 as previously reported	\$ 60,625,619	\$ 171,433,708	\$ 232,059,327
Cumulative effect of application of GASB 68	(5,919,550)	(2,640,660)	(8,560,210)
Net position, September 30, 2014 as restated	\$ 54,706,069	\$ 168,793,048	\$ 223,499,117

**CITY OF LEESBURG , FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	Enterprise Funds			
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund	Wastewater Utility Fund
Net position, September 30, 2014 as previously reported	\$ 75,507,444	\$ 15,646,900	\$ 25,212,360	\$ 35,136,604
Cumulative effect of application of GASB 68	(1,121,776)	(474,660)	(268,108)	(492,725)
Net position, September 30, 2014 as restated	<u>\$ 74,385,668</u>	<u>\$ 15,172,240</u>	<u>\$ 24,944,252</u>	<u>\$ 34,643,879</u>

	Enterprise Funds		
	Stormwater Fund	Solid Waste	Communication Services
Net position, September 30, 2014 as previously reported	\$ 10,025,723	\$ 2,194,131	\$ 7,710,546
Cumulative effect of application of GASB 68	(32,480)	(168,945)	(81,966)
Net position, September 30, 2014 as restated	<u>\$ 9,993,243</u>	<u>\$ 2,025,186</u>	<u>\$ 7,628,580</u>

	Internal Service Funds			
	General Employees' Health Insurance	Workers' Compensation Insurance	Risk Management	Fleet Maintenance
Net position, September 30, 2014 as previously reported	\$ 2,825,761	\$ 335,419	\$ 159,839	\$ 8,207,760
Cumulative effect of application of GASB 68	-	-	-	(119,847)
Net position, September 30, 2014 as restated	<u>\$ 2,825,761</u>	<u>\$ 335,419</u>	<u>\$ 159,839</u>	<u>\$ 8,087,913</u>

Actuarial information for the net pension liability and the deferred inflows and outflows were not available for the prior period and, therefore, it was not considered practical to restate and reissue the prior year financial statements.

**NOTE 20– SUBSEQUENT EVENTS**

Sale of Crystal River 3 Nuclear Power Plant (CR3) – The eight CR#3 municipal joint owners and several current and former wholesale customers of Duke, including the All-Requirements Project, entered into a settlement agreement with Duke which became effective September 26, 2014. Relevant to the CR3 decommissioning trusts, one aspect of the settlement agreement provides for the CR3 municipal joint owners' transfer of their CR3 ownership interests and decommissioning trust funds to Duke in exchange for, among other things, a cash settlement payment and release for all past, present and future CR3 costs and liabilities including CR3 decommissioning. The settlement payments and decommissioning trust funds transfers took place at the final closing on October 30, 2015.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

The following supplementary schedules present the major fund budgetary comparison schedules; trend information regarding the retirement plans for the City's General Employees, Municipal Police and Municipal Firemen; and trend information regarding other postemployment benefits. This information is necessary for a fair presentation in conformity with generally accepted accounting principles.



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**CITY OF LEESBURG, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 10,542,037	\$ 10,542,037	\$ 11,005,938	\$ 463,901
Licenses and Permits	153,300	153,300	258,885	105,585
Intergovernmental	2,133,615	2,171,531	2,280,813	109,282
Charges for Services	588,298	588,298	1,022,235	433,937
Fines and Forfeitures	114,500	114,500	115,093	593
Miscellaneous:				
Interest	46,000	46,000	118,194	72,194
Rental	389,445	389,445	453,253	63,808
Other	35,374	35,374	95,628	60,254
<b>Total Revenues</b>	<u>14,002,569</u>	<u>14,040,485</u>	<u>15,350,039</u>	<u>1,309,554</u>
<b>Expenditures</b>				
Current:				
General Government	3,505,938	3,555,443	3,242,396	313,047
Public Safety	13,186,565	13,275,793	12,342,882	932,911
Physical Environment	75,358	95,067	69,833	25,234
Transportation	1,418,112	1,432,059	1,380,061	51,998
Economic Environment	173,409	205,409	205,232	177
Human Services	337,881	381,059	56,147	324,912
Culture and Recreation	2,956,628	2,970,701	2,906,347	64,354
Capital Outlay	151,475	313,732	229,872	83,860
<b>Total Expenditures</b>	<u>21,805,366</u>	<u>22,229,263</u>	<u>20,432,770</u>	<u>1,796,493</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(7,802,797)</u>	<u>(8,188,778)</u>	<u>(5,082,731)</u>	<u>3,106,047</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	10,000	10,000	3,141	(6,859)
Transfers from Other Funds	9,747,306	9,775,906	9,891,736	115,830
Transfers to Other Funds	(1,799,649)	(2,279,826)	(2,429,640)	(149,814)
Fund Balance Appropriated	(154,860)	682,698	-	(682,698)
<b>Total Other Financing Sources (Uses)</b>	<u>7,802,797</u>	<u>8,188,778</u>	<u>7,465,237</u>	<u>(723,541)</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>2,382,506</u>	<u>2,382,506</u>
<b>Fund Balances, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>11,995,097</u>	<u>11,995,097</u>
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,377,603</u>	<u>\$ 14,377,603</u>

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

**CITY OF LEESBURG, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COMMUNITY REDEVELOPMENT AGENCY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 494,680	\$ 494,680	\$ 530,230	\$ 35,550
Intergovernmental	-	717,126	310,406	(406,720)
Interest	1,000	1,000	39,855	38,855
Other	-	-	103,000	103,000
<b>Total Revenues</b>	<u>495,680</u>	<u>1,212,806</u>	<u>983,491</u>	<u>(229,315)</u>
<b>Expenditures</b>				
Economic Environment	173,555	374,508	295,653	78,855
Principal Payments	308,704	308,704	308,204	500
Interest and Fees	694,271	694,271	725,385	(31,114)
Capital Outlay	-	1,957,226	1,338,282	618,944
<b>Total Expenditures</b>	<u>1,176,530</u>	<u>3,334,709</u>	<u>2,667,524</u>	<u>667,185</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(680,850)</u>	<u>(2,121,903)</u>	<u>(1,684,033)</u>	<u>437,870</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from Other Funds	39,572	39,572	-	(39,572)
Transfers to Other Funds	-	(257,601)	(212,614)	44,987
Issuance of Debt	672,482	1,963,676	1,000,000	(963,676)
Fund Balance Appropriated	(31,204)	376,256	-	(376,256)
<b>Total Other Financing Sources (Uses)</b>	<u>680,850</u>	<u>2,121,903</u>	<u>787,386</u>	<u>(1,334,517)</u>
<b>Net Change in Fund Balances</b>	-	-	(896,647)	(896,647)
<b>Fund Balance, Beginning of Year</b>	-	-	8,619,880	8,619,880
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,723,233</u>	<u>\$ 7,723,233</u>

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

**CITY OF LEESBURG, FLORIDA  
GENERAL EMPLOYEES' PENSION PLAN  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST THREE FISCAL YEARS**

	2015	2014	2013
<b>Total Pension liability</b>			
Service Cost	\$ 152,878	\$ 208,967	\$ 194,388
Interest	2,944,455	2,926,654	2,883,831
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(1,744,070)	-	-
Changes of Assumptions	-	-	-
Benefit payments, Including Refunds of Member Contributions	(2,992,933)	(2,691,425)	(2,352,214)
<b>Net Change in Total Pension Liability</b>	<u>(1,639,670)</u>	<u>444,196</u>	<u>726,005</u>
<b>Total Pension Liability - Beginning</b>	40,602,995	40,158,799	39,432,794
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 38,963,325</u>	<u>\$ 40,602,995</u>	<u>\$ 40,158,799</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 1,435,084	\$ 1,456,725	\$ 1,250,669
Contributions - Employee	502,864	3,281,074	3,036,199
Net Investment Income	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,992,933)	(2,691,425)	(2,352,214)
Administrative Expense	(73,823)	(81,087)	(63,599)
Other	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(1,128,808)</u>	<u>1,965,287</u>	<u>1,871,055</u>
<b>Plan Fiduciary Net Position - Beginning</b>	34,948,909	32,983,622	31,112,567
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 33,820,101</u>	<u>\$ 34,948,909</u>	<u>\$ 32,983,622</u>
<b>City's Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 5,143,224</u>	<u>\$ 5,654,086</u>	<u>\$ 7,175,177</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	86.80%	86.07%	82.13%
<b>Covered-Employee Payroll</b>	\$ 11,184,611	N/A	N/A
<b>City's Net Position Liability as a Percentage of the Covered-Employee Payroll</b>	45.98%	N/A	N/A

**CITY OF LEESBURG, FLORIDA**  
**MUNICIPAL POLICE OFFICERS' PENSION PLAN**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST THREE FISCAL YEARS**

	2015	2014	2013
<b>Total Pension Liability</b>			
Service cost	\$ 583,726	\$ 612,234	\$ 568,199
Interest	1,401,184	1,299,397	1,219,007
Changes of Benefit Terms	390,863	-	-
Differences Between Expected and Actual Experience	(1,091,580)	-	-
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,098,375)	(822,819)	(765,084)
<b>Net Change in Total Pension Liability</b>	<b>185,818</b>	<b>1,088,812</b>	<b>1,022,122</b>
<b>Total Pension Liability - Beginning</b>	<b>17,654,396</b>	<b>16,565,584</b>	<b>15,543,462</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 17,840,214</b>	<b>\$ 17,654,396</b>	<b>\$ 16,565,584</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 248,486	\$ 371,964	\$ 406,147
Contributions - State	168,105	160,225	155,997
Contributions - Employee	250,545	258,985	276,198
Net Investment Income	(211,259)	1,868,068	1,685,318
Benefit Payments, Including Refunds of Member Contributions	(1,098,375)	(822,819)	(765,084)
Administrative Expense	(46,291)	(43,005)	(31,140)
Other	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(688,789)</b>	<b>1,793,418</b>	<b>1,727,436</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>17,781,102</b>	<b>15,987,684</b>	<b>14,260,248</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 17,092,313</b>	<b>\$ 17,781,102</b>	<b>\$ 15,987,684</b>
<b>City's Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 747,901</b>	<b>\$ (126,706)</b>	<b>\$ 577,900</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>95.81%</b>	<b>100.72%</b>	<b>96.51%</b>
<b>Covered-Employee Payroll *</b>	<b>\$ 3,476,535</b>	<b>\$ 3,385,424</b>	<b>\$ 3,610,429</b>
<b>City's Net Position Liability as a Percentage of the Covered-Employee Payroll</b>	<b>21.51%</b>	<b>-3.74%</b>	<b>16.01%</b>

**Notes to Schedule:**

Changes of benefit terms:

For Fiscal year 2015, amounts reported as changes of benefit terms were resulted from:

3.00% times Credited Service earned prior to May 27, 2003, plus

2.00% times Credited Service earned between May 27, 2003 and September 30, 2009, plus

2.5% times Credited Service earned between October 1, 2009 and September 30, 2015, plus

3.00% times Credited Service earned on and after October 1, 2015.

\* For Fiscal year 2013 and 2014, Covered Employee Payroll figures were based on Pensionable Salary.

**CITY OF LEESBURG, FLORIDA  
MUNICIPAL FIREMENS' PENSION PLAN  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST THREE FISCAL YEARS**

	2015	2014	2013
<b>Total Pension Liability</b>			
Service Cost	\$ 512,330	\$ 542,778	\$ 504,910
Interest	1,483,143	1,419,978	1,339,445
Share Plan Allocation	55,931	51,032	-
Differences Between Expected and Actual Experience	(267,086)	-	-
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,445,857)	(836,424)	(780,467)
<b>Net Change in Total Pension Liability</b>	338,461	1,177,364	1,063,888
<b>Total Pension Liability - Beginning</b>	19,985,840	18,808,476	17,744,588
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 20,324,301</u>	<u>\$ 19,985,840</u>	<u>\$ 18,808,476</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 609,819	\$ 866,635	\$ 827,920
Contributions - State	166,380	161,481	156,635
Contributions - Employee	178,693	190,151	187,674
Net Investment Income	(244,332)	1,362,537	1,792,048
Benefit Payments, Including Refunds of Member Contributions	(1,445,857)	(836,424)	(780,467)
Administrative Expense	(50,322)	(46,621)	(34,748)
Other	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	(785,619)	1,697,759	2,149,062
<b>Plan Fiduciary Net Position - Beginning</b>	17,027,525	15,329,766	13,180,704
<b>Plan ffiduciary Net Position - Ending (b)</b>	<u>\$ 16,241,906</u>	<u>\$ 17,027,525</u>	<u>\$ 15,329,766</u>
<b>City's Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 4,082,395</u>	<u>\$ 2,958,315</u>	<u>\$ 3,478,710</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	79.91%	85.20%	81.50%
<b>Covered-Employee Payroll*</b>	\$ 2,901,491	\$ 2,925,402	\$ 2,887,291
<b>City's Net Position Liability as a Percentage of the Covered-Employee Payroll</b>	140.70%	101.13%	120.48%

**Notes to Schedule:**

Changes of benefit terms:

For Fiscal year 2015, amounts reported as changes of benefit terms were resulted from:

3.00% times Credited Service earned prior to May 27, 2003, plus

2.00% times Credited Service earned between May 27, 2003 and September 30, 2009, plus

2.5% times Credited Service earned between October 1, 2009 and September 30, 2015, plus

3.00% times Credited Service earned on and after October 1, 2015.

\* For Fiscal year 2013 and 2014, Covered Employee Payroll figures were based on Pensionable Salary.

**CITY OF LEESBURG, FLORIDA  
GENERAL EMPLOYEES' PENSION PLAN  
SCHEDULE OF CONTRIBUTIONS  
LAST THREE FISCAL YEARS**

	2015	2014	2013
Actuarially Determined Contribution	\$ 1,435,084	\$ 1,456,725	\$ 1,435,084
Contributions in Relation To The Actuarially Determined Contributions	1,435,084	1,456,725	1,435,084
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
<b>Covered-Employee Payroll</b>	<b>\$ 11,184,611</b>	<b>N/A</b>	<b>N/A</b>
<b>Contributions as a Percentage Of Covered Employee payroll</b>	<b>12.83%</b>	<b>N/A</b>	<b>N/A</b>

**Notes to Schedule**

Valuation Date: 10/1/2013 (AIS 05/05/2014)

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

Methods and assumptions used to determine contribution rates:

Funding method	Entry age Normal method
Amortization Method	Level Dollar
Remaining Amortization Period	24 Years
Mortality	RP 2000 Combined Healthy (sex distinct), projected to valuation date using scale AA. Disabled lives set forward 5 years.
Termination Rates	See Table below.
Disability Rates	See Table below.

Retirement Rates:	Age	Rate Per Year
	50-54	2%
	55-58	20%
	59-61	20%
	62	50%
	63-64	25%
	65	100%

Interest Rate	7.5% per year, compounded annually, net of investment related expenses.
Salary Increases	None
Payroll Increases	None
Cost-of-Living Adjustment	2.0% per year after 3 years (no VT's)
Actuarial Asset Method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value.

**Other Information**

Termination, Disability and Salary Rate Table			
Age	% Terminating		% Becoming
	During the		Disabled
	Year		During the
	Year		Year
20	25.0%		0.05%
30	12.4%		0.05%
40	9.5%		0.09%
50	7.5%		0.40%
60	5.5%		1.74%

**CITY OF LEESBURG, FLORIDA  
MUNICIPAL POLICE OFFICERS' PENSION PLAN  
SCHEDULE OF CONTRIBUTIONS  
LAST THREE FISCAL YEARS**

	2015	2014	2013
Actuarially Determined Contribution	\$ 416,591	\$ 532,189	\$ 562,144
Contributions In Relation To The Actuarially Determined Contributions	416,591	532,189	562,144
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
<b>Covered-Employee Payroll</b>	<b>\$ 3,476,535</b>	<b>3,385,424</b>	<b>3,610,429</b>
<b>Contributions As A Percentage of Covered Employee Payroll</b>	<b>11.98%</b>	<b>15.72%</b>	<b>15.57%</b>

\*For Fiscal Year 2013 and 2014, Covered Employee Payroll figures were based on Pensionable Salary.

**Notes to Schedule**

Valuation Date: 10/1/2013

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

Methods and assumptions used to determine contribution rates:

Funding Method	Frozen Entry Age Actuarial Cost Method
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	29 Years (as of 10/01/2013)
Asset Valuation	Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average market value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below market value.
Inflation	3.0% per year
Salary Increases	5.2% per year until the assumed retirement age. Projected salary at retirement is increased individually to account for non-regular compensation.
Interest Rate	7.75% per year compounded annually, net of investment related expenses.
Payroll growth assumption	2.9% annually for amortizing UAAL
Cost-of-Living Adjustment	None
Retirement Age	100% at first eligibility for normal retirement. Also, any member who has reached normal retirement eligibility is assumed to continue employment for one additional year.
Early Retirement	Commencing at eligibility for early retirement, members are assumed to retire with an immediate benefit at the rate of 2% per year.
Termination Rates	See Table below.
Disability Rates	See Table below. It is assumed that 75% of disablements and active member deaths are service related.
Mortality	RP-2000 table with no projection- based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).

Other Information

Age	Termination, Disability and Salary Rate Tables	
	% Terminating During the Year	% Becoming Disabled During the Year
20	9.0%	0.07%
30	7.50%	0.11%
40	3.90%	0.19%
50	1.20%	0.51%

**CITY OF LEESBURG, FLORIDA  
MUNICIPAL FIREMENS' PENSION PLAN  
SCHEDULE OF CONTRIBUTIONS  
LAST THREE FISCAL YEARS**

	2015	2014	2013
Actuarially Determined Contribution	\$ 720,269	\$ 977,084	\$ 938,370
Contributions In Relation To The Actuarially Determined Contributions	720,269	977,084	938,370
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
<b>Covered-Employee Payroll*</b>	<b>\$ 2,901,491</b>	<b>\$ 2,925,402</b>	<b>\$ 2,887,291</b>
<b>Contributions as a percentage of covered employee payroll</b>	<b>24.82%</b>	<b>33.40%</b>	<b>32.50%</b>

Changes of benefit terms:

For Fiscal year 2015, amounts reported as changes of benefit terms were resulted from:  
 3.00% times Credited Service earned prior to May 27, 2003, plus  
 2.00% times Credited Service earned between May 27, 2003 and September 30, 2009, plus  
 2.5% times Credited Service earned between October 1, 2009 and September 30, 2015, plus  
 3.00% times Credited Service earned on and after October 1, 2015.

\* For Fiscal year 2013 and 2014, Covered Employee Payroll figures were based on Pensionable Salary

**Notes to Schedule**

Valuation Date: 10/1/2013

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

Methods and assumptions used to determine contribution rates:

Funding Method	Frozen Initial Liability Cost Method
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	28 years (as of 10/01/2012)
Asset Valuation Method	Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average market value returns (net of fees). It is possible that over time this technique will produce an insignificant bias above or below market value of assets.
Inflation	3.0% per year
Salary Increases	5.0% per year until the assumed retirement age
Interest Rate	7.75% per year compounded annually, net of investment related expenses
Payroll Growth	3.0% for amortizing UAAL
Retirement Age	Earlier of age 52 and the completion of 25 years of credited service or age 55 and the completion of 10 years of credited service. Also, any member who has reached normal retirement age is assumed to continue employment for one additional year.
Early Retirement	None
Termination Rates	See Table below
Disability Rates	See Table below
Mortality	RP-2000 Combined healthy-sex distinct. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disability mortality is set forward five years.

Other Information

Age	Termination, Disability and Salary Rate Tables	
	% Terminating During the Year	% Becoming Disabled During the Year
20	6.00%	0.05%
30	5.00%	0.06%
40	2.60%	0.12%
50	0.80%	0.43%

**CITY OF LEESBURG, FLORIDA  
SCHEDULE OF INVESTMENT RETURNS  
LAST THREE FISCAL YEARS**

GENERAL EMPLOYEES' PENSION PLAN

	2015	2014	2013
Annual Money-Weighted Rate of Return, net of Investment Expenses	1.47%	10.13%	9.94%

MUNICIPAL POLICE OFFICERS' PENSION PLAN

	2015	2014	2013
Annual Money-Weighted Rate of Return, Net of Investment Expenses	-1.21%	11.76%	11.80%

MUNICIPAL FIREMEN'S PENSION PLAN

	2015	2014	2013
Annual Money-Weighted Rate of Return, Net of Investment Expenses	-1.45%	8.82%	13.41%

**CITY OF LEESBURG, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS - SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded (Overfunded) Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAAL as a Percentage of Payroll</b>
10/1/2014	\$ -	\$ 27,749,667	\$ 27,749,667	0.0%	\$ 21,105,249	131.5%
10/1/2013	-	22,309,715	22,309,715	0.0%	16,755,182	133.2%
10/1/2012	-	21,719,437	21,719,437	0.0%	16,755,182	129.6%
10/1/2011	-	26,411,922	26,411,922	0.0%	18,187,292	145.2%
10/1/2010	-	24,870,238	24,870,238	0.0%	18,187,292	136.7%
10/1/2009	-	25,901,949	25,901,949	0.0%	19,957,715	129.8%
10/1/2008	-	25,901,949	25,901,949	0.0%	19,957,715	129.8%
10/1/2007	-	42,307,839	42,307,839	0.0%	22,983,533	184.1%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
9/30/2015	\$ 2,304,125	52.8%	\$ 13,331,877
9/30/2014	1,883,628	52.3%	12,245,169
9/30/2013	1,853,015	49.4%	11,347,176

## **SUPPLEMENTAL INFORMATION**

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



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## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

**Housing Assistance Fund** accounts for grant funds received to provide affordable housing for low income households.

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

**Police Education Fund** accounts for funds created by Criminal Justice Education Funding. Revenue is set aside to fund criminal justice education programs and training courses which include basic recruit, officer, and agency support personnel training.

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

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

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

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

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

### DEBT SERVICE FUND

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

**CITY OF LEESBURG, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	<b>Special Revenue Funds</b>				
	<b>Housing Assistance Fund</b>	<b>Police Forfeitures Fund</b>	<b>Police Education Fund</b>	<b>Gas Tax Fund</b>	<b>Police Impact Fee Fund</b>
<b>Assets</b>					
Pooled Cash and Investments	\$ 368,473	\$ 52,162	\$ 11,000	\$ 338,295	\$ 173,627
Restricted Cash	5,851	-	-	-	-
Cash with Fiscal Agent	-	-	-	-	-
Accounts Receivables, Net	13,771	-	-	-	-
Due from Other Governments	-	-	559	66,526	-
<b>Total Assets</b>	<b>\$ 388,095</b>	<b>\$ 52,162</b>	<b>\$ 11,559</b>	<b>\$ 404,821</b>	<b>\$ 173,627</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 3,088	\$ 7,471	\$ -	\$ 15	\$ 5
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Accrued Salaries	2,345	-	-	-	-
Deposits	6,400	-	-	-	-
<b>Total Liabilities</b>	<b>11,833</b>	<b>7,471</b>	<b>-</b>	<b>15</b>	<b>5</b>
<b>Fund Balances</b>					
Restricted for:					
Debt Service	-	-	-	-	-
Special Revenue Funds	376,262	44,691	11,559	404,806	173,622
Unassigned (deficit)	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>376,262</b>	<b>44,691</b>	<b>11,559</b>	<b>404,806</b>	<b>173,622</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 388,095</b>	<b>\$ 52,162</b>	<b>\$ 11,559</b>	<b>\$ 404,821</b>	<b>\$ 173,627</b>

Special Revenue Funds			Debt Service	Total
Fire Impact Fee Fund	Recreation Impact Fee Fund	Building Permits Fund	Debt Service Fund	Nonmajor Governmental Funds
\$ -	\$ 221,857	\$ 272,686	\$ -	\$ 1,438,100
-	-	-	-	5,851
-	-	-	1,124,811	1,124,811
-	-	-	-	13,771
-	-	-	-	67,085
<u>\$ -</u>	<u>\$ 221,857</u>	<u>\$ 272,686</u>	<u>\$ 1,124,811</u>	<u>\$ 2,649,618</u>
\$ -	\$ 7	\$ 3,731	\$ -	\$ 14,317
26,834	-	-	-	26,834
-	-	4,656	-	4,656
-	-	8,733	-	11,078
-	-	-	-	6,400
<u>26,834</u>	<u>7</u>	<u>17,120</u>	<u>-</u>	<u>63,285</u>
-	-	-	1,124,811	1,124,811
-	221,850	255,566	-	1,488,356
(26,834)	-	-	-	(26,834)
<u>(26,834)</u>	<u>221,850</u>	<u>255,566</u>	<u>1,124,811</u>	<u>2,586,333</u>
<u>\$ -</u>	<u>\$ 221,857</u>	<u>\$ 272,686</u>	<u>\$ 1,124,811</u>	<u>\$ 2,649,618</u>

**CITY OF LEESBURG, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Special Revenue Funds</b>				
	<b>Housing Assistance Fund</b>	<b>Police Forfeitures Fund</b>	<b>Police Education Fund</b>	<b>Gas Tax Fund</b>	<b>Police Impact Fee Fund</b>
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ 825,903	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	-	152,626	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	33,039	8,508	-	-
Impact Fees	-	-	-	-	31,339
Miscellaneous:					
Interest	3,560	352	67	3,701	1,273
Other	124,885	-	-	-	-
<b>Total Revenues</b>	<u>128,445</u>	<u>33,391</u>	<u>8,575</u>	<u>982,230</u>	<u>32,612</u>
<b>Expenditures</b>					
Current:					
Public Safety	-	33,439	11,451	-	63
Transportation	-	-	-	156	-
Economic Environment	71,609	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fees	-	-	-	-	-
<b>Total Expenditures</b>	<u>71,609</u>	<u>33,439</u>	<u>11,451</u>	<u>156</u>	<u>63</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>56,836</u>	<u>(48)</u>	<u>(2,876)</u>	<u>982,074</u>	<u>32,549</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from Other Funds	-	-	-	-	-
Transfers to Other Funds	-	-	-	(800,151)	(17,211)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(800,151)</u>	<u>(17,211)</u>
<b>Net Change in Fund Balance</b>	56,836	(48)	(2,876)	181,923	15,338
<b>Fund Balances (Deficits), Beginning of Year</b>	<u>319,426</u>	<u>44,739</u>	<u>14,435</u>	<u>222,883</u>	<u>158,284</u>
<b>Fund Balances (Deficits), End of Year</b>	<u>\$ 376,262</u>	<u>\$ 44,691</u>	<u>\$ 11,559</u>	<u>\$ 404,806</u>	<u>\$ 173,622</u>

Special Revenue Funds			Debt Service	
Fire Impact Fee Fund	Recreation Impact Fee Fund	Building Permits Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 825,903
-	-	747,705	-	747,705
-	-	-	-	152,626
-	-	1,750	-	1,750
-	-	-	-	41,547
32,132	43,248	-	-	106,719
(284)	1,590	2,194	2,916	15,369
-	-	-	-	124,885
<u>31,848</u>	<u>44,838</u>	<u>751,649</u>	<u>2,916</u>	<u>2,016,504</u>
-	-	449,458	-	494,411
-	-	-	-	156
-	72	-	-	71,681
-	-	-	1,664,792	1,664,792
-	-	-	472,475	472,475
-	<u>72</u>	<u>449,458</u>	<u>2,137,267</u>	<u>2,703,515</u>
<u>31,848</u>	<u>44,766</u>	<u>302,191</u>	<u>(2,134,351)</u>	<u>(687,011)</u>
-	-	11,320	2,533,920	2,545,240
(2,220)	(2,099)	-	(121,490)	(943,171)
<u>(2,220)</u>	<u>(2,099)</u>	<u>11,320</u>	<u>2,412,430</u>	<u>1,602,069</u>
29,628	42,667	313,511	278,079	915,058
<u>(56,462)</u>	<u>179,183</u>	<u>(57,945)</u>	<u>846,732</u>	<u>1,671,275</u>
<u>\$ (26,834)</u>	<u>\$ 221,850</u>	<u>\$ 255,566</u>	<u>\$ 1,124,811</u>	<u>\$ 2,586,333</u>

**CITY OF LEESBURG, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous:			
Interest	\$ -	\$ (98)	\$ (98)
<b>Total Revenues</b>	<u>-</u>	<u>(98)</u>	<u>(98)</u>
<b>Expenditures</b>			
General Government	1,669,600	991,547	678,053
Public Safety	50,308	49,661	647
Transportation	512,500	495,839	16,661
Culture and Recreation	25,000	-	25,000
<b>Total Expenditures</b>	<u>2,257,408</u>	<u>1,537,047</u>	<u>720,361</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,257,408)</u>	<u>(1,537,145)</u>	<u>720,263</u>
<b>Other Financing Sources (Uses)</b>			
Transfers from Other Funds	2,257,408	1,537,049	(720,359)
<b>Total Other Financing Sources (Uses)</b>	<u>2,257,408</u>	<u>1,537,049</u>	<u>(720,359)</u>
<b>Net Change in Fund Balances</b>	-	(96)	(96)
<b>Fund Balance, Beginning of Year</b>	-	(11,519)	(11,519)
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ (11,615)</u>	<u>\$ (11,615)</u>

**CITY OF LEESBURG, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**HOUSING ASSISTANCE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Interest	\$ -	\$ 3,560	\$ 3,560
Other	102,000	124,885	22,885
<b>Total Revenues</b>	<u>102,000</u>	<u>128,445</u>	<u>26,445</u>
<b>Expenditures</b>			
Operating Expenditures	139,342	71,609	67,733
<b>Total Expenditures</b>	<u>139,342</u>	<u>71,609</u>	<u>67,733</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(37,342)</u>	<u>56,836</u>	<u>94,178</u>
<b>Other Financing Sources (Uses)</b>			
Fund Balance Appropriated	37,342	-	(37,342)
<b>Total Other Financing Sources (Uses)</b>	<u>37,342</u>	<u>-</u>	<u>(37,342)</u>
<b>Net Change in Fund Balance</b>	-	56,836	56,836
<b>Fund Balances, Beginning of Year</b>	-	319,426	319,426
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ 376,262</u>	<u>\$ 376,262</u>

CITY OF LEESBURG, FLORIDA  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
POLICE FORFEITURES FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$ -	\$ 33,039	\$ 33,039
Miscellaneous:			
Interest	-	352	352
<b>Total Revenues</b>	<u>-</u>	<u>33,391</u>	<u>33,391</u>
<b>Expenditures</b>			
Operating Expenditures	-	33,439	(33,439)
<b>Total Expenditures</b>	<u>-</u>	<u>33,439</u>	<u>(33,439)</u>
<b>Net Change in Fund Balance</b>	-	(48)	(48)
<b>Fund Balances, Beginning of Year</b>	<u>-</u>	<u>44,739</u>	<u>44,739</u>
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ 44,691</u>	<u>\$ 44,691</u>

**CITY OF LEESBURG, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**POLICE EDUCATION FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Fines and Forfeitures	\$ -	\$ 8,508	\$ 8,508
Miscellaneous:			
Interest	-	67	67
<b>Total Revenues</b>	<u>-</u>	<u>8,575</u>	<u>8,575</u>
<b>Expenditures</b>			
Operating Expenditures	12,000	11,451	549
<b>Total Expenditures</b>	<u>12,000</u>	<u>11,451</u>	<u>549</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(12,000)</u>	<u>(2,876)</u>	<u>9,124</u>
<b>Other Financing Sources (Uses)</b>			
Fund Balance Appropriated	12,000	-	(12,000)
<b>Total Other Financing Sources (Uses)</b>	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>
<b>Net Change in Fund Balance</b>	-	(2,876)	(2,876)
<b>Fund Balances, Beginning of Year</b>	-	14,435	14,435
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ 11,559</u>	<u>\$ 11,559</u>

**CITY OF LEESBURG, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**GAS TAX FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Taxes	\$ 763,905	\$ 825,903	\$ 61,998
Intergovernmental	160,088	152,626	(7,462)
Miscellaneous:			
Interest	-	3,701	3,701
<b>Total Revenues</b>	<u>923,993</u>	<u>982,230</u>	<u>58,237</u>
<b>Expenditures</b>			
Operating Expenditures	232	156	76
<b>Total Expenditures</b>	<u>232</u>	<u>156</u>	<u>76</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>923,761</u>	<u>982,074</u>	<u>58,313</u>
<b>Other Financing Sources (Uses)</b>			
Transfers to Other Funds	(816,812)	(800,151)	16,661
Fund Balance Appropriated	(106,949)	-	106,949
<b>Total Other Financing Sources (Uses)</b>	<u>(923,761)</u>	<u>(800,151)</u>	<u>123,610</u>
<b>Net Change in Fund Balance</b>	-	181,923	181,923
<b>Fund Balances, Beginning of Year</b>	-	222,883	222,883
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ 404,806</u>	<u>\$ 404,806</u>

**CITY OF LEESBURG, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**POLICE IMPACT FEE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Impact Fees	\$ -	\$ 31,339	\$ 31,339
Miscellaneous:			
Interest	-	1,273	1,273
<b>Total Revenues</b>	<u>-</u>	<u>32,612</u>	<u>32,612</u>
<b>Expenditures</b>			
Operating Expenditures	63	63	-
<b>Total Expenditures</b>	<u>63</u>	<u>63</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(63)</u>	<u>32,549</u>	<u>32,612</u>
<b>Other Financing Sources (Uses)</b>			
Transfers to Other Funds	(15,131)	(17,211)	(2,080)
Fund Balance Appropriated	15,194	-	(15,194)
<b>Total Other Financing Sources (Uses)</b>	<u>63</u>	<u>(17,211)</u>	<u>(17,274)</u>
<b>Net Change in Fund Balance</b>	-	15,338	15,338
<b>Fund Balances, Beginning of Year</b>	-	158,284	158,284
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ 173,622</u>	<u>\$ 173,622</u>

**CITY OF LEESBURG, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**FIRE IMPACT FEE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Impact Fees	\$ -	\$ 32,132	\$ 32,132
Miscellaneous:			
Interest	-	(284)	(284)
<b>Total Revenues</b>	<u>-</u>	<u>31,848</u>	<u>31,848</u>
<b>Expenditures</b>			
Operating Expenditures	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>31,848</u>	<u>31,848</u>
<b>Other Financing Sources (Uses)</b>			
Transfers to Other Funds	-	(2,220)	(2,220)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(2,220)</u>	<u>(2,220)</u>
<b>Net Change in Fund Balance</b>	-	29,628	29,628
<b>Fund Balances, Beginning of Year</b>	<u>-</u>	<u>(56,462)</u>	<u>(56,462)</u>
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ (26,834)</u>	<u>\$ (26,834)</u>

**CITY OF LEESBURG, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**RECREATION IMPACT FEE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Impact Fees	\$ -	\$ 43,248	\$ 43,248
Miscellaneous:			
Interest	-	1,590	1,590
<b>Total Revenues</b>	<u>-</u>	<u>44,838</u>	<u>44,838</u>
<b>Expenditures</b>			
Operating Expenditures	79	72	7
<b>Total Expenditures</b>	<u>79</u>	<u>72</u>	<u>7</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(79)</u>	<u>44,766</u>	<u>44,845</u>
<b>Other Financing Sources (Uses)</b>			
Transfers to Other Funds	(25,000)	(2,099)	22,901
Fund Balance Appropriated	25,079	-	(25,079)
<b>Total Other Financing Sources (Uses)</b>	<u>79</u>	<u>(2,099)</u>	<u>(2,178)</u>
<b>Net Change in Fund Balance</b>	-	42,667	42,667
<b>Fund Balances, Beginning of Year</b>	-	179,183	179,183
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ 221,850</u>	<u>\$ 221,850</u>

**CITY OF LEESBURG, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**BUILDING PERMITS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Licenses and Permits	\$ 697,000	\$ 747,705	\$ 50,705
Charges for Services	1,500	1,750	250
Miscellaneous:			
Interest	-	2,194	2,194
<b>Total Revenues</b>	<u>698,500</u>	<u>751,649</u>	<u>53,149</u>
<b>Expenditures</b>			
Operating Expenditures	<u>700,640</u>	<u>449,458</u>	<u>251,182</u>
<b>Total Expenditures</b>	<u>700,640</u>	<u>449,458</u>	<u>251,182</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,140)</u>	<u>302,191</u>	<u>304,331</u>
<b>Other Financing Sources (Uses)</b>			
Transfers from Other Funds	<u>2,140</u>	<u>11,320</u>	<u>9,180</u>
<b>Total Other Financing Sources (Uses)</b>	<u>2,140</u>	<u>11,320</u>	<u>9,180</u>
<b>Net Change in Fund Balance</b>	-	313,511	313,511
<b>Fund Balances, Beginning of Year</b>	-	(57,945)	(57,945)
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ 255,566</u>	<u>\$ 255,566</u>

**CITY OF LEESBURG, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Interest	\$ -	\$ 2,916	\$ 2,916
<b>Total Revenues</b>	<u>-</u>	<u>2,916</u>	<u>2,916</u>
<b>Expenditures</b>			
Principal Payments	1,664,793	1,664,792	1
Interest and Fees	469,816	472,475	(2,659)
<b>Total Expenditures</b>	<u>2,134,609</u>	<u>2,137,267</u>	<u>(2,658)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,134,609)</u>	<u>(2,134,351)</u>	<u>258</u>
<b>Other Financing Sources (Uses)</b>			
Transfers from Other Funds	2,134,609	2,533,920	399,311
Transfers to Other Funds	-	(121,490)	(121,490)
<b>Total Other Financing Sources (Uses)</b>	<u>2,134,609</u>	<u>2,412,430</u>	<u>277,821</u>
<b>Net Change in Fund Balance</b>	-	278,079	278,079
<b>Fund Balances, Beginning of Year</b>	-	846,732	846,732
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ 1,124,811</u>	<u>\$ 1,124,811</u>



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## **NON-MAJOR ENTERPRISE FUNDS**

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

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

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

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

**CITY OF LEESBURG, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>			<b>Total Nonmajor Enterprise Funds</b>
	<b>Stormwater Fund</b>	<b>Solid Waste Fund</b>	<b>Communication Services Fund</b>	
<b>Assets</b>				
Current Assets:				
Pooled Cash and Investments	\$ 2,194,380	\$ 1,710,099	\$ 914,657	\$ 4,819,136
Restricted Pooled Cash and Investments:				
Debt Service Account	-	-	116,461	116,461
Customer Deposits Account	-	4,925	2,934	7,859
Landfill Escrow	-	90,498	-	90,498
Receivables:				
Customer Accounts, Unbilled	72,917	174,881	97,737	345,535
Customer Accounts, Billed	122,792	321,117	32,781	476,690
(Allowance for Doubtful Accounts)	(28,088)	(69,339)	(9,715)	(107,142)
Prepaid Items	-	-	77,081	77,081
Inventory	-	-	231,446	231,446
<b>Total Current Assets</b>	<b>2,362,001</b>	<b>2,232,181</b>	<b>1,463,382</b>	<b>6,057,564</b>
Noncurrent Assets:				
Restricted Assets:				
Renewal and Replacement Account	753,022	600,000	293,552	1,646,574
<b>Total Restricted Assets</b>	<b>753,022</b>	<b>600,000</b>	<b>293,552</b>	<b>1,646,574</b>
Property, Plant and Equipment:				
Land	730,887	28,700	-	759,587
Buildings	-	13,856	-	13,856
Improvements Other Than Buildings	10,349,189	191,691	8,458,177	18,999,057
Machinery and Equipment	5,390	123,569	1,380,851	1,509,810
Less Accumulated Depreciation and Amortization	(3,390,924)	(223,863)	(4,070,486)	(7,685,273)
Construction in Progress	235,441	-	1,359,966	1,595,407
<b>Total Property, Plant and Equipment</b>	<b>7,929,983</b>	<b>133,953</b>	<b>7,128,508</b>	<b>15,192,444</b>
<b>Total Noncurrent Assets</b>	<b>8,683,005</b>	<b>733,953</b>	<b>7,422,060</b>	<b>16,839,018</b>
<b>Total Assets</b>	<b>11,045,006</b>	<b>2,966,134</b>	<b>8,885,442</b>	<b>22,896,582</b>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows-Pension Related	15,643	56,344	22,540	94,527

**CITY OF LEESBURG, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total Nonmajor Enterprise Funds</b>
	<b>Stormwater Fund</b>	<b>Solid Waste Fund</b>	<b>Communication Services Fund</b>	
<b>Liabilities</b>				
Current Liabilities:				
Accounts and Retainage Payable	\$ 80,802	\$ 30,808	\$ 128,149	\$ 239,759
Due to Other Governments	-	646	3,652	4,298
Other Accrued Expenses	8,103	28,470	14,713	51,286
Compensated Absences	4,915	39,268	15,230	59,413
	<u>93,820</u>	<u>99,192</u>	<u>161,744</u>	<u>354,756</u>
Current Liabilities Payable from Restricted Assets:				
Customer Deposits	-	4,925	2,934	7,859
Estimated Landfill Closure Cost Payable	-	63,149	-	63,149
Accrued Interest Payable	-	-	9,551	9,551
Bonds and Notes Payable - Current Portion	-	-	105,000	105,000
Total Current Liabilities Payable from Restricted Assets	-	<u>68,074</u>	<u>117,485</u>	<u>185,559</u>
Total Current Liabilities	<u>93,820</u>	<u>167,266</u>	<u>279,229</u>	<u>540,315</u>
Noncurrent Liabilities:				
Capital Improvement Revenue Refunding Note 2009	-	-	450,000	450,000
Compensated Absences	4,022	32,128	12,461	48,611
Landfill Postclosure Costs Payable	-	126,297	-	126,297
Other Postemployment Benefits	92,384	425,616	138,773	656,773
Net Pension Liability	27,624	151,455	74,969	254,048
Total Noncurrent Liabilities	<u>124,030</u>	<u>735,496</u>	<u>676,203</u>	<u>1,535,729</u>
<b>Total Liabilities</b>	<u>217,850</u>	<u>902,762</u>	<u>955,432</u>	<u>2,076,044</u>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows-Pension Related	<u>11,052</u>	<u>39,808</u>	<u>15,925</u>	<u>66,785</u>
<b>Net Position</b>				
Net Investment in Capital Assets	7,929,983	133,953	6,573,508	14,637,444
Unrestricted	2,901,764	1,945,955	1,363,117	6,210,836
<b>Total Net Position</b>	<u>\$ 10,831,747</u>	<u>\$ 2,079,908</u>	<u>\$ 7,936,625</u>	<u>\$ 20,848,280</u>



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**CITY OF LEESBURG, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>			<b>Total Non Major Enterprise Funds</b>
	<u>Stormwater Fund</u>	<u>Solid Waste Fund</u>	<u>Communication Services Fund</u>	
<b>Operating Revenues</b>				
Charges for Services	\$ 1,440,962	\$ 3,692,586	\$ 1,826,433	\$ 6,959,981
Other	13,080	43,979	-	57,059
<b>Total Operating Revenues</b>	<u>1,454,042</u>	<u>3,736,565</u>	<u>1,826,433</u>	<u>7,017,040</u>
<b>Operating Expenses</b>				
Personal Services	255,736	942,889	423,969	1,622,594
Supplies and Materials	41,061	216,657	10,611	268,329
Maintenance Costs	100,122	306,463	96,464	503,049
Contracted Services	29,238	722,062	323,033	1,074,333
Other Services and Charges	260,752	574,322	263,809	1,098,883
Depreciation and Amortization	161,022	21,585	333,254	515,861
Change in Decommissioning/ Postclosure Estimate	-	(59,661)	-	(59,661)
<b>Total Operating Expenses</b>	<u>847,931</u>	<u>2,724,317</u>	<u>1,451,140</u>	<u>5,023,388</u>
<b>Operating Income</b>	<u>606,111</u>	<u>1,012,248</u>	<u>375,293</u>	<u>1,993,652</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment Income	19,441	17,064	8,525	45,030
Other Nonoperating Income	338	-	-	338
Interest Expense	-	(9)	(25,773)	(25,782)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>19,779</u>	<u>17,055</u>	<u>(17,248)</u>	<u>19,586</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>625,890</u>	<u>1,029,303</u>	<u>358,045</u>	<u>2,013,238</u>
<b>Transfers and Capital Contributions</b>				
Transfers from Other Funds	212,614	-	-	212,614
Transfers to Other Funds	-	(974,581)	(50,000)	(1,024,581)
<b>Total Transfers and Capital Contributions</b>	<u>212,614</u>	<u>(974,581)</u>	<u>(50,000)</u>	<u>(811,967)</u>
<b>Change in Net Position</b>	838,504	54,722	308,045	1,201,271
<b>Net Position, Beginning of Year (Unadjusted)</b>	10,025,723	2,194,131	7,710,546	19,930,400
<b>Prior Period Adjustment</b>	(32,480)	(168,945)	(81,966)	(283,391)
<b>Net Position, Beginning of Year (Adjusted)</b>	<u>9,993,243</u>	<u>2,025,186</u>	<u>7,628,580</u>	<u>19,647,009</u>
<b>Net Position, End of Year</b>	<u>\$ 10,831,747</u>	<u>\$ 2,079,908</u>	<u>\$ 7,936,625</u>	<u>\$ 20,848,280</u>

**CITY OF LEESBURG, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Stormwater Fund</b>	<b>Solid Waste</b>	<b>Communication Services</b>	<b>Total Non Major Enterprise Funds</b>
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 1,452,944	\$ 3,725,960	\$ 1,817,411	\$ 6,996,315
Payments to Suppliers for Goods and Services	(393,762)	(1,820,685)	(668,613)	(2,883,060)
Cash Paid to Employees for Services	(246,951)	(936,577)	(423,446)	(1,606,974)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>812,231</u>	<u>968,698</u>	<u>725,352</u>	<u>2,506,281</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from Other Funds	212,614	-	-	212,614
Transfers to Other Funds	-	(974,581)	(50,000)	(1,024,581)
Issuance of/Proceeds from Interfund Loan	105,000	-	(105,000)	-
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>317,614</u>	<u>(974,581)</u>	<u>(155,000)</u>	<u>(811,967)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Interest Paid on Revenue Bonds and Customer Deposits	-	(9)	(27,493)	(27,502)
Acquisition and Construction of Capital Assets	(1,231,076)	-	(420,111)	(1,651,187)
Proceeds/Loss from the Disposition of Capital Assets	-	-	-	-
Principal Paid on Capital Debt	-	-	(100,000)	(100,000)
Capital Contributions	-	-	-	-
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(1,231,076)</u>	<u>(9)</u>	<u>(547,604)</u>	<u>(1,778,689)</u>
<b>Cash Flows from Investing Activities</b>				
Interest Received	19,441	17,064	8,525	45,030
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>19,441</u>	<u>17,064</u>	<u>8,525</u>	<u>45,030</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(81,790)</u>	<u>11,172</u>	<u>31,273</u>	<u>(39,345)</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>3,029,192</u>	<u>2,394,350</u>	<u>1,296,331</u>	<u>6,719,873</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 2,947,402</u>	<u>\$ 2,405,522</u>	<u>\$ 1,327,604</u>	<u>\$ 6,680,528</u>

**CITY OF LEESBURG, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Stormwater Fund</b>	<b>Solid Waste</b>	<b>Communication Services</b>	<b>Total Non Major Enterprise Funds</b>
<b><u>Reconciliation of Cash and Cash Equivalents to Balance Sheet</u></b>				
Total Unrestricted Equity in Pooled Cash and Cash Equivalents	\$ 2,194,380	\$ 1,710,099	\$ 914,657	\$ 4,819,136
Total Restricted Equity in Pooled Cash and Cash Equivalents	753,022	695,423	412,947	1,861,392
<b>Total Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 2,947,402</u></b>	<b><u>\$ 2,405,522</u></b>	<b><u>\$ 1,327,604</u></b>	<b><u>\$ 6,680,528</u></b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>				
Operating Income (Loss)	\$ 606,111	\$ 1,012,248	\$ 375,293	\$ 1,993,652
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	161,022	21,585	333,254	515,861
Decrease (Increase) in Assets:				
Customer Accounts (Net of Allowances)	(1,098)	(10,605)	(8,147)	(19,850)
Prepaid Items	-	-	11,328	11,328
Inventory	-	-	(40,489)	(40,489)
Decrease (Increase) in Deferred Outflow Pension	(15,643)	(56,344)	(22,540)	(94,527)
Increase (Decrease) in Liabilities:				
Accounts Payable	37,411	(1,827)	104,388	139,972
Unearned Revenue	-	-	-	-
Due to Other Governments	-	646	-	646
Accrued Expenses	3,231	2,411	(47,538)	(41,896)
Claims Payable	-	-	1,669	1,669
Other Postemployment Benefits Liability	12,210	39,072	14,652	65,934
Net Pension Liability	(4,856)	(17,490)	(6,997)	(29,343)
Decommissioning/Postclosure Payable	-	(59,661)	-	(59,661)
Other	2,791	(1,145)	(5,446)	(3,800)
Increase (Decrease) in Deferred Inflow Pension	11,052	39,808	15,925	66,785
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b><u>\$ 812,231</u></b>	<b><u>\$ 968,698</u></b>	<b><u>\$ 725,352</u></b>	<b><u>\$ 2,506,281</u></b>



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## **INTERNAL SERVICE FUNDS**

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

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

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

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

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

**CITY OF LEESBURG, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2015**

	<b>General Employees' Health Insurance</b>	<b>Workers' Compensation Insurance</b>	<b>Risk Management</b>	<b>Fleet Maintenance</b>	<b>Total</b>
<b>Assets</b>					
Current Assets:					
Pooled Cash and Investments	\$ 3,500,302	\$ 2,030,251	\$ 162,758	\$ 4,603,966	\$ 10,297,277
Miscellaneous Receivables	105,412	17,163	-	-	122,575
Inventory	-	-	-	525,964	525,964
<b>Total Current Assets</b>	<b>3,605,714</b>	<b>2,047,414</b>	<b>162,758</b>	<b>5,129,930</b>	<b>10,945,816</b>
Noncurrent Assets:					
Restricted Cash	-	-	-	359,332	359,332
Property, Plant and Equipment:					
Buildings	-	-	-	564,988	564,988
Improvements Other Than Buildings	-	-	-	148,127	148,127
Machinery and Equipment	-	-	-	18,842,571	18,842,571
Less Accumulated Depreciation and Amortization	-	-	-	(16,630,456)	(16,630,456)
Construction in Progress	-	-	-	21,401	21,401
<b>Total Property, Plant and Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,946,631</b>	<b>2,946,631</b>
<b>Total Assets</b>	<b>3,605,714</b>	<b>2,047,414</b>	<b>162,758</b>	<b>8,435,893</b>	<b>14,251,779</b>
<b>Deferred Outflows of Resources</b>					
Deferred Outflows-Pension Related	5,781	2,021	-	28,888	36,690
<b>Liabilities</b>					
Current Liabilities:					
Accounts and Retainage Payable	379,568	3,365	5	97,103	480,041
Other Accrued Expenses	465,304	569,681	-	13,233	1,048,218
Compensated Absences	-	-	-	19,808	19,808
<b>Total Current Liabilities</b>	<b>844,872</b>	<b>573,046</b>	<b>5</b>	<b>130,144</b>	<b>1,548,067</b>
Noncurrent Liabilities:					
Noncurrent Claims Payable	-	1,057,777	-	-	1,057,777
Compensated Absences	-	-	-	16,207	16,207
Net Pension Liability	-	-	-	108,458	108,458
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>1,057,777</b>	<b>-</b>	<b>124,665</b>	<b>1,182,442</b>
<b>Total Liabilities</b>	<b>844,872</b>	<b>1,630,823</b>	<b>5</b>	<b>254,809</b>	<b>2,730,509</b>
<b>Deferred Inflows of Resources</b>					
Deferred Inflows-Pension Related	4,084	1,428	-	20,410	25,922
<b>Net Position</b>					
Net Investment in Capital Assets Unrestricted	-	-	-	2,946,631	2,946,631
	2,762,539	417,184	162,753	5,242,931	8,585,407
<b>Total Net Position</b>	<b>\$ 2,762,539</b>	<b>\$ 417,184</b>	<b>\$ 162,753</b>	<b>\$ 8,189,562</b>	<b>\$ 11,532,038</b>

**CITY OF LEESBURG, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>General Employees' Health Insurance</b>	<b>Workers' Compensation Insurance</b>	<b>Risk Management</b>	<b>Fleet Maintenance</b>	<b>Total</b>
<b>Operating Revenues</b>					
Charges for Services	\$ 5,262,553	\$ 535,226	\$ 649,041	\$ 1,969,168	\$ 8,415,988
Other	299,491	9,159	-	48	308,698
<b>Total Operating Revenues</b>	<u>5,562,044</u>	<u>544,385</u>	<u>649,041</u>	<u>1,969,216</u>	<u>8,724,686</u>
<b>Operating Expenses</b>					
Personal Services	64,778	23,812	-	407,117	495,707
Supplies and Materials	114,544	-	-	39,172	153,716
Maintenance Costs	1,612	-	-	527,996	529,608
Contracted Services	829,210	24,383	60	8,273	861,926
Other Services and Charges	5,937	-	-	85,155	91,092
Depreciation and Amortization	-	-	-	900,812	900,812
Claims Expense	4,223,634	336,136	-	-	4,559,770
Insurance Premiums	407,964	92,094	649,041	-	1,149,099
<b>Total Operating Expenses</b>	<u>5,647,679</u>	<u>476,425</u>	<u>649,101</u>	<u>1,968,525</u>	<u>8,741,730</u>
<b>Operating Income (Loss)</b>	<u>(85,635)</u>	<u>67,960</u>	<u>(60)</u>	<u>691</u>	<u>(17,044)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment Income	22,413	13,805	1,136	35,887	73,241
Other Nonoperating Income	-	-	1,838	65,071	66,909
<b>Total Nonoperating Revenues (Expenses)</b>	<u>22,413</u>	<u>13,805</u>	<u>2,974</u>	<u>100,958</u>	<u>140,150</u>
<b>Change in Net Position</b>	<u>(63,222)</u>	<u>81,765</u>	<u>2,914</u>	<u>101,649</u>	<u>123,106</u>
<b>Total Net Position, Beginning of Year (Unadjusted)</b>					
	2,825,761	335,419	159,839	8,207,760	11,528,779
<b>Prion Period Adjustment</b>	-	-	-	(119,847)	(119,847)
<b>Total Net Position, Beginning of Year (Adjusted)</b>	<u>2,825,761</u>	<u>335,419</u>	<u>159,839</u>	<u>8,087,913</u>	<u>11,408,932</u>
<b>Total Net Position, End of Year</b>	<u>\$ 2,762,539</u>	<u>\$ 417,184</u>	<u>\$ 162,753</u>	<u>\$ 8,189,562</u>	<u>\$ 11,532,038</u>

**CITY OF LEESBURG, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	General Employees' Health Insurance	Workers' Compensation Insurance	Risk Management	Fleet Maintenance	Total
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 5,259,883	\$ 534,503	\$ 649,041	\$ 1,969,216	\$ 8,412,643
Cash Paid to Suppliers for Goods and Services	(1,691,787)	(113,144)	(649,096)	(583,703)	(3,037,730)
Cash Paid for Insurance Claims	(3,838,478)	(880,516)	-	-	(4,718,994)
Cash Paid to Employees for Services	(66,475)	545,276	-	(433,094)	45,707
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(336,857)</u>	<u>86,119</u>	<u>(55)</u>	<u>952,419</u>	<u>701,626</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition and Construction of Capital Assets	-	-	-	(365,987)	(365,987)
Proceeds/Loss from the Disposition of Capital Assets	-	-	1,838	-	1,838
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>-</u>	<u>-</u>	<u>1,838</u>	<u>(365,987)</u>	<u>(364,149)</u>
<b>Cash Flows from Investing Activities</b>					
Investment Income	22,413	13,805	1,136	35,887	73,241
<b>Net Cash Flows from Investing Activities</b>	<u>22,413</u>	<u>13,805</u>	<u>1,136</u>	<u>35,887</u>	<u>73,241</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(314,444)	99,924	2,919	622,319	410,718
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>3,814,746</u>	<u>1,930,327</u>	<u>159,839</u>	<u>4,340,979</u>	<u>10,245,891</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 3,500,302</u>	<u>\$ 2,030,251</u>	<u>\$ 162,758</u>	<u>\$ 4,963,298</u>	<u>\$ 10,656,609</u>
<b>Reconciliation of Operating Income (Loss) to Cash Provided by (Used in) Operating Activities</b>					
Operating Income (Loss)	\$ (85,635)	\$ 67,960	\$ (60)	\$ 691	\$ (17,044)
Adjustment to Reconcile Operating Income to Cash Flows Provided by (Used in) Operating Activities:					
Depreciation	-	-	-	900,812	900,812
Decrease (Increase) in Miscellaneous Receivables	(2,670)	(723)	-	-	(3,393)
Decrease (Increase) in Inventory	-	-	-	62,822	62,822
Decrease (Increase) in Deferred Outflows Pension	(5,781)	(2,021)	-	(28,888)	(36,690)
Increase (Decrease) in Accounts Payable	(332,520)	3,333	5	14,071	(315,111)
Increase (Decrease) in Accrued Expenses	465,304	569,681	-	1,962	1,036,947
Increase (Decrease) in Claims Payable	(379,639)	(553,539)	-	-	(933,178)
Increase (Decrease) in Net Pension Liability	-	-	-	(11,389)	(11,389)
Increase (Decrease) in Other Liabilities	-	-	-	(8,072)	(8,072)
Increase (Decrease) in Deferred Inflows Pension	4,084	1,428	-	20,410	25,922
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ (336,857)</u>	<u>\$ 86,119</u>	<u>\$ (55)</u>	<u>\$ 952,419</u>	<u>\$ 701,626</u>

## **COMMUNITY REDEVELOPMENT AGENCY FUNDS**

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

**CITY OF LEESBURG, FLORIDA  
BALANCE SHEET  
COMMUNITY REDEVELOPMENT AGENCY FUNDS  
SEPTEMBER 30, 2015**

	<b>Greater Leesburg Community Redevelopment Agency Fund</b>	<b>Carver Heights/ Montclair Area Community Redevelopment Agency Fund</b>	<b>U.S. Highway 441/27 Community Redevelopment Agency Fund</b>	<b>Total</b>
<b>Assets</b>				
Pooled Cash and Investments	\$ 510,046	\$ -	\$ 1,280,736	\$ 1,790,782
Restricted Cash	98,550	370,439	5,561,941	6,030,930
Due from Other Governments	-	310,406	-	310,406
<b>Total Assets</b>	<b>\$ 608,596</b>	<b>\$ 680,845</b>	<b>\$ 6,842,677</b>	<b>\$ 8,132,118</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 44,687	\$ 43,091	\$ 107	\$ 87,885
Due to Other Funds	-	317,192	-	317,192
Accrued Salaries	-	308	-	308
Deposits	-	-	3,500	3,500
<b>Total Liabilities</b>	<b>44,687</b>	<b>360,591</b>	<b>3,607</b>	<b>408,885</b>
<b>Fund Balances</b>				
Restricted for:				
Capital Projects	497,359	213,852	5,305,236	6,016,447
Debt Service	66,550	106,402	1,533,834	1,706,786
<b>Total Fund Balances</b>	<b>563,909</b>	<b>320,254</b>	<b>6,839,070</b>	<b>7,723,233</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 608,596</b>	<b>\$ 680,845</b>	<b>\$ 6,842,677</b>	<b>\$ 8,132,118</b>

**CITY OF LEESBURG, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
COMMUNITY REDEVELOPMENT AGENCY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Greater Leesburg Community Redevelopment Agency Fund</b>	<b>Carver Heights/ Montclair Area Community Redevelopment Agency Fund</b>	<b>U.S. Highway 441/27 Community Redevelopment Agency Fund</b>	<b>Total</b>
<b>Revenues</b>				
Taxes	\$ 348,834	\$ 181,396	\$ -	\$ 530,230
Intergovernmental	-	310,406	-	310,406
Miscellaneous:				
Interest	6,448	1,926	31,481	39,855
Other	103,000	-	-	103,000
<b>Total Revenues</b>	<u>458,282</u>	<u>493,728</u>	<u>31,481</u>	<u>983,491</u>
<b>Expenditures</b>				
Current:				
Economic Environment	206,952	49,066	39,635	295,653
Debt Service:				
Principal Payments	-	183,204	125,000	308,204
Interest and Fees	31,040	20,789	673,556	725,385
Capital Outlay	1,179,468	158,814	-	1,338,282
<b>Total Expenditures</b>	<u>1,417,460</u>	<u>411,873</u>	<u>838,191</u>	<u>2,667,524</u>
<b>Excess (Deficiency) of Revenues (Under) Expenditures</b>	<u>(959,178)</u>	<u>81,855</u>	<u>(806,710)</u>	<u>(1,684,033)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers to Other Funds	-	(212,614)	-	(212,614)
Issuance of Debt	1,000,000	-	-	1,000,000
<b>Total Other Financing Sources (Uses)</b>	<u>1,000,000</u>	<u>(212,614)</u>	<u>-</u>	<u>787,386</u>
<b>Net Change in Fund Balances</b>	40,822	(130,759)	(806,710)	(896,647)
<b>Fund Balances, Beginning of Year</b>	<u>523,087</u>	<u>451,013</u>	<u>7,645,780</u>	<u>8,619,880</u>
<b>Fund Balances, End of Year</b>	<u>\$ 563,909</u>	<u>\$ 320,254</u>	<u>\$ 6,839,070</u>	<u>\$ 7,723,233</u>



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## **STATISTICAL SECTION** ***(Unaudited)***

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

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

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



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**CITY OF LEESBURG, FLORIDA  
STATISTICAL SECTION**

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

**CONTENTS**

	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	170-179
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	180-187
<b>Debt Capacity</b> 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.	188-205
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	206-207
<b>Operating Information</b> 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.	208-210

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

**CITY OF LEESBURG, FLORIDA**  
**NET POSITION BY COMPONENT**  
**LAST TEN YEARS**  
**(UNAUDITED ACCRUAL BASIS OF ACCOUNTING)**  
**PAGE 1 OF 2**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental Activities</b>					
Net Investment in Capital Assets	\$ 49,495,304	\$ 61,246,416	\$ 63,626,050	\$ 62,536,165	\$ 61,099,625
Restricted	10,446,080	3,107,601	2,587,501	2,814,583	3,512,585
Unrestricted	9,284,930	10,489,876	8,278,356	11,601,438	7,516,041
<b>Total Governmental Activities, Net Position</b>	<u>\$ 69,226,314</u>	<u>\$ 74,843,893</u>	<u>\$ 74,491,907</u>	<u>\$ 76,952,186</u>	<u>\$ 72,128,251</u>
<b>Business-type Activities</b>					
Net Investment in Capital Assets	\$ 97,725,542	\$ 65,528,268	\$ 106,456,752	\$ 103,374,013	\$ 111,328,645
Restricted	3,244,393	29,206,718	3,644,206	6,132,597	5,821,230
Unrestricted	11,382,875	25,021,125	14,945,266	18,348,984	22,889,167
<b>Total Business-type Activities, Net Position</b>	<u>\$ 112,352,810</u>	<u>\$ 119,756,111</u>	<u>\$ 125,046,224</u>	<u>\$ 127,855,594</u>	<u>\$ 140,039,042</u>
<b>Primary Government</b>					
Net Investment in Capital Assets	\$ 147,220,846	\$ 126,774,684	\$ 170,082,802	\$ 165,910,178	\$ 172,428,270
Restricted	13,690,473	32,314,319	6,231,707	8,947,180	9,333,815
Unrestricted	20,667,805	35,511,001	23,223,622	29,950,422	30,405,208
<b>Total Primary Government, Net Position</b>	<u>\$ 181,579,124</u>	<u>\$ 194,600,004</u>	<u>\$ 199,538,131</u>	<u>\$ 204,807,780</u>	<u>\$ 212,167,293</u>

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

**CITY OF LEESBURG, FLORIDA**  
**NET POSITION BY COMPONENT**  
**LAST TEN YEARS**  
**(UNAUDITED ACCRUAL BASIS OF ACCOUNTING)**  
**PAGE 2 OF 2**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities</b>					
Net Investment in Capital Assets	\$ 52,626,016	\$ 45,112,290	\$ 45,611,934	\$ 46,464,509	\$ 20,864,865
Restricted	3,377,029	3,401,352	3,785,234	3,833,845	6,168,033
Unrestricted	4,242,639	4,112,046	7,729,470	10,327,265	5,083,732
<b>Total Governmental Activities, Net Position</b>	<u>\$ 60,245,684</u>	<u>\$ 52,625,688</u>	<u>\$ 57,126,638</u>	<u>\$ 60,625,619</u>	<u>\$ 32,116,630</u>
<b>Business-type Activities</b>					
Net Investment in Capital Assets	\$ 114,637,624	\$ 119,679,245	\$ 115,138,968	\$ 116,147,661	\$ 148,453,634
Restricted	7,527,921	9,168,859	9,816,240	14,966,539	425,869
Unrestricted	32,384,015	37,871,836	44,628,044	40,319,508	50,230,057
<b>Total Business-type Activities Net Position</b>	<u>\$ 154,549,560</u>	<u>\$ 166,719,940</u>	<u>\$ 169,583,252</u>	<u>\$ 171,433,708</u>	<u>\$ 199,109,560</u>
<b>Primary Government</b>					
Net Investment in Capital Assets	\$ 167,263,640	\$ 164,791,535	\$ 160,750,902	\$ 162,612,170	\$ 169,318,499
Restricted	10,904,950	12,570,211	13,601,474	18,800,384	6,593,902
Unrestricted	36,626,654	41,983,882	52,357,514	50,646,773	55,313,789
<b>Total Primary Government, Net Position</b>	<u>\$ 214,795,244</u>	<u>\$ 219,345,628</u>	<u>\$ 226,709,890</u>	<u>\$ 232,059,327</u>	<u>\$ 231,226,190</u>

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

**CITY OF LEESBURG, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS**  
**(UNAUDITED ACCRUAL BASIS OF ACCOUNTING)**  
**PAGE 1 OF 4**

<b>Expenses</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Governmental Activities:</b>					
General Government.	\$ 5,329,210	\$ 4,224,359	\$ 6,738,686	\$ 5,784,598	\$ 6,382,361
Public Safety	13,093,923	14,771,631	17,945,406	15,273,940	16,155,330
Physical Environments	898,955	1,300,500	1,249,213	1,150,387	1,227,739
Transportation	2,984,493	3,780,654	3,753,138	4,097,419	3,744,933
Economic Environment	620,672	682,791	698,052	919,372	672,501
Human Services	36,350	51,666	72,602	70,084	44,150
Culture and Recreation	5,397,094	5,677,875	6,503,046	5,271,228	4,941,906
Interest on Long Term Debt	1,180,340	1,148,265	1,145,566	1,223,864	2,272,405
<b>Total Governmental Activities Expenses</b>	<b>29,541,037</b>	<b>31,637,741</b>	<b>38,105,709</b>	<b>33,790,892</b>	<b>35,441,325</b>
<b>Business-type Activities:</b>					
Electric	54,527,802	53,857,113	64,081,610	66,020,760	60,427,920
Gas	9,252,854	7,193,152	8,239,648	6,298,715	6,689,610
Water	4,271,287	5,743,068	5,847,250	6,781,008	6,595,898
Wastewater	6,491,042	7,187,653	7,639,188	8,148,026	8,298,812
Stormwater	-	-	-	-	-
Solid Waste	2,902,126	2,906,956	3,431,491	3,085,584	2,862,176
Communication Services	774,033	864,566	1,161,766	1,003,830	1,073,772
Airport	-	-	-	-	-
Housing	-	137,094	516,424	286,307	327,956
<b>Total Business-type Activities Expenses</b>	<b>78,219,144</b>	<b>77,889,602</b>	<b>90,917,377</b>	<b>91,624,230</b>	<b>86,276,144</b>
<b>Total Primary Government Expenses</b>	<b>\$ 107,760,181</b>	<b>\$ 109,527,343</b>	<b>\$ 129,023,086</b>	<b>\$ 125,415,122</b>	<b>\$ 121,717,469</b>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
General Government	\$ 3,371,932	\$ 4,276,155	\$ 3,504,864	\$ 3,472,053	\$ 3,465,531
Public Safety	1,500,316	859,042	878,024	637,249	463,876
Physical Environment	969,353	1,250,789	1,524,355	1,544,948	1,556,173
Transportation	605,382	782,433	816,221	954,520	1,006,812
Economic Environment	-	-	-	-	-
Culture and Recreation	516,577	586,023	637,220	608,654	554,070
Operating Grants and Contributions	3,616,947	1,859,700	1,498,098	1,447,613	1,522,058
Capital Grants and Contributions	531,283	3,436,369	4,781,781	4,655,197	3,189,342
<b>Total Governmental Activities Program Revenues</b>	<b>11,111,790</b>	<b>13,050,511</b>	<b>13,640,563</b>	<b>13,320,234</b>	<b>11,757,862</b>
<b>Business-type Activities:</b>					
Charges for Services	88,164,223	89,878,655	100,856,226	100,505,333	99,206,014
Operating Grants and Contributions	-	-	4,525	9,044	292,907
Capital Grants and Contributions	5,430,454	3,408,402	1,039,657	1,965,837	1,188,719
<b>Total Business-Type Activities Program Revenues</b>	<b>93,594,677</b>	<b>93,287,057</b>	<b>101,900,408</b>	<b>102,480,214</b>	<b>100,687,640</b>
<b>Total Primary Government Program Revenue</b>	<b>\$ 104,706,467</b>	<b>\$ 106,337,568</b>	<b>\$ 115,540,971</b>	<b>\$ 115,800,448</b>	<b>\$ 112,445,502</b>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (18,429,247)	\$ (18,587,230)	\$ (24,465,146)	\$ (20,470,658)	\$ (23,683,463)
Business-type Activities	15,375,533	15,397,455	10,983,031	10,855,984	14,411,496
<b>Total Primary Government Net Expense</b>	<b>\$ (3,053,714)</b>	<b>\$ (3,189,775)</b>	<b>\$ (13,482,115)</b>	<b>\$ (9,614,674)</b>	<b>\$ (9,271,967)</b>

Note: This information is provided as part of the Financial Trend Data.  
Stormwater was separated from the governmental activities in 2011 because it became a Business-type fund.

**CITY OF LEESBURG, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS**  
**(UNAUDITED ACCRUAL BASIS OF ACCOUNTING)**  
**PAGE 2 OF 4**

<b>Expenses</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Governmental Activities:</b>					
General Government.	\$ 4,516,704	\$ 8,225,542	\$ 2,783,141	\$ 4,207,463	\$ 3,699,829
Public Safety	16,325,651	14,475,082	12,533,637	13,436,493	13,774,093
Physical Environment	133,276	144,545	96,957	164,599	145,811
Transportation	3,710,588	4,110,736	3,452,836	4,026,402	2,447,892
Economic Environment	1,072,203	599,815	617,173	601,599	665,364
Human Services	37,567	520,403	89,462	62,313	56,147
Culture and Recreation	5,090,129	4,486,471	4,000,195	3,787,423	3,724,975
Interest on Long Term Debt	1,778,947	1,749,214	2,055,215	1,014,659	1,245,289
<b>Total Governmental Activities Expenses</b>	<b>32,665,065</b>	<b>34,311,808</b>	<b>25,628,616</b>	<b>27,300,951</b>	<b>25,759,400</b>
<b>Business-type Activities:</b>					
Electric	53,561,809	49,405,166	54,765,248	57,032,000	52,304,667
Gas	5,964,253	4,940,220	6,950,627	5,820,355	5,127,380
Water	6,828,647	5,375,968	6,270,374	6,087,119	5,973,909
Wastewater	7,991,155	8,502,626	8,516,232	8,255,645	8,436,457
Stormwater	1,392,024	1,276,750	988,175	930,551	847,931
Solid Waste	3,022,958	2,979,724	3,137,439	3,105,018	2,724,326
Communication Services	1,126,159	1,109,831	1,235,660	1,398,675	1,476,913
Airport	-	-	-	-	1,997,024
Housing	162,600	161,114	-	-	-
<b>Total Business-type Activities Expenses</b>	<b>80,049,605</b>	<b>73,751,399</b>	<b>81,863,755</b>	<b>82,629,363</b>	<b>78,888,607</b>
<b>Total Primary Government Expenses</b>	<b>\$ 112,714,670</b>	<b>\$ 108,063,207</b>	<b>\$ 107,492,371</b>	<b>\$ 109,930,314</b>	<b>\$ 104,648,007</b>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
General Government	\$ 3,717,159	\$ 3,422,553	\$ 374,052	\$ 403,638	\$ 710,031
Public Safety	474,039	470,043	552,253	808,461	937,188
Physical Environment	47,831	23,379	-	34,240	124,885
Transportation	1,129,721	1,091,481	1,033,409	1,378,294	467,402
Economic Environment	-	-	-	-	-
Culture and Recreation	497,863	480,587	519,757	550,146	593,150
Operating Grants and Contributions	869,208	705,802	764,401	369,821	449,269
Capital Grants and Contributions	413,865	956,929	1,786,112	2,168,876	425,396
<b>Total Governmental Activities Program Revenues</b>	<b>7,149,686</b>	<b>7,150,774</b>	<b>5,029,984</b>	<b>5,713,476</b>	<b>3,707,321</b>
<b>Business-type Activities:</b>					
Charges for Services	92,776,933	86,870,566	93,582,078	92,013,588	91,894,164
Operating Grants and Contributions	87,958	48,396	111,360	3,605	-
Capital Grants and Contributions	576,880	3,635,520	2,743,174	2,742,221	1,069,990
<b>Total Business-type Activities Program Revenues</b>	<b>93,441,771</b>	<b>90,554,482</b>	<b>96,436,612</b>	<b>94,759,414</b>	<b>92,964,154</b>
<b>Total Primary Government Program Revenue</b>	<b>\$ 100,591,457</b>	<b>\$ 97,705,256</b>	<b>\$ 101,466,596</b>	<b>\$ 100,472,890</b>	<b>\$ 96,671,475</b>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ (25,515,379)	\$ (27,161,034)	\$ (20,598,632)	\$ (21,587,475)	\$ (22,052,079)
Business-type Activities	13,392,166	16,803,083	14,572,857	12,130,051	14,075,547
<b>Total Primary Government Net Expense</b>	<b>\$ (12,123,213)</b>	<b>\$ (10,357,951)</b>	<b>\$ (6,025,775)</b>	<b>\$ (9,457,424)</b>	<b>\$ (7,976,532)</b>

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

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

**CITY OF LEESBURG, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS**  
**(UNAUDITED ACCRUAL BASIS OF ACCOUNTING)**  
**PAGE 3 OF 4**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental Activities:</b>					
Property Taxes	\$ 4,465,410	\$ 5,686,325	\$ 6,058,634	\$ 6,294,746	\$ 6,049,834
Other Taxes	6,677,039	6,501,898	6,810,598	6,830,873	6,647,069
Intergovernmental Revenues, Unrestricted	1,979,715	2,234,248	2,293,718	2,105,575	2,253,173
Investment Income	730,163	345,542	90,124	251,224	163,166
Miscellaneous	(153,755)	500,550	227,263	283,484	175,785
Transfers	7,537,834	8,936,226	8,632,823	7,165,035	3,570,501
<b>Total Governmental Activities</b>	<u>21,236,406</u>	<u>24,204,789</u>	<u>24,113,160</u>	<u>22,930,937</u>	<u>18,859,528</u>
<b>Business-type Activities:</b>					
Investment Income	578,497	844,203	982,710	677,534	113,102
Miscellaneous	163,239	97,866	1,957,195	162,522	343,997
Transfers	(7,537,834)	(8,936,226)	(8,632,823)	(7,165,035)	(3,570,501)
<b>Total Business-type Activities</b>	<u>(6,796,098)</u>	<u>(7,994,157)</u>	<u>(5,692,918)</u>	<u>(6,324,979)</u>	<u>(3,113,402)</u>
<b>Total Primary Government</b>	<u>\$ 14,440,308</u>	<u>\$ 16,210,632</u>	<u>\$ 18,420,242</u>	<u>\$ 16,605,958</u>	<u>\$ 15,746,126</u>
<b>Changes in Net Position</b>					
Governmental Activities	\$ 5,215,259	\$ 5,775,542	\$ 5,683,913	\$ 2,460,279	\$ (1,611,130)
Business-type Activities	5,802,927	7,381,376	9,682,615	4,531,005	7,742,582
<b>Total Government</b>	<u>\$ 11,018,186</u>	<u>\$ 13,156,918</u>	<u>\$ 15,366,528</u>	<u>\$ 6,991,284</u>	<u>\$ 6,131,452</u>

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

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

**CITY OF LEESBURG, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS**  
**(UNAUDITED BASIS OF ACCOUNTING)**  
**PAGE 4 OF 4**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Property Taxes	\$ 5,361,571	\$ 4,858,023	\$ 4,684,694	\$ 4,685,546	\$ 4,712,444
Other Taxes	6,873,930	6,857,316	6,962,052	7,046,094	7,339,909
Intergovernmental Revenues, Unrestricted	2,055,253	2,040,040	2,071,083	2,204,568	2,375,390
Investment Income	471,791	290,742	91,653	105,996	246,563
Miscellaneous	115,080	56,819	217,330	179,925	111,600
Transfers	7,080,713	6,956,641	11,072,770	10,864,327	(15,323,267)
<b>Total Governmental Activities</b>	<u>21,958,338</u>	<u>21,059,581</u>	<u>25,099,582</u>	<u>25,086,456</u>	<u>(537,360)</u>
<b>Business-type activities:</b>					
Investment Income	572,093	214,620	1,030,643	566,516	785,893
Miscellaneous	(10,954)	2,109,318	11,954	18,216	131,805
Transfers	(7,080,713)	(6,956,641)	(11,072,770)	(10,864,327)	15,323,267
<b>Total Business-type Activities</b>	<u>(6,519,574)</u>	<u>(4,632,703)</u>	<u>(10,030,173)</u>	<u>(10,279,595)</u>	<u>16,240,965</u>
<b>Total Primary Government General Revenues</b>	<u>\$ 15,438,764</u>	<u>\$ 16,426,878</u>	<u>\$ 15,069,409</u>	<u>\$ 14,806,861</u>	<u>\$ 15,703,605</u>
<b>Changes in Net Position</b>					
Governmental Activities	\$ (3,557,041)	\$ (6,101,453)	\$ 4,500,950	\$ 3,498,981	\$ (22,589,439)
Business-type Activities	6,872,592	12,170,380	4,542,684	1,850,456	30,316,512
<b>Total Government</b>	<u>\$ 3,315,551</u>	<u>\$ 6,068,927</u>	<u>\$ 9,043,634</u>	<u>\$ 5,349,437</u>	<u>\$ 7,727,073</u>

Note: This information is provided as part of the Financial Trend Data.  
Stormwater was separated from the governmental activities in 2011 because it became a Business-type fund.

**CITY OF LEESBURG, FLORIDA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**PAGE 1 OF 2**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Fund</b>					
Reserved	\$ 1,569,642	\$ 586,207	\$ 1,043,782	\$ 1,369,020	\$ 1,673,892
Unreserved	4,104,481	3,278,639	2,978,290	4,358,936	5,697,109
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total General Fund</b>	<u>\$ 5,674,123</u>	<u>\$ 3,864,846</u>	<u>\$ 4,022,072</u>	<u>\$ 5,727,956</u>	<u>\$ 7,371,001</u>
<b>All Other Governmental Funds</b>					
Reserved	\$ 9,211,368	\$ 2,963,875	\$ 2,403,071	\$ 2,610,626	\$ 1,836,289
Unreserved					
Stormwater Fund	208,901	552,544	1,229,741	1,557,861	1,755,566
Redevelopment Agency Funds	78,938	943,569	2,319,072	4,572,684	13,875,882
Special Revenue Funds	-	1,577,648	897,422	816,455	533,772
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>\$ 9,499,207</u>	<u>\$ 6,037,636</u>	<u>\$ 6,849,306</u>	<u>\$ 9,557,626</u>	<u>\$ 18,001,509</u>

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

Beginning in 2011:

- a. Implementation of GASB 54 changed the fund balance designations;
- b. Stormwater is no longer classified as a governmental fund.

**CITY OF LEESBURG, FLORIDA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**PAGE 2 OF 2**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	763,445	633,615	121,153	50,075	35,361
Restricted	652,106	659,224	963,818	1,017,596	1,332,191
Committed	2,970	4,563	4,033	2,919	3,285
Assigned	-	1,000,000	437,312	235,269	322,141
Unassigned	7,371,865	7,239,114	8,592,849	10,689,238	12,684,625
<b>Total General Fund</b>	<u>\$ 8,790,386</u>	<u>\$ 9,536,516</u>	<u>\$ 10,119,165</u>	<u>\$ 11,995,097</u>	<u>\$ 14,377,603</u>
<b>All Other Governmental Funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved					
Stormwater Fund	-	-	-	-	-
Redevelopment Agency Funds	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Nonspendable	2,976	478	63	-	-
Restricted	13,097,454	11,815,626	10,915,723	9,082,457	10,336,400
Assigned	1,324,710	1,071,842	898,723	1,348,285	-
Unassigned	(200,150)	(197,714)	(369,538)	(151,106)	(38,449)
<b>Total All Other Governmental Funds</b>	<u>\$ 14,224,990</u>	<u>\$ 12,690,232</u>	<u>\$ 11,444,971</u>	<u>\$ 10,279,636</u>	<u>\$ 10,297,951</u>

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

Beginning in 2011:

- a. Implementation of GASB 54 changed the fund balance designations;
- a. Stormwater is no longer classified as a governmental fund.

**CITY OF LEESBURG, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**PAGE 1 OF 2**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Revenues</b>					
Taxes	\$ 10,430,225	\$ 12,188,222	\$ 12,869,231	\$ 13,125,620	\$ 12,893,021
Licenses and Permits	1,287,389	835,735	774,430	571,963	421,374
Intergovernmental	6,262,243	6,951,061	8,209,539	8,073,940	6,516,608
Charges for Services	1,363,599	1,752,548	2,083,117	2,178,942	2,211,398
Fines and Forfeitures	383,075	248,483	331,313	219,845	144,991
Impact Fees	-	255,791	335,914	133,249	12,295
Interest	730,162	540,698	297,268	206,424	164,588
Miscellaneous	4,507,427	5,305,481	4,350,653	4,329,343	4,566,046
<b>Total Revenues</b>	<u>24,964,120</u>	<u>28,078,019</u>	<u>29,251,465</u>	<u>28,839,326</u>	<u>26,930,321</u>
<b>Expenditures</b>					
General Government	3,192,720	1,828,424	3,496,612	3,162,527	3,476,819
Public Safety	12,802,000	14,734,007	15,021,295	14,428,426	14,043,510
Physical Environment	945,226	911,501	758,074	705,068	700,369
Transportation	1,532,023	1,959,937	1,853,750	2,032,911	1,911,023
Economic Environment	588,368	655,320	639,294	868,017	615,937
Human Services	36,861	51,666	66,475	67,892	44,150
Culture and Recreation	4,976,305	5,278,244	5,187,536	4,433,489	3,807,355
Capital Outlay	16,700,042	15,171,230	8,319,179	7,057,151	6,667,866
Debt Service:					
Principal Payments	170,000	546,486	596,540	699,248	749,000
Interest and Fees	1,180,340	1,148,265	1,133,566	1,223,864	2,272,405
<b>Total Expenditures</b>	<u>42,123,885</u>	<u>42,285,080</u>	<u>37,072,321</u>	<u>34,678,593</u>	<u>34,288,434</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(17,159,765)</u>	<u>(14,207,061)</u>	<u>(7,820,856)</u>	<u>(5,839,267)</u>	<u>(7,358,113)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	-	-	156,929	97,633	47,121
Transfers In	7,903,521	13,647,670	12,189,197	12,185,286	11,394,539
Transfers Out	(365,687)	(4,711,446)	(3,556,374)	(4,561,077)	(7,714,268)
Bond Proceeds	-	-	-	2,531,629	13,717,649
<b>Total Other Financing Sources (Uses)</b>	<u>7,537,834</u>	<u>8,936,224</u>	<u>8,789,752</u>	<u>10,253,471</u>	<u>17,445,041</u>
<b>Net Change In Fund Balances</b>	<u>\$ (9,621,931)</u>	<u>\$ (5,270,837)</u>	<u>\$ 968,896</u>	<u>\$ 4,414,204</u>	<u>\$ 10,086,928</u>
<b>Debt Service Expenditures Of Noncapital Expenditures</b>	5.3%	6.3%	6.0%	7.0%	10.9%

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

**CITY OF LEESBURG, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**PAGE 2 OF 2**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues:</b>					
Taxes	\$ 12,235,501	\$ 11,715,341	\$ 11,906,834	\$ 12,002,708	\$ 12,362,071
Licenses and Permits	457,142	458,798	494,057	815,905	1,006,590
Intergovernmental	3,371,485	3,506,336	4,042,615	4,354,607	2,743,845
Charges for Services	595,467	541,758	588,212	896,780	1,023,985
Fines and Forfeitures	163,197	159,137	186,038	165,356	156,640
Impact Fees	150	-	-	68,685	106,719
Interest	203,118	50,943	193,761	25,755	173,320
Miscellaneous	4,946,580	4,604,621	1,502,208	1,450,423	776,766
<b>Total Revenues</b>	<u>21,972,640</u>	<u>21,036,934</u>	<u>18,913,725</u>	<u>19,780,219</u>	<u>18,349,936</u>
<b>Expenditures:</b>					
General Government	2,851,945	2,730,096	1,999,318	3,257,326	3,242,396
Public Safety	14,238,088	14,472,095	14,295,487	13,823,843	12,837,293
Physical Environment	65,877	60,774	61,867	77,191	69,833
Transportation	2,063,548	1,797,161	1,705,097	1,954,674	1,380,217
Economic Environment	989,381	516,751	534,375	563,007	572,566
Human Services	37,567	520,403	89,462	62,313	56,147
Culture and Recreation	3,893,225	3,813,858	3,711,224	2,346,340	2,906,347
Capital Outlay	3,179,436	3,342,072	3,391,687	4,169,896	3,105,201
Debt Service:					
Principal Payments	822,963	802,334	1,782,127	1,964,296	1,972,996
Interest and Fees	1,778,947	1,749,214	2,007,786	1,619,394	1,197,860
<b>Total Expenditures</b>	<u>29,920,977</u>	<u>29,804,758</u>	<u>29,578,430</u>	<u>29,838,280</u>	<u>27,340,856</u>
<b>Excess Of Revenue Over (Under) Expenditures</b>	<u>(7,948,337)</u>	<u>(8,767,824)</u>	<u>(10,664,705)</u>	<u>(10,058,061)</u>	<u>(8,990,920)</u>
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	77,760	68,233	11,750	13,781	3,141
Transfers In	12,427,585	11,617,850	13,759,425	13,650,373	13,974,025
Transfers Out	(5,158,576)	(3,706,887)	(4,103,870)	(2,895,496)	(3,585,425)
Issuance of Debt	-	-	334,788	-	1,000,000
<b>Total Other Financing Sources (Uses)</b>	<u>7,346,769</u>	<u>7,979,196</u>	<u>10,002,093</u>	<u>10,768,658</u>	<u>11,391,741</u>
<b>Net Change In Fund Balances</b>	<u>\$ (601,568)</u>	<u>\$ (788,628)</u>	<u>\$ (662,612)</u>	<u>\$ 710,597</u>	<u>\$ 2,400,821</u>
<b>Debt Service As A Percentage of Non Capital</b>	9.7%	9.6%	14.5%	14.0%	13.1%

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

**CITY OF LEESBURG, FLORIDA  
ASSESSED VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year <sup>(1)</sup>	Real Property <sup>(2)</sup>	Personal Property	Centrally Assessed Property <sup>(3)</sup>	Less: Tax-Exempt Property			Taxable Value for Operating Millages	Total Direct Tax Rates
				Real Property <sup>(2)</sup>	Personal Property	Centrally Assessed <sup>(3)</sup>		
2006	\$ 1,084,329,142	\$ 324,381,497	\$ 408,548	\$ 266,752,420	\$ 126,674,899	\$ -	1,015,691,868	5
2007	1,425,384,915	337,206,689	519,776	321,177,532	124,925,272	-	1,317,008,576	5
2008	1,688,428,580	372,375,507	553,180	335,529,839	128,329,323	-	1,597,498,105	4
2009	1,748,767,789	299,835,709	563,123	412,232,355	106,449,581	112,317	1,530,372,368	4
2010	1,643,094,805	307,393,370	592,083	402,058,703	116,537,221	126,521	1,432,357,813	4
2011	1,462,752,813	294,871,468	441,398	375,488,425	108,013,558	107,628	1,274,456,068	4
2012	1,345,917,698	284,962,752	-	355,981,439	108,052,050	-	1,166,846,961	4
2013	1,292,100,846	289,671,068	-	355,770,105	108,475,254	-	1,117,526,555	4
2014	1,290,485,803	283,156,954	-	358,695,894	99,001,842	-	1,115,945,021	4
2015	1,312,948,029	280,285,609	-	365,395,977	105,531,482	-	1,122,306,179	4

Notes: <sup>1</sup>As of December 31st of each year listed.

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

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

<sup>4</sup>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 the Summer of 2007 that caps millage rates, except with special approval, at a level allowing tax revenue to grow no more than the related proportion to per capita income and new construction.

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

Source: Lake County Property Appraiser

**CITY OF LEESBURG, FLORIDA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(RATE PER \$1,000 OF ASSESSED VALUE)**

Fiscal Year	Total Direct	Overlapping Governments						Total
	City	School District	Lake County	Ambulance District	Northwest Hospital District	Lake County Water Authority	Water Management District	
2006	4.5000	7.9810	5.7970	0.5290	1.0000	0.3370	0.4620	20.6060
2007	4.5000	7.6480	5.9470	0.5289	1.0000	0.2530	0.4620	20.3389
2008	4.2500	7.6980	4.7410	0.4651	1.0000	0.2130	0.4158	18.7829
2009	4.3179	7.5170	4.7612	0.4651	1.0000	0.2130	0.4158	18.6900
2010	4.3179	7.5320	4.7612	0.4651	1.0000	0.2130	0.4158	18.7050
2011	4.3179	7.5230	4.8410	0.3853	1.0000	0.2405	0.4158	18.7235
2012	4.3179	7.3940	4.8410	0.3853	1.0000	0.2405	0.3313	18.5100
2013	4.3179	7.3200	4.9209	0.3853	1.0000	0.2554	0.3313	18.5308
2014	4.3179	7.1700	4.9209	0.3853	1.0000	0.2554	0.3283	18.3778
2015	4.3179	7.2460	5.5456	0.4629	1.0000	0.2554	0.3164	19.1442

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

Source: Lake County Property Appraiser

**CITY OF LEESBURG, FLORIDA  
PRINCIPAL PROPERTY TAX PAYERS  
FOR THE CURRENT CALENDAR YEAR AND NINE YEARS AGO**

Taxpayer	2015			2006		
	2015 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	2006 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cutrale Citrus Juices, U.S.A., Inc.	\$ 27,558,878	1	2.46%	\$ 42,260,203	2	4.16%
Embarq-Florida, Inc (fka Sprint-Florida)	26,668,887	2	2.38%	47,174,280	1	4.64%
Minute Maid Company	22,050,282	3	1.96%			
Lake Port Square, LLC	17,866,899	4	1.59%	23,100,767	4	2.27%
Lake Square Mall Realty Management LLC	11,408,508	5	1.02%	26,734,314	3	2.63%
Shoppes of Lake Village, LTD	6,635,917	6	0.59%	8,053,482	8	0.79%
City of Leesburg	6,416,077	7	0.57%			
Lowe's Home Centers Inc.	6,253,565	8	0.56%	10,053,878	5	0.99%
Walgreen Co.	6,047,424	9	0.54%			
Wal-Mart Stores, Inc	5,738,967	10	0.51%			
Sun Trust Banks of Central Florida				9,525,288	6	0.94%
Colonial Bank (fka First Federal Savings Bank)				8,165,768	7	0.80%
Publix Super Markets, Inc				7,960,318	9	0.78%
CHPC Leesburg, LTD				6,852,529	10	0.67%
<b>Subtotal</b>	<u>136,645,404</u>		<u>12.18%</u>	<u>189,880,827</u>		<u>18.69%</u>
All Others	<u>985,660,775</u>		<u>87.82%</u>	<u>825,811,041</u>		<u>81.31%</u>
<b>Total</b>	<u>\$ 1,122,306,179</u>		<u>100.00%</u>	<u>\$ 1,015,691,868</u>		<u>100.00%</u>

Notes: Taxable Values (Florida Statutes Section 193.011) are as of January 1, 2006 and 2015, and represent total property values including real property, personal property and centrally assessed property.  
Blank information in Taxable Assessed Value does not mean the business no longer exists.

Source: Lake County Property Appraiser

**CITY OF LEESBURG, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>1</sup>		Collections for Previous Years of Levy	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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) <sup>2</sup>	6,058,634	89.24%
2009	6,607,995	6,318,550	95.62%	(23,804) <sup>3</sup>	6,294,746	95.26%
2010	6,184,778	5,958,860	96.35%	90,974	6,049,834	97.82%
2011	5,502,974	5,317,825	96.64%	43,746	5,361,571	97.43%
2012	5,038,328	4,846,506	96.19%	11,517	4,858,023	96.42%
2013	4,825,368	4,441,231	92.04%	32,894	4,474,125	92.72%
2014	4,818,539	4,439,774	92.14%	26,673	4,466,447	92.69%
2015	4,846,006	4,475,319	92.35%	16,614	4,491,933	92.69%

Notes: <sup>1</sup>Amounts collected within the fiscal year of the levy are inclusive of legally available early payment discounts (ranging from 4% to 1%).  
<sup>2</sup>During 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.  
<sup>3</sup>During 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)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local Option Gas Tax</b>	<b>Sales Tax</b>	<b>Franchise Fees</b>	<b>Utility Service Tax</b>	<b>Communication Services Tax</b>	<b>Total</b>
2006	\$ 4,465,410	\$ 834,878	\$ 1,807,292	\$ 95,503	\$ 2,706,875	\$ 1,118,540	\$ 11,028,498
2007	5,686,324	822,027	1,672,965	86,244	2,858,214	1,062,448	12,188,222
2008	6,058,634	620,290	1,623,035	101,585	3,058,468	1,099,675	12,561,687
2009	6,294,746	624,118	1,531,527	116,382	3,126,745	1,148,314	12,841,832
2010	6,049,834	630,727	1,526,403	109,857	3,214,820	1,078,903	12,610,544
2011	5,361,571	639,735	1,611,777	111,280	3,182,188	1,049,816	11,956,367
2012	4,858,023	614,906	1,647,465	133,135	3,102,871	1,107,841	11,464,241
2013	4,684,694	594,535	1,629,454	125,992	3,195,794	1,155,595	11,386,064
2014	4,685,546	603,878	1,740,150	138,873	3,255,534	1,058,798	11,482,779
2015	4,712,444	625,941	1,891,707	243,760	3,404,080	1,014,467	11,892,399

**CITY OF LEESBURG, FLORIDA  
GREATER LEESBURG COMMUNITY REDEVELOPMENT AGENCY  
HISTORICAL REVENUES**

Year	Taxable Values	HISTORICAL REVENUES					Total Revenues
		Lake County	City of Leesburg	Ambulance	Lake County Water Authority		
2006	\$ 133,076,217	\$ 206,769	\$ 160,508	\$ 18,865	\$ 12,020	\$ 398,162	
2007	152,321,905	289,316	226,539	26,626	12,737	555,218	
2008	156,159,630	295,299	269,219	29,052	13,305	606,875	
2009	148,158,153	306,656	285,507	30,753	14,084	637,000	
2010	148,221,674	270,736	252,126	26,985	12,463	562,310	
2011	132,822,347	206,301	188,958	16,802	10,525	422,586	
2012	124,993,979	171,163	156,846	13,940	8,736	350,685	
2013	121,370,315	154,878	141,982	12,614	8,398	317,872	
2014	121,719,997	156,736	143,416	12,765	8,483	321,400	
2015	122,062,401	179,978	144,821	15,469	8,566	348,834	

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.

Source: Lake County Property Appraiser

**CITY OF LEESBURG, FLORIDA  
 CARVER HEIGHTS/MONTCLAIR AREA COMMUNITY REDEVELOPMENT AGENCY  
 HISTORICAL REVENUES**

Year	Taxable Values	HISTORICAL REVENUES					Total Revenues
		Lake County	City of Leesburg	Ambulance	Lake County Water Authority		
2006	\$ 77,776,543	\$ 32,514	\$ 25,240	\$ 2,966	\$ 1,890	\$ 62,610	
2007	89,281,278	108,081	84,629	9,947	4,758	207,415	
2008	96,310,253	140,978	129,100	13,931	6,380	290,389	
2009	88,132,712	169,363	158,077	17,027	7,798	352,265	
2010	88,111,616	132,286	123,599	13,147	6,140	275,172	
2011	81,604,263	105,111	96,906	8,561	5,397	215,975	
2012	77,113,815	84,826	78,486	6,908	4,372	174,592	
2013	74,700,591	74,107	68,587	6,035	4,057	152,786	
2014	76,430,497	81,935	75,683	6,673	4,477	168,768	
2015	76,432,394	93,216	75,691	8,012	4,477	181,396	

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 2046.

Source: Lake County Property Appraiser

**CITY OF LEESBURG, FLORIDA  
U.S. HIGHWAY 441 & 27 COMMUNITY REDEVELOPMENT AGENCY  
HISTORICAL REVENUES**

Year	Taxable Values	HISTORICAL REVENUES				Total Revenues
		Lake County	City of Leesburg	Ambulance	Lake County Water Authority	
2006	\$ 417,811,099	\$ -	\$ -	\$ -	\$ -	\$ -
2007	479,923,989	357,913	280,252	32,939	15,756	686,860
2008	482,782,230	575,014	527,335	56,906	26,061	1,185,316
2009	454,799,607	576,740	539,090	58,068	26,704	1,200,602
2010	454,362,582	446,622	418,845	44,277	20,959	930,703
2011	388,395,355	157,433	148,248	12,822	8,257	326,760
2012	348,560,375	-	-	-	-	-
2013	331,802,542	-	-	-	-	-
2014	325,800,698	-	-	-	-	-
2015	326,674,034	-	-	-	-	-

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

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

Source: Lake County Property Appraiser

**CITY OF LEESBURG, FLORIDA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	% of Personal Income <sup>1</sup>	Per Capita <sup>2</sup>
	Capital Improvement Bonds	Notes Payable	Capital Lease	Utility System Revenue Bonds	Notes Payable			
2006	\$ 23,750,000	\$ 231,237	\$ -	\$ 39,655,000	\$ 13,277,000	\$ 76,913,237	12.83%	\$ 31,812
2007	23,280,000	172,166	-	86,125,001	12,683,632	122,260,799	18.44%	33,266
2008	22,795,000	117,646	-	85,355,000	13,041,000	121,308,646	19.45%	31,044
2009	22,295,000	99,339	300,618	84,565,000	13,041,000	120,300,957	19.26%	30,460
2010	30,335,000	7,442,158	268,224	83,140,000	15,355,000	136,540,382	20.87%	31,520
2011	29,960,000	7,027,949	234,470	81,655,000	13,665,000	132,542,419	21.26%	30,785
2012	29,575,000	11,145,787	199,298	80,115,000	12,705,971	133,741,056	20.19%	32,697
2013	29,765,000	9,905,310	162,649	79,430,000	17,635,000	136,897,959	19.74%	33,398
2014	29,120,000	8,624,202	124,460	63,415,000	32,038,000	133,321,662	18.38%	34,445
2015	28,500,000	8,310,998	84,668	61,980,000	30,991,000	129,866,666	17.33%	34,782

Notes: Details regarding the City's outstanding debt can be found in Note 8 of the Financial Statements. Totals do not include amortization of deferrals and discounts.

<sup>1</sup>See Demographic and Economic Statistics for personal income and population data.

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

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

**CITY OF LEESBURG, FLORIDA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2015**

<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			\$ 36,895,665
<u>Overlapping Debt</u>			
Lake County Board of County Commissioners	\$ 24,255,000	7.26%	1,760,359
School District		7.26%	-
Subtotal – Overlapping Debt			<u>1,760,359</u>
Total Direct and Overlapping Debt			<u>\$ 38,656,024</u>

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

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

Sources: Lake County Board of County Commissioners  
Lake County School District  
Assessed value data used to estimate applicable percentage provided by the Lake County Property Appraiser.



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**CITY OF LEESBURG, FLORIDA  
LEGAL DEBT MARGIN INFORMATION**

The City of Leesburg has no general obligation debt outstanding as of September 30, 2015.

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

**CITY OF LEESBURG, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 CAPITAL IMPROVEMENT REVENUE BONDS/NOTES  
 SERIES 1999, 2004, 2009, & 2013  
 LAST TEN FISCAL YEARS**

	<b>FY ENDING SEPT. 30, 2006</b>	<b>FY ENDING SEPT. 30, 2007</b>	<b>FY ENDING SEPT. 30, 2008</b>	<b>FY ENDING SEPT. 30, 2009</b>
Half-Cent Sales Tax	\$ 1,093,773	\$ 1,001,858	\$ 964,117	\$ 898,594
Guaranteed Entitlement	309,234	309,234	309,234	309,234
<b>Net Revenues Available</b>	<b>1,403,007</b>	<b>1,311,092</b>	<b>1,273,351</b>	<b>1,207,828</b>
Debt Service on 1999 Bonds	496,315	494,645	497,476	494,796
Debt Service on Refunding Promissory Note, Series 2009				
Combined Refunded & Refunding Debt Service				
Debt Service Coverage on Series 1999 Bonds & 2009 Note	3 X	3 X	3 X	2 X
2009 Senior Lien Note Required				
Minimum Coverage	1 X <sup>5</sup>	1 X <sup>5</sup>	1 X <sup>5</sup>	1 X <sup>5</sup>
<b>Net Revenues Available After Debt Service on 1999 Bonds &amp; 2009 Note</b>	<b>906,692</b>	<b>816,447</b>	<b>775,875</b>	<b>713,032</b>
Plus Public Service Tax	2,770,827	2,858,214	3,058,468	3,126,745
<b>Net Revenues Available</b>	<b>3,677,519</b>	<b>3,674,661</b>	<b>3,834,343</b>	<b>3,839,777</b>
Debt Service on Series 2004 Bonds	797,595	1,114,470	1,111,220	1,111,020
Debt Service on Series 2013 Bonds				
Combine Refunded & Refunding Debt Service				
Debt Service Coverage on Series 2004 & 2013 Bonds	5 X	3 X	3	3 X
Required Minimum Coverage	1 X <sup>5</sup>	1 X <sup>5</sup>	1 X <sup>5</sup>	1 X <sup>5</sup>
<b>Net Revenues Available after all Debt Service</b>	<b>\$ 2,879,924</b>	<b>\$ 2,560,191</b>	<b>\$ 2,723,123</b>	<b>\$ 2,728,757</b>

**Definitions**

**<sup>1</sup>Series 1999**

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

**<sup>2</sup>Series 2004**

Resolution 7162, adopted July 12, 2004, the City authorized the issuance of the Capital Improvement Revenue Bonds, Series 2004, that closed on August 4, 2004, pledging the net available revenues after considering the Series 1999 Bonds. In addition, Public Service Tax revenues were pledged to cover the Series 2004 Bonds.

**<sup>3</sup>Series 2009**

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

**<sup>4</sup>Series 2013**

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

**CITY OF LEESBURG, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 CAPITAL IMPROVEMENT REVENUE BONDS/NOTES  
 SERIES 1999, 2004, 2009, & 2013  
 LAST TEN FISCAL YEARS**

FY ENDING SEPT. 30, 2010	FY ENDING SEPT. 30, 2011	FY ENDING SEPT. 30, 2012	FY ENDING SEPT. 30, 2013	FY ENDING SEPT. 30, 2014	FY ENDING SEPT. 30, 2015
\$ 899,922	\$ 930,949	\$ 913,146	\$ 993,946	\$ 1,069,082	\$ 1,162,792
309,234	309,234	309,234	309,234	309,234	309,234
<u>1,209,156</u>	<u>1,240,183</u>	<u>1,222,380</u>	<u>1,303,180</u>	<u>1,378,316</u>	<u>1,472,026</u>
332,398	-	-	-	-	-
95,731	523,204	473,744	473,811	473,405	472,526
<u>428,129</u>	<u>523,204</u>	<u>473,744</u>	<u>473,811</u>	<u>473,405</u>	<u>472,526</u>
3 X	2 X	3 X	3 X	3 X	3 X
1 X <sup>5</sup>					
781,027	716,979	748,636	829,369	904,911	999,500
3,214,820	3,182,188	3,102,871	3,195,794	3,255,533	3,404,080
<u>3,995,847</u>	<u>3,899,167</u>	<u>3,851,507</u>	<u>4,025,163</u>	<u>4,160,444</u>	<u>4,403,580</u>
7,991,694	7,798,334	7,703,014	8,050,327	8,320,888	8,807,160
1,109,645	1,108,485	1,106,460	746,685	-	-
			202,834	1,046,513	753,306
			<u>949,519</u>	<u>1,046,513</u>	<u>753,306</u>
3.60 X	3.52 X	3.48 X	4.24 X	3.98 X	5.85 X
1 X <sup>5</sup>					
\$ 2,886,202	\$ 2,790,682	\$ 2,790,682	\$ 3,075,645	\$ 3,113,932	\$ 3,650,274

<sup>5</sup> 1.30X Debt Service Coverage is not a Financial Covenant, rather an Additional Bonds Test Requirement. No additional senior lien parity bonds can be issued.

<sup>6</sup> 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.

<sup>7</sup> Guaranteed Portion-State Revenue Sharing is the portion of state revenue sharing funds available to the City that are pledged, or set aside as a trust for the payment of principal or interest on the bonds pursuant to Title XIV, Chapter 218, Part II, Florida Statutes.

<sup>8</sup> Public Service Tax is a tax that may be levied by a municipality on the purchase of electricity, metered natural gas, liquefied petroleum gas, manufactured gas, and water service pursuant to Title XII, Chapter 166, Section 231, Florida Statutes.

<sup>9</sup> In FY 2015 the accounting method was changed from accruing interest for governmental debt to recording the payment when made. This resulted in only one interest payment recorded in FY 2015.

**CITY OF LEESBURG, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 SERIES 2015 GREATER LEESBURG CRA REVENUE NOTE  
 LAST FISCAL YEAR**

	<b>FY ENDING SEPT. 30, 2015</b>
<b>Revenue:</b>	
City of Leesburg	\$ 144,821
Lake County	204,013
Interest	6,448
Total	355,282
Debt Service on 2015 Note	6,224
Debt Service Coverage on Series 2015 Note	57.08 X
<b>Net Revenues Available after Debt Service on 2015 Note</b>	<b>\$ 349,058</b>

**Note:**

This information is provided as part of the Financial Trend Data and should be presented in a ten year format. The current presentation begins with the first year of the Series 2015 Note.

**Definitions:**

Resolution 13 of the Greater Leesburg Community Redevelopment Agency, adopted January 12, 2015, authorized the issuance of the Redevelopment Revenue Note, Series 2015, a "qualified tax-exempt obligation". This note closed January 14, 2015.

Resolution 9533, of the City Commission of the City of Leesburg, adopted January 12, 2015, authorized and approved the issuance by the Greater Leesburg Community Redevelopment Agency of a \$1,000,000 principal amount Redevelopment Revenue Note, Series 2015. This resolution authorized the execution and delivery of an interlocal agreement, with said Community Redevelopment Agency, pursuant to which the City will covenant to budget and appropriate non-ad valorem revenues to make debt service payments, on said note, to the extent increment revenues are insufficient.



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**CITY OF LEESBURG, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 SERIES 2008 CARVER HEIGHTS/MONTCLAIR AREA CRA REVENUE NOTE  
 LAST SEVEN FISCAL YEARS**

	FY ENDING SEPT. 30, 2009	FY ENDING SEPT. 30, 2010	FY ENDING SEPT. 30, 2011	FY ENDING SEPT. 30, 2012	FY ENDING SEPT. 30, 2013
Revenue:					
City of Leesburg	\$ 158,077	\$ 123,599	\$ 96,906	\$ 78,486	\$ 68,587
Lake County	194,188	151,573	119,069	96,106	84,199
Other	4,100	1,866	2,453	1,639	3,471
Total	<u>356,365</u>	<u>277,038</u>	<u>218,428</u>	<u>176,231</u>	<u>156,257</u>
Debt Service on 2008 Note	195,340	200,534	203,353	203,503	203,659
Debt Service Coverage on Series 2008 Note	1.82 X	1.38 X	1.07 X	0.87 X	0.77 X
Net Revenues Available after Debt Service on 2008 Note	\$ 161,024	\$ 76,505	\$ 15,075	\$ (27,272) <sup>1</sup>	\$ (47,402) <sup>1</sup>

**Note:**

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

**Definitions:**

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

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

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

**CITY OF LEESBURG, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 SERIES 2008 CARVER HEIGHTS/MONTCLAIR AREA CRA REVENUE NOTE  
 LAST SEVEN FISCAL YEARS**

FY ENDING SEPT. 30, 2014	FY ENDING SEPT. 30, 2015
\$ 75,683	\$ 75,691
93,085	105,705
(508)	1,926
<hr/> 168,260	<hr/> 183,322
203,822	203,993
0.83 X	0.90 X
\$ (35,562) <sup>1</sup>	\$ (20,671) <sup>1</sup>

**CITY OF LEESBURG, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 SERIES 2009 US HIGHWAY 441 & 27 AREA CRA REVENUE NOTE  
 LAST SIX FISCAL YEARS**

	FY ENDING SEPT. 30, 2010	FY ENDING SEPT. 30, 2011	FY ENDING SEPT. 30, 2012	FY ENDING SEPT. 30, 2013
Revenue:				
City of Leesburg	\$ 418,845	\$ 148,248	\$ -	\$ -
Lake County	511,857	178,512	-	-
Other	28,492	27,404	10,292	41,694
Total	959,194	354,164	10,292	41,694
Debt Service on 2008 Note	354,753	695,431	695,131	799,831
Debt Service Coverage on Series 2008 Note	2.70 X	0.51 X	0.01 X	0.05 X
Net Revenues Available after Debt Service on 2008 Note	\$ 604,441	\$ (341,267)	\$ (684,839) <sup>1</sup>	\$ (758,137) <sup>1</sup>

**Note:**

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

**Definitions:**

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

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

<sup>1</sup>Due to the downturn in property values, the debt service payment is being paid from the bond proceeds in accordance with bond covenants.

**CITY OF LEESBURG, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 SERIES 2009 US HIGHWAY 441 & 27 AREA CRA REVENUE NOTE  
 LAST SIX FISCAL YEARS**

FY ENDING SEPT. 30, 2014	FY ENDING SEPT. 30, 2015
\$ -	\$ -
-	-
9,612	9,061
9,612	9,061
801,231	797,481
0.01 X	0.01 X
\$ (791,619) <sup>1</sup>	\$ (788,420) <sup>1</sup>

**CITY OF LEESBURG, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 ELECTRIC SYSTEM REVENUE BONDS/NOTES  
 SERIES 2004, 2007A, 2007B, 2010, 2013, & 2014  
 LAST TEN FISCAL YEARS**

	FY ENDING SEPT. 30, 2006	FY ENDING SEPT. 30, 2007	FY ENDING SEPT. 30, 2008	FY ENDING SEPT. 30, 2009
Gross Revenues <sup>8</sup>	\$ 60,688,045	\$ 60,862,278	\$ 70,302,636	\$ 71,566,530
Less Operation and Maintenance Expenses <sup>9</sup>	52,210,890	51,342,881	59,761,821	61,012,704
Net Revenues Available <sup>10</sup>	8,477,155	9,519,397	10,540,815	10,553,826
Debt Service on 2004 Bonds <sup>1</sup>	see note <sup>2</sup>	779,813	1,095,875	1,090,975
Debt Service on 2007A Bonds <sup>3,4</sup>		see note 4	1,234,619	551,906
Debt Service on 2007B Bonds <sup>3,4</sup>				682,713
Debt Service on 2010 Note <sup>5</sup>				
Debt Service on 2013 Note <sup>6</sup>				
Debt Service on 2014 Note <sup>7</sup>				
Total Debt Service	-	779,813	2,330,494	2,325,594
Debt Service Coverage	see note 1	X 12.21 X	4.52 X	4.54 X
Required Minimum Coverage		X 1.25 X	1.25 X	1.25 X
Total Net Revenues less Electric Utility Debt Service	\$ 8,477,155	\$ 8,739,585	\$ 9,444,940	\$ 8,228,232

**Definitions**

**<sup>1</sup>Series 2004**

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

<sup>2</sup> 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.

**<sup>3</sup>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.

<sup>4</sup> 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.

**<sup>5</sup>Series 2010**

Resolution 8692, adopted August 4, 2010, the City authorized the issuance of an "up to \$20,000,000" Note with a 3 year interest only drawdown facility.

**CITY OF LEESBURG, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 ELECTRIC SYSTEM REVENUE BONDS/NOTES  
 SERIES 2004, 2007A, 2007B, 2010, 2013, & 2014  
 LAST TEN FISCAL YEARS**

FY ENDING SEPT. 30, 2010	FY ENDING SEPT. 30, 2011	FY ENDING SEPT. 30, 2012	FY ENDING SEPT. 30, 2013	FY ENDING SEPT. 30, 2014	FY ENDING SEPT. 30, 2015
\$ 73,280,305	\$ 62,355,773	\$ 57,419,323	\$ 62,808,975	\$ 60,924,004	\$ 59,587,185
55,737,126	49,169,688	45,244,248	47,863,727	50,744,245	46,454,026
17,543,179	13,186,085	12,175,075	14,945,248	10,179,759	13,133,159
1,090,095	1,093,025	1,089,885	1,090,160	742,180	-
551,906	551,906	551,906	551,906	551,906	551,906
946,921	945,283	942,799	939,469	940,011	939,425
	4,004	2,852	48,898	-	-
			84,360	273,600	619,747
				300,378	622,788
2,588,922	2,594,218	2,587,442	2,714,793	2,808,075	2,733,866
6.78 X	5.08 X	4.71 X	5.51 X	3.63 X	4.80 X
1.25 X					
\$ 14,954,257	\$ 10,591,867	\$ 9,587,633	\$ 12,230,455	\$ 7,371,684	\$ 10,399,293

**<sup>6</sup>Series 2013**

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

**<sup>7</sup>Series 2014**

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

**<sup>8</sup> Gross Revenues** - defined as all income and earnings derived by the City from the ownership, operation, leasing, or use of the system, and investment income excluding capital expansion and system improvement grants.

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

**<sup>10</sup> Pledged Revenues and Net Revenues** - defined as gross revenues less operation and maintenance expenses.

**CITY OF LEESBURG, FLORIDA**  
**PLEDGED REVENUE COVERAGE**  
**UTILITY SYSTEM REVENUE BONDS/NOTES**  
**(GAS, WATER AND WASTEWATER SYSTEMS)**  
**SERIES 2004, 2007A, 2007B, 2010, & 2013**  
**LAST TEN FISCAL YEARS**

	FY ENDING SEPT. 30, 2006	FY ENDING SEPT. 30, 2007	FY ENDING SEPT. 30, 2008	FY ENDING SEPT. 30, 2009
Gross Revenues <sup>7</sup>	\$ 22,055,159	\$ 24,018,350	\$ 25,371,745	\$ 23,988,825
Less Expenses <sup>8</sup>	18,265,045	17,799,914	19,022,708	16,634,389
Net Revenues Available <sup>9</sup>	3,790,114	6,218,436	6,349,037	7,354,436
Debt Service on 2004 Bonds <sup>1</sup>	see note 2	1,075,151	1,507,914	1,509,114
Debt Service on 2007A Bonds <sup>3</sup>		see note 4	1,039,044 <sup>4</sup>	1,039,044
Debt Service on 2007B Bonds <sup>3</sup>		see note 4	63,130 <sup>4</sup>	63,130
Debt Service on 2010 Note <sup>5</sup>				
Debt Service on 2013 Note <sup>6</sup>				
Total Debt Service		1,075,151	2,610,088	2,611,288
Debt Service Coverage		5.78 X	2.43 X	2.82 X
Required Minimum Coverage		1.15 X	1.15 X	1.15 X
Plus Capacity Charges	1,106,275	742,963	813,605	390,044
Debt Service Coverage inclusive of Capacity Charges		6.47 X	2.74 X	2.97 X
Required Minimum Coverage inclusive of Capacity Charges		1.25 X	1.25 X	1.25 X
Total Net Revenues less Electric Utility Debt Service	\$ 4,896,389	\$ 5,886,248	\$ 4,552,554	\$ 5,133,192

**Definitions**

**<sup>1</sup>Series 2004**

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

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

**<sup>3</sup>Series 2007A & 2007B**

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

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

**<sup>5</sup>Series 2010**

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

**CITY OF LEESBURG, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 UTILITY SYSTEM REVENUE BONDS/NOTES  
 (GAS, WATER AND WASTEWATER SYSTEMS)  
 SERIES 2004, 2007A, 2007B, 2010, & 2013  
 LAST TEN FISCAL YEARS**

FY ENDING SEPT. 30, 2010	FY ENDING SEPT. 30, 2011	FY ENDING SEPT. 30, 2012	FY ENDING SEPT. 30, 2013	FY ENDING SEPT. 30, 2014	FY ENDING SEPT. 30, 2015
\$ 25,299,925	\$ 25,678,857	\$ 23,727,878	\$ 24,885,126	\$ 24,539,498	\$ 24,393,186
16,584,012	15,651,085	14,382,430	16,075,773	14,834,367	13,601,215
8,715,913	10,027,772	9,345,448	8,809,353	9,705,131	10,791,971
1,508,914	1,507,254	1,504,074	1,009,462	-	-
1,341,444	1,338,444	1,339,844	1,345,444	1,335,844	1,335,644
77,245	81,065	79,885	78,705	82,230	80,755
	317,615	355,690	358,573	356,455	806,243
			281,985	1,437,331	1,384,031
2,927,603	3,244,378	3,279,493	3,074,168	3,211,860	3,606,673
2.98 X	3.09 X	2.85 X	2.87 X	3.02 X	2.99 X
1.15 X					
187,425	45,404	24,701	26,171	179,333	279,359
3.04 X	3.10 X	2.86 X	2.87 X	3.08 X	3.07 X
1.25 X					
\$ 5,975,735	\$ 6,828,798	\$ 6,090,656	\$ 5,761,355	\$ 6,672,604	\$ 7,464,657

**<sup>6</sup>Series 2013**

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

<sup>7</sup> **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.

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

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

**CITY OF LEESBURG, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 COMMUNICATIONS SYSTEM CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE  
 SERIES 2009  
 LAST SEVEN FISCAL YEARS**

	FY ENDING SEPT. 30, 2009	FY ENDING SEPT. 30, 2010	FY ENDING SEPT. 30, 2011	FY ENDING SEPT. 30, 2012	FY ENDING SEPT. 30, 2013
Gross Revenues	\$ 1,229,503	\$ 1,343,242	\$ 1,334,548	\$ 1,547,698	\$ 1,812,648
Less Operation and Maintenance Expense	614,598	709,695	792,226	764,200	903,153
Net Revenues Available	614,905	633,547	542,322	783,498	909,495
Debt Service on FMPA Note <sup>1</sup>	84,821	73,024	-	-	-
Debt Service on 2009 Note <sup>2</sup>	N/A	-	143,951	121,447	121,285
Debt Service Coverage on Series 2009 Note	7.25 X	8.68 X	3.77 X	6.45 X	7.50 X
Required Minimum Coverage	1.50 X				
Net Revenues less Communications Debt Service	\$ 530,084	\$ 560,523	\$ 398,371	\$ 662,051	\$ 788,210

**Note:**

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

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

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

**CITY OF LEESBURG, FLORIDA**  
**PLEDGED REVENUE COVERAGE**  
**COMMUNICATIONS SYSTEM CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE**  
**SERIES 2009**  
**LAST SEVEN FISCAL YEARS**

FY ENDING SEPT. 30, 2014	FY ENDING SEPT. 30, 2015
\$ 1,701,163	\$ 1,834,958
<u>1,032,733</u>	<u>1,117,886</u>
668,430	717,072
-	-
122,378	123,266
5.46 X	5.82
2 X	2
\$ 546,052	\$ 593,806

**CITY OF LEESBURG, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

Year	Population <sup>1</sup>	Personal Income (thousands of dollars) <sup>2</sup>	Per Capita Personal Income <sup>3</sup>	Median Age <sup>4</sup>	Unemployment Rate <sup>5</sup>		
					Lake County	Florida	United States
2006	18,842	\$ 599,402	\$ 31,812	42	3.0%	3.3%	4.3%
2007	19,934	663,124	33,266	46	4.7%	4.4%	4.8%
2008	20,093	623,767	31,044	42	7.5%	7.0%	6.5%
2009	20,506	624,613	30,460	42	12.7%	11.5%	9.4%
2010	20,757	654,261	31,520	44	12.5%	12.2%	9.3%
2011	20,251	623,427	30,785	42	10.2%	9.8%	8.2%
2012	20,263	662,539	32,697	43	8.4%	8.2%	7.5%
2013	20,761	693,376	33,398	41	6.3%	6.4%	7.0%
2014	21,057	725,308	34,445	40	5.8%	5.8%	5.8%
2015	21,547	749,448	34,782	40	5.1%	5.2%	5.1%

Sources: 1 Florida Bureau of Economic and Business Research (BEBR) as of October 1, 2015.

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

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

4 U. S. Census Bureau 2010-2014 American Community Survey 5-Year Estimates (<http://factfinder.census.gov>)

5 State of Florida, Department of Labor and Employment Security, Bureau of Labor Market Information (<http://freida.labormarketinfo.com>) as of September 2015.

**CITY OF LEESBURG, FLORIDA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>Employer<sup>1</sup></b>	<b>2015</b>			<b>2006</b>		
	<b>Employees<sup>1</sup></b>	<b>City Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees<sup>3</sup></b>	<b>City Rank</b>	<b>Percentage of Total County Employment</b>
Central Florida Health Alliance (fka LRMC)	1,850	1	1.38%	2,092	1	1.71%
Lifestream Behavioral Center	600	2	0.45%	550	4	0.45%
Lake Port Properties	510	3	0.38%	350	8	0.29%
Lake County School District (fka LCSB)	505	4	0.38%	702	2	0.58%
City of Leesburg	461	5	0.34%	595	3	0.49%
Cutrale Cirtus Juices USA, Inc	400	6	0.30%	300	9	0.25%
Publix (3 stores)	380	7	0.28%	412	7	0.34%
Lake Sumter State College	280	8	0.21%			
Southeast Modular	250	9	0.19%			
Lake-Sumter EMS	227	10	0.17%			
Embarq-Florida, Inc (fka Sprint-Florida)				500	5	0.41%
Wal-Mart Stores, Inc.				432	6	0.35%
Interim Healthcare				250	10	0.20%
<b>Total</b>	<b>5,463</b>		<b>4.08%</b>	<b>6,183</b>		<b>5.07%</b>
Lake County Labor Force <sup>2</sup>	<b>134,043</b>			<b>122,031</b>		

Source: <sup>1</sup>City of Leesburg 2016 Annual Budget

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

<sup>3</sup>City of Leesburg 2006 Annual Budget

**CITY OF LEESBURG, FLORIDA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	8.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	5.90
Finance	47.00	51.50	50.00	50.00	48.00	47.00	47.00	46.00	46.00	40.00
Human Resources	6.00	6.50	6.00	6.00	6.00	6.00	6.00	6.00	4.85	4.95
Information Technology (MIS)	12.00	12.00	12.00	12.00	11.50	11.50	11.50	12.50	12.50	10.00
Police:										
Officers	77.25	76.75	72.00	72.25	72.25	72.25	72.25	72.25	72.00	72.00
Civilians	26.00	30.00	34.25	34.00	34.00	34.00	34.00	34.00	23.00	23.00
Fire:										
Firefighters and Officers	56.00	68.00	66.00	66.00	65.00	59.00	59.00	60.00	57.00	52.00
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	12.00	13.00	7.00	7.00	4.50	3.50	4.50	5.50	5.50	5.00
Other	25.00	26.00	16.10	16.10	18.10	15.10	15.10	6.10	33.10	24.10
Planning & Zoning	18.00	20.00	5.50	5.50	5.70	4.95	2.95	2.95	2.95	2.95
Housing & Economic Development	4.00	5.00	3.00	3.00	4.00	4.00	2.00	2.00	1.00	1.00
Library	28.25	28.75	22.00	25.47	20.32	23.65	23.65	23.65	21.79	22.64
Recreation	51.00	56.50	52.00	52.00	42.00	37.00	33.00	36.00	8.10	15.00
Airport <sup>1</sup>	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	-
Subtotal for Governmental Funds	376.50	409.00	357.85	361.32	343.37	330.95	323.95	319.95	301.79	284.54
Business-type:										
Electric	49.50	55.00	50.00	50.00	50.00	51.00	48.00	53.00	52.00	47.00
Gas	22.50	21.00	19.00	19.00	19.00	19.00	23.00	23.00	23.00	22.00
Water	30.50	30.50	34.50	34.50	37.00	36.00	26.50	27.00	26.50	26.00
Wastewater	41.50	43.50	46.50	46.50	45.00	44.00	45.50	45.00	45.84	43.34
Stormwater	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.66	5.66
Communications	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	7.00	6.00
Solid Waste	18.00	19.00	19.90	19.90	17.90	17.90	17.90	17.90	16.90	16.90
Airport <sup>1</sup>	-	-	-	-	-	-	-	-	-	2.10
Carver Heights CRA	-	-	1.00	1.00	-	-	-	-	-	-
Health Insurance	-	-	-	-	-	-	-	-	0.80	0.80
Workers Compensation	-	-	-	-	-	-	-	-	0.25	0.25
Fleet Services	-	-	-	-	-	-	-	8.00	8.00	8.00
Affordable Housing	-	-	-	-	-	-	-	-	-	1.00
Building Permits	-	9.50	6.50	6.50	4.30	4.05	4.05	4.05	4.05	5.05
Subtotal for Business Type Funds	171.00	187.50	186.40	186.40	182.20	180.95	174.95	188.95	190.00	184.10
<b>Total</b>	<b>547.50</b>	<b>596.50</b>	<b>544.25</b>	<b>547.72</b>	<b>525.57</b>	<b>511.90</b>	<b>498.90</b>	<b>508.90</b>	<b>491.79</b>	<b>468.64</b>

Source: City Annual Budget

1 Airport became its own business-type fund in 2015 and no longer has governmental employees.

**CITY OF LEESBURG, FLORIDA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Police</b>										
Responses to calls for service	52,061	50,893	47,078	44,459	47,345	53,024	51,837	50,312	49,936	53,838
Part I crimes	1,532	1,429	1,565	1,572	1,312	1,246	1,235	1,170	1,191	1,300
Traffic crashes & citations	8,356	6,553	6,567	6,271	6,729	6,327	7,120	6,808	4,704	4,440
<b>Fire</b>										
Emergency responses	4,693	5,264	5,831	6,395	7,384	6,581	7,233	6,238	6,471	8,610
Inspections	1,278	1,392	1,344	1,803	1,601	374	215	169	202	210
Pre-fire plans	455	468	306	107	80	107	44	5	5	35
<b>Solid Waste</b>										
Residential tons taken to incinerator	7,730	8,167	8,167	7,457	8,047	8,552	8,036	7,875	8,633	8,293
Residential tons of recyclables	406	402	402	390	408	393	389	409	427	421
Hand commercial collected	763	784	784	864	695	624	588	600	483	446
Commercial dumpster collected	11,729	11,293	11,293	12,598	13,302	12,902	11,743	11,978	12,533	12,041
<b>Fleet Maintenance</b>										
Vehicles owned by the City	655	696	584	609	593	598	589	537	559	543
Percent maintained by Fleet	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Preventive maintenance complete	656	675	557	450	506	736	468	524	635	853
<b>Community Development</b>										
Building permits issued within the City	4,599	2,878	2,238	1,943	1,944	1,318	1,210	1,491	1,568	1,820
Construction value of permits (thousands)	\$ 162,042	\$ 86,858	\$ 82,479	\$ 36,367	\$ 13,079	\$ 35,953	\$ 19,419	\$ 20,596	\$ 28,799	\$ 34,907
<b>Culture and Recreation</b>										
Youth programs	144	131	166	150	36	36	34	36	36	37
Number of bookings at rental facilities	760	6,935	6,331	5,782	5,476	2,368	2,269	2,006	1,348	1,554
Total service hours	2,786	22,101	27,035	28,213	28,156	6,075	6,279	5,791	3,901	3,957
Participants using the pools	16,525	23,633	12,818	16,903	16,791	8,462	6,418	9,558	6,995	9,125
Library service hours	3,482	3,270	3,296	2,402	2,607	2,594	2,610	2,624	2,642	2,607
Circulation - adults	252,150	265,918	273,159	274,996	275,690	257,912	257,037	264,933	250,172	243,360
Circulation - juvenile	68,984	77,636	83,589	86,610	79,208	74,245	83,174	87,151	80,931	83,263
Internet use	44,264	65,210	138,985	141,556	129,735	153,092	141,924	115,637	106,848	104,318
<b>Electric</b>										
Number of residential customers	17,439	17,841	17,732	17,666	21,043	16,307	17,608	17,867	17,944	18,321
Average daily consumption (KWh)	36	34	33	33	30	34	26	31	31	32
<b>Gas</b>										
Number of residential customers	9,607	10,116	11,300	11,259	11,279	11,241	11,141	11,180	11,205	11,169
Average daily consumption (therms)	1	1	-	1	1	1	-	-	1	1
<b>Water</b>										
Number of residential customers	14,504	15,426	13,885	15,616	17,899	17,896	18,058	18,278	19,077	18,899
Average daily consumption (gallons)	286	322	478	530	469	490	425	404	371	369
<b>Wastewater</b>										
Number of residential customers	14,051	15,515	12,861	13,182	13,316	13,243	13,319	13,487	13,529	13,743
Average daily sewage treatment (gallons)	208	318	207	225	205	175	195	178	229	204

Notes: N/A - Information is not available.

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

Sources: Various city departments

**CITY OF LEESBURG, FLORIDA  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Public Safety</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
<b>Solid Waste</b>										
Collection Trucks	21	23	23	19	17	17	18	15	15	18
Annexation Acres	1,704	2,374	271	2	94	317	19	12	20	34
<b>Corporate Limits:</b>										
Acres	21,717	24,371	24,642	24,653	24,787	25,106	25,125	25,137	25,157	25,191
Square Miles	34	38	39	39	39	39	39	39	39	39
<b>Streets</b>										
Paved (miles)	79	79	79	79	82	83	83	83	83	83
Unpaved (miles)	2	2	2	2	2	2	2	2	2	2
<b>Culture and Recreation</b>										
Rental facilities	6	224	225	225	225	225	25	25	25	25
Museum	1	1	1	1	1	1	1	1	1	1
Parks facilities managed	50	22	23	23	23	23	25	25	45	45
Parks acreage	290	300	300	300	300	300	360	360	360	360
Library facilities	1	1	1	1	1	1	1	1	1	1
Volumes in collection	140,990	132,914	128,849	129,882	134,961	135,996	142,441	145,961	132,656	132,960
<b>Electric</b>										
Primary electric lines within the city (miles)	392	392	392	440	444	443	445	453	482	486
Overhead conductor replaced (feet)	N/A	1,000	41,392	9,870	54,506	59,000	2,000	2,000	6,000	1,100
Underground primary conductor replaced (feet)	37,500	3,000	25,519	24,975	5,000	12,000	2,500	7,400	5,000	9,000
<b>Gas</b>										
Gas mains	236	237	238	239	240	240	240	240	240	243
Gate stations	2	2	2	2	2	2	2	2	2	2
<b>Water</b>										
Water mains (miles)	295	350	302	375	375	375	332	332	332	332
Maximum capacity (millions of gallons)	28	28	28	28	28	28	28	28	28	28
Deep wells	20	21	21	21	21	19	19	19	19	19
<b>Wastewater</b>										
Sewers force mains (miles)	63	77	81	81	81	81	87	88	88	88
Sewers gravity lines (miles)	133	165	169	169	169	169	178	179	179	182
Lift stations	124	146	173	162	163	173	174	174	174	174
Disposal plants	2	2	3	3	3	2	2	2	2	2
Maximum capacity (millions of gallons per day)	7	7	7	8	8	8	8	8	8	8
<b>Communication</b>										
Fiber optics cable (miles)	166	169	171	173	189	191	220	230	234	250

Notes N/A - Information is not available.

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

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

Sources: Various city departments



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## **SINGLE AUDIT SECTION**



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**CITY OF LEESBURG, FLORIDA  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<u>State Grantor/Pass-Through Grantor/Project Title</u>	<u>CSFA Number</u>	<u>Grant Number / Pass Through Grantor's Number</u>	<u>State Expenditures</u>
<b>Florida Department of Transportation</b>			
Aviation Development Grants:			
Direct:			
Airfield Lighting Upgrade	55.004	AQ078	\$ 471,900
Airport Realign Taxiway A	55.004	AR826	14,534
Focused Environmental Assessment for Taxiway A Extension and Seaplane Ramp	55.004	AR341	24,070
Apron Expansion	55.004	G0324	2,380
			<u>512,884</u>
Economic Development Transportation Projects - Road Fund:			
Direct:			
Seaplane Ramp	55.032	ARE50	5,853
<b>Total Florida Department of Transportation</b>			<u><b>518,737</b></u>
		<b>Total Expenditures of State Financial Assistance</b>	<u><b>\$ 518,737</b></u>

**NOTE TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General.



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leesburg, Florida, (the "City") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2016.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated March 31, 2016.

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

**Purpose of this Report**

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

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

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
March 31, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE AND  
REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

**Report on Compliance for Each Major State Project**

We have audited the compliance of the City of Leesburg, Florida (the "City") with the types of compliance requirements described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the major state projects for the year ended September 30, 2015. The City's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major State Project***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2015.

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

### **Report on Internal Control over Compliance**

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

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

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

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

### **Report on Schedule of Expenditures of State Financial Assistance Required by Chapter 10.550, Rules of the Auditor General**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated March 31, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for the purposes of additional analysis, as required by Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
March 31, 2016



**CITY OF LEESBURG, FLORIDA**  
**Schedule of Findings and Questioned Costs (*Continued*)**  
**For The Year Ended September 30, 2015**

**Section II - Financial Statement Findings**

None Reported.

**Section III - State Financial Assistance Findings and Questioned Costs Section**

None Reported.

**CITY OF LEESBURG, FLORIDA  
Summary Schedule of Prior Audit Findings  
For The Year Ended September 30, 2015**

**Prior Year Audit Findings**

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



## INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Leesburg, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2015.

*Moore Stephens Lovelace, P.A.*

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
March 31, 2016

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the basic financial statements of the City of Leesburg, Florida (the "City") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated March 31, 2016.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

### Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of State Financial Assistance Required by Chapter 10.550, *Rules of the Auditor General*, Schedule of Findings and Questioned Costs; and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 31, 2016, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

### Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

### **Financial Condition (Cont.)**

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

### **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services, pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

### **Special District Component Units**

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

### **Other Matters**

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

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



**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
March 31, 2016



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**DEBT DISCLOSURE SECTION  
(UNAUDITED)**



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**CITY OF LEESBURG, FLORIDA  
DEBT DISCLOSURE SECTION**

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**HISTORICAL OPERATING RESULTS - CAPITAL IMPROVEMENT  
(AMOUNTS EXPRESSED IN THOUSANDS)**

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

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Half-Cent Sales Tax	\$ 1,094	\$ 1,002	\$ 964	\$ 899	\$ 900	\$ 931	\$ 913	\$ 994	\$ 1,069	\$ 1,163
Guar. Entitlement	309	309	309	309	309	309	309	309	309	309
Misc. Revenues	-	-	-	-	-	-	-	-	-	-
Subtotal Revenues	1,403	1,311	1,273	1,208	1,209	1,240	1,222	1,303	1,378	1,472
Debt Service on 1999 Bonds	496	495	497	500	332	-	-	-	-	-
2009 Note <sup>2</sup>	-	-	-	-	96	523	474	474	473	473
Revenues less Debt Service	907	816	776	708	781	717	748	829	905	1,000
Public Services Tax	2,771	2,858	3,058	3,127	3,215	3,182	3,103	3,196	3,255	3,404
Total	3,678	3,674	3,834	3,835	3,996	3,899	3,851	4,025	4,160	4,404
Debt Service on 2004 Bonds <sup>3</sup>	\$ 798	\$ 1,114	\$ 1,111	\$ 1,111	\$ 1,110	\$ 1,108	\$ 1,106	\$ 747	-	-
2013 Bonds <sup>4</sup>								203	\$ 1,047	\$ 753
Debt Serv Coverage	4.61 X	3.30 X	3.45 X	3.45 X	3.60 X	3.52 X	3.48 X	4.24 X	3.98 X	5.85 X
Required Coverage <sup>5</sup>	1.30 X	1.30 X	1.30 X	1.30 X						

**Notes:**

- <sup>1</sup>Small variances may exist in this schedule due to rounding.
- <sup>2</sup>On November 30, 2009, the Series 1999 Bonds were refunded by the Capital Improvement Refunding Promissory Note, Series 2009 with the same pledged revenues and coverage requirements.
- <sup>3</sup>On July 21, 2004, the Series 2004 Bonds were issued for the purpose of constructing certain Citywide capital improvements as defined in the Bond Resolution. This series was issued on parity with the Series 1999 Bonds with an additional pledged revenue of Public Services Tax.
- <sup>4</sup>On May 2, 2013, the Series 2013 Bonds were issued to refund the Series 2004 Bonds with the same parity, pledged revenues and coverage requirements.
- <sup>5</sup>On July 21, 2004, the required coverage changed based on the new Capital Improvement Revenue Bonds, Series 2004.
- <sup>6</sup>In fiscal year 2015 the accounting method was changed from accruing interest for governmental debt to recording the payment when made. This resulted in only one interest payment recorded in fiscal year 2015.



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**HISTORICAL OPERATING RESULTS - ELECTRIC UTILITY**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

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

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues	\$ 60,542	\$ 60,390	\$ 69,622	\$ 71,102	\$ 73,172	\$ 61,960	\$ 57,283	\$ 62,149	\$ 60,439	\$ 59,075
Less: Operating Expenses <sup>1</sup>	52,211	51,343	59,762	61,013	55,737	49,170	45,244	47,864	50,744	46,454
Net Operating Revenues	8,331	9,047	9,860	10,089	17,435	12,790	12,039	14,285	9,695	12,621
Other Income <sup>2</sup>	146	473	681	465	108	396	136	660	485	512
Total Available for Debt Service	8,477	9,520	10,541	10,554	17,543	13,186	12,175	14,945	10,180	13,133
Debt Service										
Series 1999A <sup>3</sup>	-	-	-	-	-	-	-	-	-	-
Series 2004 Bonds <sup>4</sup>	-	780	1,096	1,091	1,090	1,093	1,090	1,090	742	-
Series 2007A and 2007B Bonds <sup>5</sup>	-	-	1,235	1,235	1,499	1,497	1,495	1,491	1,492	1,491
Series 2010 Note <sup>6</sup>	-	-	-	-	-	4	3	49	-	-
Series 2013 Note <sup>7</sup>	-	-	-	-	-	-	-	84	274	620
Series 2014 Note <sup>8</sup>	-	-	-	-	-	-	-	-	300	623
Total Debt Service	-	780	2,331	2,326	2,589	2,594	2,588	2,714	2,808	2,734
Capital Contribution/Impact Fees	1,158	772	622	274	31	72	220	165	727	202
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	9,635	9,512	8,832	8,502	14,985	10,664	9,807	12,396	8,099	10,601
Total Transfers In/(Out)	(6,577)	(5,729)	(5,729)	(5,669)	(5,777)	(5,751)	(5,799)	(6,546)	(6,538)	(6,478)
Net Available from Operations	\$ 3,058	\$ 3,783	\$ 3,103	\$ 2,833	\$ 9,208	\$ 4,913	\$ 4,008	\$ 5,850	\$ 1,561	\$ 4,123
Debt Service Coverage: <sup>9</sup>										
Debt Service Coverage on Bonds	- X	12.21 X	4.52 X	4.54 X	6.78 X	5.08 X	4.70 X	5.51 X	3.63 X	4.80 X
Required Coverage Test	1.25 X									

## HISTORICAL OPERATING RESULTS - ELECTRIC UTILITY (continued)

### Definitions:

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

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

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

### Notes:

- 1 Amounts shown exclude depreciation and amortization expenses.
- 2 The amounts shown are as defined in the Bond Resolution and exclude interest earnings on Construction Fund balances.
- 3 Allocable to the Electric System. 1999A Bonds defeased by revenues of the System.
- 4 **Series 2004** - First three years of payments for these bonds are interest only. Payments began on October 1, 2004, and are due semiannually April 1 and October 1 thereafter. The annualized interest payments for fiscal years 2004, 2005 and 2006 were \$166,793, \$779,813 and \$779,813 respectively, and were paid 100% from the Capitalized Interest fund of \$1,726,418.
- 5 **Series 2007A & 2007B** - In Resolution 7064, adopted July 23, 2007, the City amended Resolution 7141 for the purpose of authorizing the issuance of the Electric System Revenue Bonds, Series 2007A and Taxable Electric System Revenue Bonds, Series 2007B ("Series 2007 Bonds") on a parity with the City's outstanding Electric System Revenue Bonds, Series 2004. First two years of payments for these bonds were interest only and were paid 100% from the Capitalized Interest fund of \$1,341,602.
- 6 **Series 2010** - In Resolution 8692, adopted August 4, 2010, the City authorized the issuance of an "up to \$20,000,000" Note with a 3 year interest only drawdown facility.
- 7 **Series 2013** - In Resolution 9199, adopted May 28, 2013, the City authorized the issuance of a Note to refund the Series 2010 Note on parity with the City's outstanding Electric System Revenue Bonds, Series 2007A and Taxable Electric System Revenue Bonds, Series 2007B.
- 8 **Series 2014** - In Resolution 9366, adopted March 10, 2014, the City authorized the Series 2014 Electric System Refunding Revenue Note to refund the Electric System Revenue Bonds, Series 2004 on a parity with the existing Electric System Bonds & Note.
- 9 Excludes revenues from capacity charges per Bond Resolution.

**HISTORICAL OPERATING RESULTS - GAS UTILITY**  
(AMOUNTS EXPRESSED IN THOUSANDS)

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues	\$ 10,324	\$ 8,575	\$ 10,071	\$ 8,255	\$ 9,403	\$ 8,158	\$ 6,898	\$ 7,631	\$ 7,691	\$ 6,886
Less: Operating Expenses	8,983	6,868	7,760	5,701	6,191	5,425	4,472	6,251	5,198	4,391
Net Operating Revenues	1,340	1,707	2,312	2,554	3,213	2,733	2,426	1,380	2,493	2,495
Other Income	66	105	79	55	(23)	48	20	101	8	61
Total Available for Debt Service	1,406	1,812	2,391	2,609	3,191	2,781	2,445	1,481	2,501	2,556
<b>Debt Service</b>										
Series 1999A and 1999B Bonds <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Series 2004 Bonds <sup>2</sup>	-	180	253	253	253	253	252	169	-	-
Series 2007A and 2007B Bonds <sup>3</sup>	-	-	125	118	152	152	152	161	161	160
Series 2010 Note <sup>4</sup>	-	-	-	-	-	44	49	50	49	112
Series 2013 Bonds <sup>5</sup>	-	-	-	-	-	-	-	47	241	232
Total Debt Service	-	180	378	371	405	449	453	426	451	504
<b>Debt Service Coverage:<sup>6</sup></b>										
Debt Service Coverage on Bonds	- X	10.05 X	6.33 X	7.04 X	7.88 X	6.19 X	5.40 X	3.47 X	5.55 X	5.07 X
Required Coverage Test	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X
Capital Contribution/Impact Fees	-	-	-	-	-	-	-	-	-	-
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	1,405	1,632	2,013	2,238	2,786	2,332	1,992	1,055	2,050	2,052
<b>Total Transfers In/(Out)</b>	(820)	(851)	(1072)	(863)	(1072)	(977)	(659)	(1848)	(1970)	(1,830)
Net Available from Operations	\$ 586	\$ 780	\$ 941	\$ 1,374	\$ 1,713	\$ 1,355	\$ 1,333	\$ (794)	\$ 80	\$ 221
<b>Debt Service Coverage:<sup>7</sup></b>										
Debt Service Coverage on Bonds	- X	10.05 X	6.33 X	7.04 X	7.88 X	6.19 X	5.40 X	3.47 X	5.55 X	5.07 X
Required Coverage Test	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X

**Notes:**

See notes on Combined Totals Sheet, pg. 2

**HISTORICAL OPERATING RESULTS - WATER UTILITY**  
(AMOUNTS EXPRESSED IN THOUSANDS)

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues	\$ 5,223	\$ 6,939	\$ 6,513	\$ 6,644	\$ 6,737	\$ 7,723	\$ 7,165	\$ 7,152	\$ 6,851	\$ 7,132
Less: Operating Expenses	3,883	4,891	4,958	4,879	4,417	4,367	3,965	3,975	3,836	3,734
Net Operating Revenues	1,341	2,049	1,555	1,766	2,319	3,356	3,200	3,177	3,015	3,398
Other Income	127	182	111	92	(33)	40	23	110	23	59
Total Available for Debt Service	1,467	2,231	1,666	1,858	2,287	3,396	3,223	3,287	3,039	3,457
<b>Debt Service</b>										
Series 1999A and 1999B Bonds <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Series 2004 Bonds <sup>2</sup>	-	375	526	526	526	526	525	352	-	-
Series 2007A and 2007B Bonds <sup>3</sup>	-	-	715	674	870	868	869	924	920	919
Series 2010 Note <sup>4</sup>	-	-	-	-	-	152	170	172	170	385
Series 2013 Bonds <sup>5</sup>	-	-	-	-	-	-	-	98	501	483
Total Debt Service	-	375	1,241	1,200	1,396	1,546	1,564	1,546	1,591	1,786
<b>Debt Service Coverage:<sup>6</sup></b>										
Debt Service Coverage on Bonds	- X	5.95 X	1.34 X	1.55 X	1.64 X	2.20 X	2.06 X	2.13 X	1.91 X	1.94 X
Required Coverage Test	1.15 X									
Capital Contribution/Impact Fees	175	226	246	117	38	14	9	8	53	82
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	1,642	2,082	671	775	928	1,864	1,668	1,747	1,500	1,753
Total Transfers In/(Out)	(568)	(793)	(804)	(828)	(353)	(873)	(861)	(1460)	(930)	(905)
Net Available from Operations	\$ 1,074	\$ 1,289	\$ (133)	\$ (53)	\$ 576	\$ 991	\$ 807	\$ 287	\$ 570	\$ 848
<b>Debt Service Coverage:<sup>7</sup></b>										
Debt Service Coverage on Bonds	- X	6.55 X	1.54 X	1.65 X	1.66 X	2.20 X	2.07 X	2.13 X	1.94 X	1.98 X
Required Coverage Test	1.25 X									

**Notes:**  
See notes on Combined Totals Sheet, pg. 2

**HISTORICAL OPERATING RESULTS - WASTEWATER UTILITY**  
(AMOUNTS EXPRESSED IN THOUSANDS)

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues	\$ 6,083	\$ 8,145	\$ 8,519	\$ 8,892	\$ 9,147	\$ 9,651	\$ 9,595	\$ 9,789	\$ 9,927	\$ 10,155
Less: Operating Expenses	5,399	6,041	6,305	6,054	5,977	5,859	5,945	5,850	5,801	5,476
Net Operating Revenues	684	2,104	2,214	2,838	3,170	3,793	3,650	3,939	4,126	4,678
Other Income	233	71	79	50	71	58	27	102	39	101
Total Available for Debt Service	917	2,176	2,292	2,887	3,240	3,850	3,677	4,042	4,165	4,779
Debt Service										
Series 1999A and 1999B Bonds <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Series 2004 Bonds <sup>2</sup>	-	520	729	729	730	728	727	488	-	-
Series 2007A and 2007B Bonds <sup>3</sup>	-	-	263	311	397	400	399	339	338	337
Series 2010 Note <sup>4</sup>	-	-	-	-	-	122	137	139	137	310
Series 2013 Bonds <sup>5</sup>	-	-	-	-	-	-	-	137	695	669
Total Debt Service	-	520	991	1,040	1,127	1,250	1,263	1,103	1,170	1,317
<b>Debt Service Coverage:</b> <sup>6</sup>										
Debt Service Coverage on Bonds	- X	4.19 X	2.31 X	2.78 X	2.87 X	3.08 X	2.91 X	3.66 X	3.56 X	3.63 X
Required Coverage Test	1.15 X									
Capital Contribution/Impact Fees										
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	1,848	2,173	1,868	2,121	2,263	2,631	2,430	2,962	3,121	3,660
Total Transfers In/(Out)	(497)	(664)	(733)	(724)	(663)	(708)	(763)	(841)	(860)	(813)
Net Available from Operations	\$ 1,352	\$ 1,509	\$ 1,135	\$ 1,397	\$ 1,600	\$ 1,923	\$ 1,667	\$ 2,121	\$ 2,261	\$ 2,847
<b>Debt Service Coverage:</b> <sup>7</sup>										
Debt Service Coverage on Bonds	- X	5.18 X	2.88 X	3.04 X	3.01 X	3.10 X	2.92 X	3.69 X	3.67 X	3.78 X
Required Coverage Test	1.25 X									

**Notes:**  
See notes on Combined Totals Sheet, pg. 2



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**HISTORICAL OPERATING RESULTS - COMBINED GAS, WATER & WASTEWATER UTILITY**  
(AMOUNTS EXPRESSED IN THOUSANDS)

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

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues	\$ 21,630	\$ 23,660	\$ 25,103	\$ 23,791	\$ 25,286	\$ 25,533	\$ 23,658	\$ 24,572	\$ 24,469	\$ 24,173
Less: Operating Expenses	18,265	17,800	19,023	16,634	16,585	15,651	14,382	16,076	14,834	13,601
Net Operating Revenues	3,365	5,860	6,080	7,156	8,701	9,882	9,275	8,496	9,635	10,571
Other Income	425	358	269	197	15	146	70	313	70	221
Total Available for Debt Service	3,790	6,218	6,349	7,353	8,715	10,028	9,345	8,809	9,705	10,792
<b>Debt Service</b>										
Series 1999A and 1999B Bonds <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Series 2004 Bonds <sup>2</sup>	-	1,075	1,508	1,509	1,509	1,507	1,504	1,009	-	-
Series 2007A and 2007B Bonds <sup>3</sup>	-	-	1,102	1,102	1,419	1,420	1,420	1,424	1,419	1,416
Series 2010 Note <sup>4</sup>	-	-	-	-	-	318	356	359	356	806
Series 2013 Bonds <sup>5</sup>	-	-	-	-	-	-	-	282	1,437	1,384
Total Debt Service	-	1,075	2,610	2,611	2,928	3,245	3,280	3,074	3,212	3,607
<b>Debt Service Coverage:<sup>6</sup></b>										
Debt Service Coverage on Bonds	- X	5.78 X	2.43 X	2.82 X	2.98 X	3.09 X	2.85 X	2.87 X	3.02 X	2.99 X
Required Coverage Test	1.15 X									
<b>Capital Contribution/Impact Fees</b>										
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	4,896	5,886	4,552	5,133	5,976	6,829	6,090	5,762	6,671	7,465
<b>Total Transfers In/(Out)</b>	(1,885)	(2,309)	(2,609)	(2,415)	(2,088)	(2,558)	(2,283)	(4,149)	(3,760)	(3,548)
Net Available from Operations	\$ 3,012	\$ 3,578	\$ 1,943	\$ 2,719	\$ 3,888	\$ 4,271	\$ 3,807	\$ 1,613	\$ 2,911	\$ 3,916
<b>Debt Service Coverage:<sup>7</sup></b>										
Debt Service Coverage on Bonds	- X	6.47 X	2.74 X	2.97 X	3.04 X	3.10 X	2.86 X	2.87 X	3.08 X	3.07 X
Required Coverage Test	1.25 X									

**Notes:**

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

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

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

- 1 **Series 1999** - Allocable to the System. 1999A and 1999B Bonds defeased by revenues of the System.
- 2 **Series 2004** - The annualized interest payments for fiscal years 2004, 2005 and 2006 were paid 100% from the Capitalized Interest Fund of \$2,380,265. This series was refunded by the Series 2013 Bonds as discussed in note 5 below.
- 3 **Series 2007A & 2007B** - In Resolution 7965, adopted July 23, 2007, the City amended Resolution 7143 for the purpose of authorizing the issuance of the Utility System Revenue Bonds, Series 2007A and Taxable Utility System Revenue Bonds, Series 2007B ("Series 2007 Bonds") on a parity with the City's outstanding Utility System Revenue Bonds, Series 2004. First two years payments for these bonds were interest only and were paid 100% from the Capitalized Interest fund of \$1,341,602.
- 4 **Series 2010** - In Resolution 8673, adopted June 28, 2010, the City authorized the issuance of an \$8,000,000 note that fully paid off a prior \$8,000,000 Plantation System seller's note. This prior note was part of the purchase price for this \$15,000,000 utility and the 2010 note is on parity with the 2004 and 2007A&B bonds.
- 5 **Series 2013** - Resolutions 9183 and 9184, adopted April 22, 2013, the City authorized the issuance of the Utility System Refunding Revenue Bonds, Series 2013 to refund the Series 2004 Utility Bonds with the same parity and pledged revenues as the Series 2004.
- 6 Excludes revenues from capacity charges per Bond Resolution.
- 7 Includes revenues from capacity charges per Bond Resolution.

**CITY OF LEESBURG  
TEN LARGEST CUSTOMERS (REVENUE BASED)  
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015**

Electric		Revenues	Volume (MWh)	% of Total
CCRC-LAKE PORT SQUARE, LL	\$	2,826,261	32,076	4.70%
CUTRALE CITRUS JUICES USA INC		2,507,797	21,491	4.17%
CENTRAL FLORIDA HEALTH ALLIANCE (fka LRMC)		2,035,243	20,153	3.39%
LAKE COUNTY SCHOOL BOARD		1,077,337	7,881	1.79%
CITY OF LEESBURG		578,959	5,248	0.96%
WALMART STORE INC		534,581	5,261	0.89%
PUBLIX SUPERMARKETS, INC		529,698	5,098	0.88%
LAKE SUMTER STATE COLLEGE		522,273	4,632	0.87%
CENTURYLINK		508,494	4,697	0.85%
COCA-COLA NORTH AMERICA		441,645	4,394	0.74%
Total 10 Largest Electric Customers	\$	11,562,288	110,931	19.24%
<b>Total Electric System Revenues</b>	<b>\$</b>	<b>60,077,810</b>	<b>463,376</b>	<b>100.00%</b>

Gas		Revenues	Volume (Therms)	% of Total
FEDERAL CORRECTIONAL COMPLEX	\$	828,147	832,150	13.47%
CENTRAL FLORIDA HEALTH ALLIANCE (fka LRMC)		677,382	679,943	11.02%
COVANTA ENERGY CORP II		144,484	139,032	2.35%
UNIVERSAL AGGREGATE SOLUTIONS		87,731	90,981	1.43%
LIFESTREAM BEHAVIORAL CENTER		77,240	77,234	1.26%
LAKE PORT SQUARE, LLC		76,236	76,187	1.24%
BEYERS, ROGER A		41,451	41,451	0.67%
LAKES AT LEESBURG		35,455	34,697	0.58%
GNRL MILL/OLIVE GARDEN		27,455	27,571	0.45%
OUTBACK STEAKHOUSE		21,609	21,619	0.35%
Total 10 Largest Gas Customers	\$	2,017,189	2,020,865	32.82%
<b>Total Gas System Revenues</b>	<b>\$</b>	<b>6,147,096</b>	<b>5,311,546</b>	<b>100.00%</b>

**CITY OF LEESBURG  
TEN LARGEST CUSTOMERS (REVENUE BASED)  
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015**

Water & Irrigation	Revenues	Volume (100 Cubic Feet)	% of Total
CITY OF LEESBURG	\$ 62,002	51,664	1.01%
LAKE PORT SQUARE, LLC	59,679	18,872	0.97%
CENTRAL FLORIDA HEALTH ALLIANCE (fka LRMC)	50,670	58,724	0.82%
RANGE PROPERTIES LLC	27,608	21,818	0.45%
LAKE SQUARE MALL REALTY MGMT	26,812	15,005	0.44%
COACHWOOD COLONY MHP LLC	25,849	19,942	0.42%
COMMUNITY HOUSING PARTNERS COR	21,056	16,440	0.34%
CREATIVE CHOICE HOME XXVII	14,950	12,484	0.24%
LAKE COUNTY SCHOOL BOARD	11,820	9,809	0.19%
BEACON COLLEGE	11,248	7,168	0.18%
Total 10 Largest Water Customers	\$ 311,694	231,926	5.06%
<b>Total Water System Revenues</b>	<b>\$ 6,157,057</b>	<b>2,866,244</b>	<b>100.00%</b>

Wastewater	Revenues	Volume (100 Cubic Feet)	% of Total
LAKE PORT SQUARE, LLC	\$ 151,424	18,872	1.73%
CENTRAL FLORIDA HEALTH ALLIANCE (fka LRMC)	92,344	58,724	1.06%
CITY OF LEESBURG	47,635	51,664	0.54%
BEACON COLLEGE	45,370	7,168	0.52%
LAKE COUNTY SCHOOL BOARD	31,331	9,809	0.36%
RANGE PROPERTIES LLC	27,769	21,818	0.32%
COMMUNITY HOUSING PARTNERS CORP	26,311	16,440	0.30%
COACHWOOD COLONY MHP LLC	25,966	19,942	0.30%
SOUTH CAMPUS REHABILITATION	25,223	25,223	0.29%
CIRCLE K STORE INC	23,955	7,133	0.27%
Total 10 Largest Water Customers	\$ 497,328	236,793	5.69%
<b>Total Wastewater System Revenues</b>	<b>\$ 8,745,902</b>	<b>2,866,244</b>	<b>100.00%</b>

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA,  
 AMENDING SECTION 22-196 OF THE CODE OF ORDINANCES  
 PERTAINING TO ELECTRIC RATES; ESTABLISHING  
 UPDATED RATES FOR ELECTRIC; PROVIDING FOR RATES  
 TO BE EFFECTIVE JANUARY 1, 2010; PROVIDING FOR  
 CONFLICTS AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1.

Section 22-196 of the Code of Ordinances of the City of Leesburg, Florida is hereby amended to read as follows:

Sec. 22-196. Electric rates; schedules; adjustments; deposits.

The rates for the furnishing of electrical service by the city shall be as follows:

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

e. Rate per month.

Customer charge . . .	<del>\$10.41</del>	\$10.62
All kwh, per kwh . . .	<del>0.07642</del>	0.08129

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

d. Rate per month.

Customer charge . . .	<del>\$10.41</del>	\$10.62
All kwh . . .	<del>0.08345</del>	0.08847

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

f. Rate per month.

Customer charge . . .	<del>\$22.11</del>	\$22.57
All kw, per kw . . .	<del>9.11</del>	10.51
All kwh, per kwh . . .	<del>0.04066</del>	0.04149

SECTION 2.

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

**SECTION 3.**

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

**SECTION 4.**

This ordinance shall become effective upon passage

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 14 day of December, 2009

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

ORDINANCE NO. 10-82

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING SECTION 22-196 OF THE CODE OF ORDINANCES PERTAINING TO ELECTRIC RATES; ESTABLISHING UPDATED RATES FOR ELECTRIC GENERAL SERVICE DEMAND (GSD); PROVIDING FOR RATES TO BE EFFECTIVE NOVEMBER 1, 2010; PROVIDING FOR CONFLICTS AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1.

Section 22-196 of the Code of Ordinances of the City of Leesburg, Florida is hereby amended as follows:

	Existing GSD Rate	Proposed Rates
GSD-1		
Billing Demand of 21kW-499kW		
Rate Schedule	GSD	GSD-1
Customer Charge	22.57	22.66
Demand Charge	10.51	10.55
Energy Rate	.04149	.04165

APPLICATION:

For electric service for commercial or industrial lighting, power and any other purpose to any Customer with a measured demand in excess of 20 kW and less than 500 kW. Customers with a demand of 20 kW or less may enter into an agreement for service under this schedule based on a demand charge for a minimum of 21 kW.

Term of service:

Not less than one year.

	Existing GSD Rate	Proposed Rates
GSD-2		
Billing Demand 500 – 1,999 kW		
Rate Schedule	GSD	GSD-2
Customer Charge	22.57	40.16
Demand Charge	10.51	12.05
Energy Rate	.04149	.03806

**APPLICATION:**

For electric service for commercial or industrial lighting, power and any other purpose to any Customer with a measured demand of 500 kW and less than 2,000 kW. Customers with a demand of less than 500 kW may enter into an agreement for service under this schedule based on a demand charge for a minimum of 500 kW.

Term of service:

Not less than one year.

	Existing GSD Rate	Proposed Rates
GSD-3		
Billing Demand 2,000 kW or more		
Rate Schedule	GSD	GSD-3
Customer Charge	22.57	80.32
Demand Charge	10.51	14.96
Energy Rate	.04149	.03304

**APPLICATION:**

For electric service for commercial or industrial lighting, power and any other purpose to any Customer with a measured demand of 2,000 kW or more. Customers with a demand of less than 2,000 kW may enter into an agreement for service under this schedule based on a demand charge for a minimum of 2,000 kW.

Term of service:

Not less than one year.

**SECTION 2.**

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

**SECTION 3.**

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

**SECTION 4.**

This ordinance shall become effective upon passage

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 25th day of October, 2010.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

ORDINANCE NO. 12-67

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

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

**SECTION I.**

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

**SECTION II.**

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

**SECTION III.**

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

SECTION IV.

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

SECTION V.

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

SECTION V.

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

SECTION IV.

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

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

THE CITY OF LEESBURG, FLORIDA

BY: *Sara Henderson*  
MAYOR

Attest: *Beth Richardson*  
CITY CLERK

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

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

SECTION I.

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

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

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

Customer charge .....~~\$10.62~~ 11.77  
All kwh, per kwh .....~~0.08429~~ 0.090108

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

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

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

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

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

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

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

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

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

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

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

d. *Rate per month.*

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

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

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

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

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

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

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

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

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

b. *Application.*

1. *GSD-1:* For electric service for commercial or industrial lighting, power and any other purpose to any customer with a measured demand in excess of 20 kW and less than 500 kW. Customers with a demand of 20 kW or less may enter into an agreement for service under this schedule based on a demand charge for a minimum of 21 kW.
2. *GSD-2:* For electric service for commercial or industrial lighting, power and any other purpose to any customer with a measured demand of 500 kW and less than 2,000 kW. Customers with a demand of less than 500 kW may enter into an agreement for service under this schedule based on a demand charge for a minimum of 500 kW.
3. *GSD-3:* For electric service for commercial or industrial lighting, power and any other purpose to any customer with a measured demand of 2,000 kW or more. Customers with a demand of less than 2,000 kW may enter into an agreement for service under this schedule based on a demand charge for a minimum of 2,000 kW.

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

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

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

f. *Rate per month.*

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

Customer charge .....	\$22.66	<u>25.02</u>
Demand charge .....	10.55	<u>11.38</u>
Energy rate .....	0.04165	<u>0.045991</u>

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

Customer charge .....	\$40.16	<u>44.34</u>
Demand charge .....	12.05	<u>12.99</u>
Energy rate .....	0.03806	<u>0.042024</u>

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

Customer charge .....	\$80.32	<u>88.68</u>
Demand charge .....	14.96	<u>16.13</u>
Energy rate .....	0.03304	<u>0.036481</u>

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

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

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

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

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

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

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

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

n. *Special provisions.*

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

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

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

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

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

Customer Charge \$~~41.10~~ 11.77

Rate per kWh:

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

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

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

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

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

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

## SECTION II.

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

## SECTION III.

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

## SECTION IV.

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

## SECTION V.

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

**SECTION VI.**

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

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

THE CITY OF LEESBURG, FLORIDA

BY:   
MAYOR

Attest:   
CITY CLERK

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

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

SECTION I.

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

**Sec. 22-246. Gas service rate schedule.**

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

(1) Residential.

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

(2) Heating only, residential.

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

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

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

c. Monthly rate.  
Availability charge, exclusive of use . . . \$10.17

Delivery Charge per therm, effective 6-1-2007 . . . . . 0.464400

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

a. Applicable. To all publicly owned buildings, school buildings, commercial and industrial consumers.

b. Monthly rate.  
Availability charge, exclusive of use . . . \$10.17  
Energy Charge per therm, effective 6-1-2007 . . . . . 0.464400

(4) Large industrial--Contract.

a. Applicable. Gas service under this rate shall apply to large consumers of gas.

b. Rate. The rate shall be as fixed by contract between the city and the consumer, negotiated by the city manager, with the approval of the city commission.

(5) Reconnection charge. When any service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, the reconnection charge shall be pursuant to the Utility Service Fee Schedule described in §22-6 of this Code. Service will not be restored after it is cut off for nonpayment until the account is paid current and the reconnection charge is paid.

(6) Fuel adjustment charge. All non-contract natural gas rates shall include a fuel adjustment charge. The fuel adjustment charge is the average cost of natural gas, per delivered therm. The calculation of the fuel adjustment charge shall be based upon past and estimated future costs. The fuel adjustment charge shall be calculated by the Finance Director, or his delegate, and revised as frequently as necessary to assure that the City recovers the total cost of all natural gas purchased.

(7) Turn-off and turn-on fee for gas service interrupted at customer's request. Any gas service interrupted at the request of the customer and restored for the same customer at the same address shall have the fees assessed according to the Utility Service Fee Schedule pursuant to §22-6 of this Code.

(8) Master metering. Where natural gas service charges are measured, in whole or in part, by a master meter, the availability charge on the master meter shall be the number of units served by the master meter times the rate per month availability charge. All consumption on the master meter shall be billed at the monthly rate per therm, as applicable, plus all other charges. The master meter shall be classified to the rate schedule which yields the highest

revenue consistent with the applicability clauses of the rate classes. Each and every user served by the master meter may be billed, at the discretion of the city, for the fixed charge assessed for each user within the particular user's service classification, and the person or entity in whose name the master meter is registered on the city's records shall in such event be billed for the variable charge assessed for the service being provided. As used in this subsection, the following terms shall have the meanings indicated:

- a. Master meter: Shall refer to a meter measuring the service provided to two (2) or more occupancy units being served by a single meter.
- b. Occupancy unit: Shall refer to that portion of any commercial establishment, single- or multi-unit residential building, or trailer, mobile home, manufactured housing, or recreational vehicle park, or marina which is set apart from the rest of such facility by clearly determinable boundaries, as described in the rental, lease or ownership agreement for such unit, or in the absence of such an agreement, where that portion of the facility is clearly set apart from the rest of the facility in a manner which evidences an intent to render the unit suitable for occupancy as a residential, commercial or other space as a discrete unit, separate and apart from the use or occupancy of other units within the same facility.
- c. User: Shall refer to the occupant(s) of any individual occupancy unit served by a master meter.
- d. Fixed charge: Shall refer to the minimum charge imposed by the city during a billing period, in the particular customer's service classification, for the availability of the service, if no service is actually used by the customer in a given billing period.
- e. Variable charge: Shall refer to that portion of the bill for the utility service which is assessed in addition to the fixed charge and which is based on actual usage in a given billing period.

(9) Initial connection fee. An initial connection fee per utility shall be charged according to the Utility Service Fee Schedule described in §22-6 of this Code.

(10) Energy conservation adjustment (Rider ECA). A rider applicable to all firm standard natural gas therm rates to recover the cost of energy conservation programs undertaken by the Leesburg Gas System and approved by the city manager. The ECA will not be applied to interruptible natural gas or contract rates. The currently calculated ECA rate is:

Natural gas rate schedule ECA, per therm . . . \$0.05

The above ECA rate is based on twelve (12) months projected expense levels. This ECA rate will normally be reviewed semi-annually in April and October and may be adjusted upward or downward based on actual and projected energy conservation program costs and projected consumption levels in order to recover the total cost of applicable gas system programs, including energy conservation incentive payments as well as the labor and other costs attributable to such energy conservation programs. The over and under recovery of these ECA costs will be computed and an adjustment in the ECA rate will be made. However, the ECA rate will be adjusted anytime the over or under recovery for a 12-month

period exceeds or is projected to exceed fifty thousand dollars (\$50,000.00) Any adjustment must be approved by the city manager and will be reported to the city commission at the first regularly scheduled commission meeting following the adjustment.

(11) Tax adjustment clause, TAC.

- a. Applicability. Tax adjustment clause shall be applicable to the monthly rate of each filed rate schedule as indicated with reference to billing adjustment.
- b. Calculation of tax adjustment. Calculation shall be minus or plus the applicable proportionate part of any taxes and assessments imposed by any governmental authority below or in excess of those in effect on the effective date hereof including, but not limited to, the City of Leesburg's Utility Service Tax, which are assessed on the basis of revenues from natural gas or service sold or the volume of natural gas purchased for sale or sold. Such taxes and assessments are to be reflected on the bills of only those customers within the jurisdiction of the governmental authority imposing the taxes and assessments.

SECTION II.

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

SECTION III.

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

SECTION IV.

This ordinance shall become effective immediately upon its passage.

THE CITY OF LEESBURG, FLORIDA

By: *Sanna Henderson*  
Mayor

Attest: *Jelly McRichardson*  
City Clerk

ORDINANCE NO. 09- 89

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING SECTION 22-211 OF THE CODE OF ORDINANCES PERTAINING TO WATER SERVICE RATES, AS AMENDED PREVIOUSLY BY ORDINANCE 09 - 64; ESTABLISHING A NEW RATE SCHEDULE FOR WATER; PROVIDING FOR RATES EFFECTIVE AS OF NOVEMBER 1, 2009; PROVIDING FOR RATES EFFECTIVE AS OF NOVEMBER 1, 2010; PROVIDING FOR RATES INSIDE AND OUTSIDE THE CITY LIMITS; PROVIDING FOR ADOPTION OF RECONNECTION CHARGES BY RESOLUTION; PROVIDING FOR CONTINUOUS SERVICE TO FIRE PROTECTION SYSTEMS FOR SAFETY REASONS IN THE EVENT OF A CUTOFF OF SERVICE; PROVIDING FOR CONFLICTS; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

**SECTION 1.**

Section 22-211, of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended in its entirety to read as:

(a) *Water conservation service rate:*

(1) *Inside The City Water Rates (CCF):*

Line No.	Description	Proposed Rates Effective 11/01/2009	Proposed Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
1.	All Meter Sizes	\$7.70	\$7.85
	Customer Charge Irrigation		
2.	All Meter Sizes	\$4.03	\$4.31
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)		
	Consumption Charge Potable Water Residential <u>Block Rates (Per CCF)</u>		
3.	BAS1 (0 - 6)	\$0.64	\$0.65
4.	BAS2 (7 - 12)	\$0.77	\$0.82

5.	BAS3 (13 – 21)	\$1.07	\$1.14
6.	BAS4 (22 – 45)	\$1.45	\$1.55
7.	BAS5 (Over 45)	\$2.66	\$2.84

Consumption Charge Potable Water Commercial  
Block Rates (Per CCF)

8.	All CCF (No Cap)	\$1.03	\$1.10
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Consumption Charge Irrigation Residential  
Block Rates (Per CCF)

9.	BAS1 (0 – 9)	\$1.07	\$1.14
10.	BAS2 (10 – 33)	\$1.45	\$1.55
11.	BAS3 (Over 33)	\$2.66	\$2.84

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

12.	BAS1 (0 – 33)	\$1.07	\$1.14
13.	BAS2 (Over 33)	\$1.45	\$1.55

(2) *Inside The City Water Rates (TGAL):*

Line No.	Description	Proposed Rates Effective 11/01/2009	Proposed Rates Effective 11/01/2010
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Customer Charge Residential, Master-Meter, Commercial, and Sprinklers

14.	All Meter Sizes	\$7.70	\$7.85
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Customer Charge Irrigation

15.	All Meter Sizes	\$4.03	\$4.31
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Consumption Charge (Per 1 TGAL = 1000 Gallons)

Consumption Charge Potable Water Residential  
Block Rates (Per TGAL)

16.	BAS1 (0 – 4)	\$0.86	\$0.88
17.	BAS2 (5 – 8)	\$1.02	\$1.09
18.	BAS3 (9 – 15)	\$1.43	\$1.53
19.	BAS4 (16 – 33)	\$1.94	\$2.07
20.	BAS5 (Over 33)	\$3.56	\$3.80

Consumption Charge Potable Water Commercial  
Block Rates (Per TGAL)

21.	All CCF (No Cap)	\$1.38	\$1.47
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Consumption Charge Irrigation Residential  
Block Rates (Per TGAL)

22.	BAS1 (0 – 7)	\$1.43	\$1.53
23.	BAS2 (8 – 25)	\$1.94	\$2.07
24.	BAS3 (Over 25)	\$3.56	\$3.80

Consumption Charge Irrigation Commercial and Common Area  
Block Rates (Per TGAL)

25.	BAS1 (0 – 25)	\$1.43	\$1.53
26.	BAS2 (Over 25)	\$1.94	\$2.07

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

Line No.	Description	Proposed Rates Effective 11/01/2009	Proposed Rates Effective 11/01/2010
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Customer Charge Residential, Master-Meter, Commercial, and Sprinklers

27.	All Meter Sizes	\$9.63	\$9.81
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Customer Charge Irrigation

28.	All Meter Sizes	\$5.04	\$5.39
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Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)

Consumption Charge Potable Water Residential  
Block Rates (Per CCF)

29.	BAS1 (0 – 6)	\$0.80	\$0.81
30.	BAS2 (7 – 12)	\$0.96	\$1.03
31.	BAS3 (13 – 21)	\$1.34	\$1.43
32.	BAS4 (22 – 45)	\$1.81	\$1.94
33.	BAS5 (Over 45)	\$3.33	\$3.55

Consumption Charge Potable Water Commercial  
Block Rates (Per CCF)

34.	All CCF (No Cap)	\$1.29	\$1.38
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Consumption Charge Irrigation Residential  
Block Rates (Per CCF)

35.	BAS1 (0 – 9)	\$1.34	\$1.43
36.	BAS2 (10 – 33)	\$1.81	\$1.94
37.	BAS3 (Over 33)	\$3.33	\$3.55

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

38.	BAS1 (0 – 33)	\$1.34	\$1.43
39.	BAS2 (Over 33)	\$1.81	\$1.94

(4) *Outside The City Water Rates (TGAL):*

Line No.	Description	Proposed Rates Effective 11/01/2009	Proposed Rates Effective 11/01/2010
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Customer Charge Residential, Master-Meter, Commercial, and Sprinklers

40.	All Meter Sizes	\$9.63	\$9.81
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Customer Charge Irrigation

41.	All Meter Sizes	\$5.04	\$5.39
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Consumption Charge (Per 1 TGAL = 1000 Gallons)

Consumption Charge Potable Water Residential  
Block Rates (Per TGAL)

42.	BAS1 (0 – 4)	\$1.08	\$1.10
43.	BAS2 (5 – 8)	\$1.28	\$1.36
44.	BAS3 (9 – 15)	\$1.79	\$1.91
45.	BAS4 (16 – 33)	\$2.43	\$2.59
46.	BAS5 (Over 33)	\$4.45	\$4.75

Consumption Charge Potable Water Commercial  
Block Rates (Per TGAL)

47.	All CCF (No Cap)	\$1.73	\$1.84
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Consumption Charge Irrigation Residential  
Block Rates (Per TGAL)

48.	BAS1 (0 – 7)	\$1.79	\$1.91
49.	BAS2 (8 – 25)	\$2.43	\$2.59
50.	BAS3 (Over 25)	\$4.45	\$4.75

Consumption Charge Irrigation Commercial and Common Area  
Block Rates (Per TGAL)

51.	BAS1 (0 – 25)	\$1.79	\$1.91
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52. BAS2 (Over 25)

\$2.43

\$2.59

In all categories, for installations which have fire protection systems utilizing city water, whether or not metered, there shall be imposed a monthly availability charge, regardless of actual usage, in the amount of \$2.00 per inch diameter of service pipe serving the fire protection system.

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

(c) A reconnection charge, when service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, will be imposed as provided in the utility service fee schedule adopted or amended from time to time by Resolution of the City Commission.

(d) Service will not be turned on after it is cut off for nonpayment until the account is paid current and cut-on charge is paid. In those installations which have fire protection systems which are operated by city water, service shall remain turned on to the fire protection system as a matter of public safety, however there shall be charged, in addition to the normal reconnection charge, a reconnection surcharge of two dollars (\$2.00) per month per inch diameter of service pipe serving the installation.

(e) Where water service charges are measured, in whole or in part, by a master meter, the availability charge on the master meter shall be the number of units served by the master meter times the rate per month availability charge. All consumption on the master meter shall be billed at the charge per one hundred (100) cubic feet, as applicable, plus all other charges. The master meter shall be classified to the rate schedule which yields the highest revenue consistent with the applicability clauses of the rate classes. Each and every user served by the master meter may be billed, at the discretion of the city, for the fixed charge assessed for each user within the particular user's service classification, and the person or entity in whose name the master meter is registered on the city's records shall in such event be billed for the variable charge assessed for the service being provided. As used in this subsection, the following terms shall have the meanings indicated:

(1) *Master meter*: Shall refer to a meter measuring the service provided to two (2) or more occupancy units being served by a single meter.

(2) *Occupancy unit*: Shall refer to that portion of any commercial establishment, single- or multi-unit residential building, or trailer, mobile home, manufacture housing, or recreational vehicle park, or marina which is set apart from the rest of such facility by clearly determinable boundaries, as described in the rental, lease or ownership agreement for such unit, or in the absence of such an agreement, where that portion of the facility is clearly set apart from the rest of the facility in a manner which evidences an intent to render the unit suitable for occupancy as a residential, commercial or other space as a discrete unit, separate and apart from the use or occupancy of other units within the same facility.

(3) *User*: Shall refer to the occupant(s) of any individual occupancy unit served by a master meter.

(4) *Fixed charge*: Shall refer to the minimum charge imposed by the city during a billing period, in the particular customer's service classification, for the availability of the service, whether or not service is actually used by the customer in a given billing period.

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

**SECTION 2.**

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

**SECTION 3.**

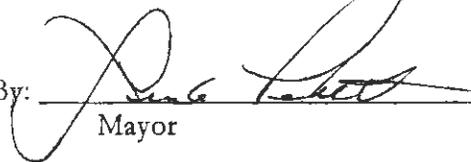
If any portion of this ordinance is declared invalid or unenforceable, and to the extent it is possible to do so without destroying the overall intent and effect of this ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of this ordinance shall continue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

**SECTION 4.**

This ordinance shall become effective upon passage.

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

**THE CITY OF LEESBURG**

By:  \_\_\_\_\_  
Mayor

ATTEST:

 \_\_\_\_\_  
City Clerk

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING §22 – 211 OF THE CODE OF ORDINANCES PERTAINING TO WATER RATES, PROVIDING NEW RATE TABLES FOR CUSTOMERS CONNECTED TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT; AMENDING SUBSECTIONS (a)(3) AND (a)(4) OF §22 – 211 TO EXCLUDE FROM THE RATE TABLES IN THOSE SUBSECTIONS ANY CUSTOMERS CONNECTED TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT; CREATING SUBSECTIONS (a)(5) AND (a)(6) OF §22 – 211 TO SPECIFY THE RATES FOR CUSTOMERS CONNECTED TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT; LIMITING CONNECTIONS TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT TO CONFORM TO THE WITHDRAWAL LIMITATIONS FOR THAT FACILITY IN THE CITY'S CONSUMPTIVE USE PERMIT; SETTING FOR LEGISLATIVE FINDINGS; REPEALING CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION I.

The City Commission of the City of Leesburg, Florida, makes the following legislative findings with respect to the rates charged for water supplied by the City's Royal Highlands Water Treatment Plant:

- The City of Leesburg provides potable water to its customers under the provisions of Consumptive Use Permit (CUP) # 94, issued by St. Johns River Water Management District (SJRWMD).
- CUP # 94 was issued by SJRWMD on November 16, 2010.
- SJRWMD has previously established Minimum Flows and Levels (MFL's) for Lake Apshawa (North and South).
- The MFL's for Lake Apshawa have been violated in the historic period since establishment of the MFL's for that body of water.
- CUP permitting rules prohibit issuance of a permit which will impact an MFL which has been violated.
- Hydrogeologic modeling of ground water withdrawals from the Royal Highlands Wellfield demonstrated that the MFL's for Lake Apshawa would be impacted by then-current withdrawals, necessitating a reduction of ground water withdrawals from the Royal Highlands Wellfield.
- CUP # 94 contains Condition # 24, which allocates maximum annual groundwater withdrawals from the Royal Highlands Wellfield as follows:
  - 354.05 million gallons (0.97 million gallons per day (mgd) average) in 2010,
  - 321.20 million gallons (0.88 mgd average) in 2011,
  - 292.00 million gallons (0.80 mgd average) in 2012,
  - 277.40 million gallons (0.76 mgd average) in 2013,
  - 266.45 million gallons (0.73 mgd average) in 2014,

- 259.15 million gallons (0.71 mgd average) in 2015 and,
- 251.85 million gallons (0.69 mgd average) in 2016 through 2030.
- 2010 groundwater withdrawals from the Royal Highlands Wellfield were 0.94 mgd, which is acceptable under condition # 24 but exceeds the allocation for 2011.
- Implementation of an enhanced conservation rate structure is necessary to discourage high water consumption that would cause overwithdrawal from the Royal Highlands Wellfield and therefore violate Condition 24 of CUP # 94 in 2011 and succeeding years.
- The enhanced conservation rate structure should be applied to all residential customers attached to the Royal Highlands Water Treatment Plant.

**SECTION II.**

§22 – 211(a) of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended to read as follows:

(a) *Water conservation service rate:*

(1) *Inside the city water rates (CCF):*

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
	Meter Size		
1.	ALL METER SIZES	\$7.70	\$7.85
	Customer Charge Irrigation		
	Meter Size		
2.	ALL METER SIZES	\$4.03	4.31
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per CCF)		
3.	BAS1 (0--6)	\$0.64	\$0.65
4.	BAS2 (7--12)	\$0.77	\$0.82
5.	BAS3 (13--21)	\$1.07	\$1.14
6.	BAS4 (22--45)	\$1.45	\$1.55
7.	BAS5 (Over 45)	\$2.66	\$2.84
	Consumption Charge Potable Water Commercial		
	Block Rates (Per CCF)		
8.	All CCF (No Cap)	\$1.03	\$1.10
	Consumption Charge Residential Irrigation		
	Block Rates (Per		

	CCF)		
9.	BAS1 (0--9)	\$1.07	\$1.14
10.	BAS2 (10--33)	\$1.45	\$1.55
11.	BAS3 (Over 33)	\$2.66	\$2.84
	Consumption Charge Commercial and Common Area Irrigation		
	Block Rates (Per CCF)		
12.	BAS1 (0--33)	\$1.07	\$1.14
13.	BAS2 (Over 33)	\$1.45	\$1.55

(2) Inside the city water rates (TGAL):

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
	Meter Size		
14.	ALL METER SIZES	\$7.70	\$7.85
	Customer Charge Irrigation		
15.	ALL METER SIZES	\$4.03	\$4.31
	Consumption Charge (Per 1,000 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per TGAL)		
16.	BAS1 (0--4)	\$0.86	\$0.88
17.	BAS2 (5--8)	\$1.02	\$1.09
18.	BAS3 (9--15)	\$1.43	\$1.53
19.	BAS4 (16--33)	\$1.94	\$2.07
20.	BAS5 (Over 33)	\$3.56	\$3.80
	Consumption Charge Potable Water Commercial		
	Block Rates (Per TGAL)		
21.	All CCF (No Cap)	\$1.38	\$1.47
	Consumption Charge Irrigation Residential		
	Block Rates (Per TGAL)		
22.	BAS1 (0--7)	\$1.43	\$1.53
23.	BAS2 (8--25)	\$1.94	\$2.07
24.	BAS3 (Over 25)	\$3.56	\$3.80

	Consumption Charge Irrigation Commercial and Common Area		
	Block Rates (Per TGAL)		
25.	BAS1 (0--25)	\$1.43	\$1.53
26.	BAS2 (Over 25)	\$1.94	\$2.07

(3) Outside the city water rates excluding customers connected to the Royal Highlands Water Treatment Plant (CCF):

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, Irrigation and Sprinklers		
	Meter Size		
27.	ALL METER SIZES	\$9.63	\$9.81
	Customer Charge Irrigation		
28.	ALL METER SIZES	\$5.04	\$5.39
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per CCF)		
29.	BAS1 (0--6)	\$0.80	\$0.81
30.	BAS2 (7--12)	\$0.96	\$1.03
31.	BAS3 (13--21)	\$1.34	\$1.43
32.	BAS4 (22--45)	\$1.81	\$1.94
33.	BAS5 (Over 45)	\$3.33	\$3.55
	Consumption Charge Potable Water Commercial		
	Block Rates (Per CCF)		
34.	All CCF (No Cap)	\$1.29	\$1.38
	Consumption Charge Irrigation Residential		
	Block Rates (Per CCF)		
35.	BAS1 (0--9)	\$1.34	\$1.43
36.	BAS2 (10--33)	\$1.81	\$1.94
37.	BAS3 (Over 33)	\$3.33	\$3.55
	Consumption Charge Irrigation Commercial and Common Area		
	Block Rates (Per CCF)		
38.	BAS1 (0--33)	\$1.34	\$1.43
39.	BAS2 (Over 33)	\$1.81	\$1.94

(4) *Outside the city water rates excluding customers connected to the Royal Highlands Water Treatment Plant (TGAL):*

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
	Meter Size		
40.	ALL METER SIZES	\$9.63	\$9.81
	Customer Charge Irrigation		
	Meter Size		
41.	ALL METER SIZES	\$5.04	\$5.39
	Consumption Charge (Per 1 TGAL = 1000 Gallons)		
	Consumption Charge (Per 1,000 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per TGAL)		
42.	BAS1 (0--4)	\$1.08	\$1.10
43.	BAS2 (5--8)	\$1.28	\$1.36
44.	BAS3 (9--15)	\$1.79	\$1.91
45.	BAS4 (16--33)	\$2.43	\$2.59
46.	BAS5 (Over 33)	\$4.45	\$4.75
	Consumption Charge Potable Water Commercial		
	Block Rates (Per TGAL)		
47.	All CCF (No Cap)	\$1.73	\$1.84
	Consumption Charge Irrigation Residential		
	Block Rates (Per TGAL)		
48.	BAS1 (0--7)	\$1.79	\$1.91
49.	BAS2 (8--25)	\$2.43	\$2.59
50.	BAS3 (Over 25)	\$4.45	\$4.75
	Consumption Charge Commercial and Common Area Irrigation		
	Block Rates (Per TGAL)		
51.	BAS1 (0--25)	\$1.79	\$1.91
52.	BAS2 (Over 25)	\$2.43	\$2.59

(3) *Outside the city water rates only for customers connected to the Royal Highlands Water Treatment Plant (CCF):*

TABLE INSET:

Line No.	Description	Rates Effective 08/01/2011
	Customer Charge Residential, Master-Meter, Commercial, Irrigation and Sprinklers	
	Meter Size	
27.	ALL METER SIZES	\$9.81
	Customer Charge Irrigation	
28.	ALL METER SIZES	\$5.39
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)	
	Consumption Charge Potable Water Residential	
	Block Rates (Per CCF)	
29.	BAS1 (0--6)	\$0.81
30.	BAS2 (7--12)	\$1.03
31.	BAS3 (13--21)	\$1.43
32.	BAS4 (22--45)	\$3.88
33.	BAS5 (Over 45)	\$10.65
	Consumption Charge Potable Water Commercial	
	Block Rates (Per CCF)	
34.	All CCF (No Cap)	\$1.38
	Consumption Charge Irrigation Residential	
	Block Rates (Per CCF)	
35.	BAS1 (0--9)	\$1.43
36.	BAS2 (10--33)	\$3.88
37.	BAS3 (Over 33)	\$10.65
	Consumption Charge Irrigation Commercial and Common Area	
	Block Rates (Per CCF)	
38.	BAS1 (0--33)	\$1.43
39.	BAS2 (Over 33)	\$1.94

(4) Outside the city water rates only for customers connected to the Royal Highlands Water Treatment Plant (TGAL):

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers	
	Meter Size	
40.	ALL METER SIZES	\$9.81
	Customer Charge Irrigation	
	Meter Size	
41.	ALL METER SIZES	\$5.39
	Consumption Charge (Per 1 TGAL = 1000 Gallons)	
	Consumption Charge (Per 1,000 Gallons)	
	Consumption Charge Potable Water Residential	
	Block Rates (Per TGAL)	
42.	BAS1 (0--4)	\$1.10
43.	BAS2 (5--8)	\$1.36
44.	BAS3 (9--15)	\$1.91
45.	BAS4 (16--33)	\$5.18
46.	BAS5 (Over 33)	\$14.25
	Consumption Charge Potable Water Commercial	
	Block Rates (Per TGAL)	
47.	All CCF (No Cap)	\$1.84
	Consumption Charge Irrigation Residential	
	Block Rates (Per TGAL)	
48.	BAS1 (0--7)	\$1.91
49.	BAS2 (8--25)	\$5.18
50.	BAS3 (Over 25)	\$14.25
	Consumption Charge Commercial and Common Area Irrigation	
	Block Rates (Per TGAL)	
51.	BAS1 (0--25)	\$1.91
52.	BAS2 (Over 25)	\$2.59

If the withdrawals from the Royal Highlands Wellfield have been within limits established in Condition 24 of Consumptive Use Permit 94 for two consecutive full calendar years after the effective date of this Ordinance, the BAS4 rates shown in subsections (3) and (4) above, for customers connected to the Royal Highlands Water Treatment Plant only, as those rates may have been adjusted under §22 – 166 of this Code, shall decrease by 25%, and BAS5 rates shown in those same subsections (as adjusted under §22 – 166) shall decrease by 33%. However, if in any calendar year withdrawals exceed the limits of Condition 24, the BAS4 and BAS5 rates in those subsections

shall revert to the higher rate for BAS4 and BAS5, computed based on the rates shown in those subsections as adjusted under §22 – 166 up to the time of the increase.

No additional connections shall be made to the Royal Highlands Water Treatment Plant following the effective date of this Ordinance, except for the following:

- (i) Lots within the following plats comprising the development Royal Highlands, which have never been connected to the Royal Highlands Water Treatment Plant before the effective date of this Ordinance: Plat Book 37, Page 3; Plat Book 43, Page 66; Plat Book 39, Page 32; Plat Book 40, Page 34; Plat Book 41, Page 49; Plat Book 44, Page 31; Plat Book 44, Page 91; Plat Book 46, Page 59; Plat Book 50, Page 30; and Plat Book 38, Page 16; all in the Public Records of Lake County, Florida.
- (ii) Lots within the plat of Whitemarsh, according to the plat thereof recorded in Plat Book 61, Page 22, Public Records of Lake County, Florida, which have never been connected to the Royal Highlands Water Treatment Plant before the effective date of this Ordinance.
- (iii) Such other connections as are approved by Resolution adopted by the Leesburg City Commission.

In all categories, for installations which have fire protection systems utilizing City water, whether or not metered, there shall be imposed a monthly availability charge, regardless of actual usage, in the amount of two dollars (\$2.00) per inch diameter of service pipe serving the fire protection system.

### SECTION III.

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

### SECTION IV.

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

**SECTION V.**

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

**PASSED AND ADOPTED** at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 25 day of July, 2011.

THE CITY OF LEESBURG, FLORIDA

BY: Bill Polk  
MAYOR

Attest: Betty M. Richardson  
CITY CLERK

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

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

**SECTION I.**

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

**SECTION II.**

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

**SECTION III.**

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

**SECTION IV.**

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

SECTION V.

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

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

THE CITY OF LEESBURG, FLORIDA

BY: Sara Henderson  
MAYOR

Attest: Betty Richardson  
CITY CLERK

**ORDINANCE NO. 08-14**

**AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING SECTION 22-227 OF THE CODE OF ORDINANCES PERTAINING TO POLLUTION ABATEMENT CHARGES; ESTABLISHING NEW RATE SCHEDULES FOR POLLUTION ABATEMENT CHARGES; PROVIDING FOR RATES EFFECTIVE MARCH 1, 2008; PROVIDING NEW PROPOSED BLOCK RATES; PROVIDING FOR RATES INSIDE AND OUTSIDE CITY LIMITS; PROVIDING FOR CONFLICTS; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

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

**SECTION 1.**

Section 22-227, of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended in its entirety to read as:

Each classification of user shall be assessed the following charges for pollution abatement:

**(1) Inside the City Wastewater Rates (CCF):**

**Customer Charge Residential and Master-Meter**

Line No.	Description	Proposed Rates Rates Effective 03/01/2008	New Proposed Block Rates 03/01/2008
<u>Meter Size</u>			
1.	ALL METER SIZES	\$ 20.10	
Consumption Charge (Per 1 CCF = Cubic Feet = 748 Gallons)			
<u>Consumption Charge Wastewater Residential Block Rates (Per CCF)</u>			<u>New Proposed Block Rates CCF)</u>
2.	Usage Up to 15 CCF	\$ 1.04200	Up to 21 CCF
<u>Customer Charge Commercial and Municipal Commercial and Municipal Classes</u>			
3.	COMMERCIAL I	\$ 20.91	
4.	COMMERCIAL II	\$ 35.59	
5.	COMMERCIAL III	\$ 87.43	
6.	COMMERCIAL IV	\$ 20.10	

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

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

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

**(2) Inside the City Wastewater rates (1,000 Gallons):**

Customer Charge Residential and Master-Meter

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

Consumption Charge (Per 1,000 Gallons)  
Consumption Charge Wastewater Residential  
Block Rates (Per 1,000 Gallons)

2.	Usage Up to 11,000 Gallons	\$ 1.39400	New Proposed <u>Blocks(Th. Gall.)</u> Up to 15,000 Gall.
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Customer Charge Commercial and Municipal  
Commercial and Municipal Classes

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

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

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

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

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

**(3) Outside the City Wastewater Rates (CCF):**

**Customer Charge Residential and Master-Meter**

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

Meter Size

1. ALL METER SIZES \$ 25.13

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

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

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

**Customer Charge Commercial and Municipal  
Commercial and Municipal Classes**

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

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

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

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

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

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

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

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

Customer Charge Residential and Master-Meter

Line No.	Description	Proposed Rates Rates Effective 03/01/2008	New Proposed Block Rates 03/01/2008
<u>Meter Size</u>			
1.	ALL METER SIZE Consumption Charge (Per 1,000 Gallons) Consumption Charge Wastewater Residential	\$ 25.13	
<u>Block Rates (Per 1,000 Gallons)</u>			New Proposed
Usage Up to 11,000 Gallons			<u>Block Rates (Th. Gall.)</u>
2.	Usage Up to 11,000 Gallons	\$ 1.74200	Up to 15,000 Gall.
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.**

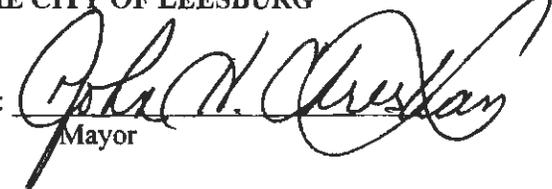
If any portion of this Ordinance is declared invalid or unenforceable, and to the extent that it is possible to do so without destroying the overall intent and effect of this Ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of the ordinance shall continue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



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**CITY OF LEESBURG, FLORIDA  
ANTI-DILUTION TEST - BASE METHOD**

First Test	FY05/FY06	FY06/FY07	FY07/FY08	FY08/FY09	FY09/FY10	FY10/FY11	FY11/FY12	FY12/FY13	FY13/FY14	FY14/FY15
2 Year Average Legally Available Non-Ad Valorem Revenues	\$ 19,141,986	\$ 20,736,664	\$ 21,113,231	\$ 20,471,401	\$ 20,046,893	\$ 19,194,767	\$ 21,245,867	\$ 21,688,574	\$ 20,313,162	\$ 19,675,488
Maximum Annual Debt Service on Non-Ad Valorem Revenue Debt	3,835,962	3,835,962	3,835,962	3,835,962	3,813,647	3,686,634	3,650,239	3,650,239	3,670,954	3,751,298
<b>Coverage (1)</b>	<b>4.99</b>	<b>5.41</b>	<b>5.50</b>	<b>5.34</b>	<b>5.26</b>	<b>5.21</b>	<b>5.82</b>	<b>5.94</b>	<b>5.53</b>	<b>5.24</b>
<b>Second Test</b>	<b>FYE 2006</b>	<b>FYE 2007</b>	<b>FYE 2008</b>	<b>FYE 2009</b>	<b>FYE 2010</b>	<b>FYE 2011</b>	<b>FYE 2012</b>	<b>FYE 2013</b>	<b>FYE 2014</b>	<b>FYE 2015</b>
Legally Available Non-Ad Valorem Revenues	A \$ 19,519,040	\$ 21,954,288	\$ 20,272,174	\$ 20,670,628	\$ 19,423,157	\$ 18,966,378	\$ 22,272,758	\$ 21,104,389	\$ 19,521,934	\$ 19,829,043
Non-Enterprise Fund Revenues (2)	B 23,984,451	27,640,613	26,330,808	26,965,374	25,472,991	24,556,338	27,130,782	25,578,514	23,988,381	24,320,976
Costs of Essential Services	C 15,993,630	15,484,386	17,446,181	16,982,852	16,694,437	16,607,201	16,735,293	15,732,311	16,613,455	15,585,278
MADS Secured by a Lien on Pledgeable Non-Ad Valorem Revenues	D 1,827,066	1,827,066	1,827,066	1,827,066	1,850,718	1,850,718	1,786,841	1,786,841	1,789,085	1,789,085
Maximum Annual Debt Service on Covenant Debt	E 2,019,868	2,019,868	2,019,868	2,019,868	2,009,790	1,881,869	1,866,059	1,866,059	1,881,869	1,977,024
Available Revenues - <b>[ A - ((A/B) * C) - D ] =</b>	F 4,676,030	7,828,340	5,013,237	5,825,155	4,842,930	4,288,892	6,747,237	6,337,091	4,212,688	5,333,183
<b>Coverage [ F / E ] (3)</b>	<b>2.32</b>	<b>3.88</b>	<b>2.48</b>	<b>2.88</b>	<b>2.41</b>	<b>2.28</b>	<b>3.62</b>	<b>3.40</b>	<b>2.24</b>	<b>2.70</b>

(1) 1.10 times coverage required - Additional Bonds Test

(2) line A plus Ad Valorem Taxes as on shown on page 287 titled "Historical Non-Ad Valorem Revenues Worksheet"

(3) 2.00 times coverage required - Additional Bonds Test

**CITY OF LEESBURG, FLORIDA  
HISTORICAL NON-AD VALOREM REVENUES WORKSHEET**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>CB&amp;A Worksheet -</b>										
<b>CB&amp;A Non-Ad Valorem Revenues</b>										
1. Charges for Services (1)	\$ 501,759	\$ 558,761	\$ 633,992	\$ 655,224	\$ 594,690	\$ 673,309	\$ 778,793	\$ 895,084	\$ 1,022,235	
2. Intergovernmental (1)	2,783,708	2,634,143	2,769,819	2,326,359	2,258,347	2,403,019	2,648,770	2,144,512	2,280,811	
3. Licenses and Permits (1)	234,022	135,999	151,094	128,271	112,255	133,435	132,942	166,926	258,885	
4. Fines and Forfeitures (1)	213,821	187,940	152,687	120,716	101,084	122,391	151,693	119,059	115,092	
5. Investment Income (1)	281,554	144,887	98,646	78,736	68,429	24,093	114,949	43,095	119,498	
6. Miscellaneous (1)	4,952,339	4,500,274	4,419,416	4,580,172	4,562,502	5,196,757	2,114,528	1,377,372	1,244,493	
7. Non Advalorem Taxes (sum of Utility Taxes and Other Taxes less restricted) (1)	4,828,932	5,187,563	4,675,228	4,686,057	4,426,503	6,053,868	6,180,065	6,263,160	6,514,005	
8. Utility and Business Unit Transfers (1)	10,073,394	8,914,449	9,034,052	8,332,236	9,347,764	8,858,030	10,512,308	10,213,669	9,899,892	
9. Less funds detailed in worksheet "Diverse General Fund Revenue Sources" (1)	(1,915,241)	(1,991,842)	(1,264,306)	(1,484,613)	(1,252,598)	(1,192,143)	(1,529,659)	(1,700,943)	(1,625,868)	
<b>Legally Available Non-Ad Valorem Revenues</b>	\$ 19,519,040	\$ 21,954,288	\$ 20,272,174	\$ 20,670,628	\$ 19,423,158	\$ 20,218,976	\$ 22,272,759	\$ 21,104,389	\$ 19,521,934	\$ 19,829,043
2 Year Average	19,141,986	20,736,664	21,113,231	20,471,401	20,046,893	19,821,067	21,245,868	21,688,574	20,313,162	19,675,488
Ad Valorem Taxes (2)	\$ 4,465,411	\$ 5,686,325	\$ 6,058,634	\$ 6,294,746	\$ 6,049,834	\$ 5,361,571	\$ 4,858,024	\$ 4,474,125	\$ 4,466,447	\$ 4,491,933
<b>Total Revenue</b>	\$ 23,984,451	\$ 27,640,613	\$ 26,330,808	\$ 26,965,374	\$ 25,472,992	\$ 25,580,547	\$ 27,130,783	\$ 25,578,514	\$ 23,988,381	\$ 24,320,976
<b>Cost of Essential Services</b>										
General Government (1)	\$ 3,192,720	\$ 1,828,424	\$ 3,496,612	\$ 3,162,527	\$ 3,130,308	\$ 2,851,945	\$ 2,730,096	\$ 1,891,217	\$ 3,257,326	\$ 3,242,396
Public Safety (1)	12,800,910	13,655,962	13,949,569	13,820,325	13,564,129	13,755,256	14,005,197	13,841,094	13,356,129	12,342,882
<b>Total Cost of Essential Services</b>	\$ 15,993,630	\$ 15,484,386	\$ 17,446,181	\$ 16,982,852	\$ 16,694,437	\$ 16,607,201	\$ 16,735,293	\$ 15,732,311	\$ 16,613,455	\$ 15,585,278
<b>Legally Available Non-Ad Valorem Revenues</b>	\$ 19,519,040	\$ 21,954,288	\$ 20,272,174	\$ 20,670,628	\$ 19,423,158	\$ 20,218,976	\$ 22,272,759	\$ 21,104,389	\$ 19,521,934	\$ 19,829,043
Less MADS on Senior Lien as of 9/30/15	\$ (1,827,066)	\$ (1,827,066)	\$ (1,827,066)	\$ (1,827,066)	\$ (1,850,718)	\$ (1,850,718)	\$ (1,786,841)	\$ (1,786,841)	\$ (1,789,085)	\$ (1,789,085)
Less Allocable Essential Services (3)	(13,015,945)	(12,298,883)	(13,431,871)	(13,018,407)	(12,729,509)	(13,126,404)	(13,738,680)	(12,980,457)	(13,520,161)	(12,706,774)
Available Revenues	4,676,029	7,828,339	5,013,237	5,825,155	4,842,931	5,241,854	6,747,238	6,337,091	4,212,688	5,333,183
MADS on Covenant Debt	2,019,868	2,019,868	2,019,868	2,019,868	2,009,790	1,881,869	1,866,059	1,866,059	1,881,869	1,977,024
<b>Coverage</b>	<b>2.32</b>	<b>3.88</b>	<b>2.48</b>	<b>2.88</b>	<b>2.41</b>	<b>2.79</b>	<b>3.62</b>	<b>3.40</b>	<b>2.24</b>	<b>2.70</b>

(1) Source is the Statement of Revenues - the current year CAFR

(2) Source is the Statement of Activities - the current year CAFR

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

**CITY OF LEESBURG, FLORIDA  
DIVERSE GENERAL FUND REVENUE SOURCES**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	ACTUAL									
<b>Revenues Available for CB&amp;A</b>	-	\$ 21,954,291	\$ 20,272,174	\$ 20,670,625	\$ 19,423,157	\$ 20,218,976	\$ 22,272,758	\$ 21,104,389	\$ 19,521,934	\$ 19,829,043
<b>Revenues not available for CB&amp;A:</b>										
<b>Ad Valorem Revenues</b>	\$ 4,465,411	\$ 5,686,325	\$ 6,058,634	\$ 6,294,746	\$ 6,049,834	\$ 5,361,571	\$ 4,858,024	\$ 4,474,125	\$ 4,466,447	\$ 4,491,933
<b>Non-Ad Valorem Revenues:</b>										
Other Taxes	684,101	622,224	620,290	-	-	-	-	-	-	-
Intergovernmental Revenue	477,365	510,361	564,802	518,263	502,674	336,265	318,765	540,190	368,964	344,569
Charges For Services	2,585	146,745	153,336	133,420	151,785	150,954	132,575	191,550	470,486	467,402
Miscellaneous Revenues	606,740	635,911	653,414	612,623	830,154	765,379	740,804	797,919	861,493	813,897
	<b>1,770,791</b>	<b>1,915,241</b>	<b>1,991,842</b>	<b>1,264,306</b>	<b>1,484,613</b>	<b>1,252,598</b>	<b>1,192,143</b>	<b>1,529,659</b>	<b>1,700,943</b>	<b>1,625,868</b>
<b>Total not available for CB&amp;A</b>	\$ 6,236,202	\$ 7,601,566	\$ 8,050,476	\$ 7,559,052	\$ 7,534,447	\$ 6,614,169	\$ 6,050,167	\$ 6,003,784	\$ 6,167,390	\$ 6,117,801

**CITY OF LEESBURG, FLORIDA  
SUMMARY OF MAXIMUM ANNUAL NON AD VALOREM DEBT SERVICE**

Fiscal Year	Series 2008 TIF - Carver CRA	Series 2009 Capital Improvement	Series 2009 TIF - 441/27 CRA	Series 2009 Magnolia Townhomes	Series 2013 Capital Improvement	Series 2015 TIF - GL CRA	Aggregate Debt Service
2015	203,993	472,526	797,481	979,560	1,011,613	6,224	3,471,397
2016	306,399	471,174	903,419	978,450	1,011,513	80,343	3,751,298
2017		474,113	900,194	976,320	1,006,063	100,510	3,457,200
2018		471,578	901,194		1,005,163	101,313	2,479,248
2019		473,334	901,194		1,003,813	101,043	2,479,384
2020		474,381	1,005,794		1,006,863	100,715	2,587,753
2021		469,954	1,005,794		998,663	100,329	2,574,740
2022		469,818	1,109,706		993,413	100,870	2,673,807
2023		468,973	1,108,669		986,913	100,338	2,664,893
2024		467,418	1,111,144		988,663	100,734	2,667,959
2025		469,917	1,211,863		995,663	101,042	2,778,485
2026		466,706	1,214,563		991,663	100,278	2,773,210
2027		467,550	1,215,600		999,013	100,440	2,782,603
2028		462,684	1,214,975		994,794		2,672,453
2029		461,872	1,217,688		993,794		2,673,354
2030		462,400	1,218,500		994,744		2,675,644
2031			1,220,250		994,644		2,214,894
2032			1,219,750		993,494		2,213,244
2033			1,222,000		985,325		2,207,325
2034			1,221,750		990,706		2,212,456
2035			1,224,000		985,000		2,209,000
2036			1,228,500				1,228,500
<b>\$</b>	<b>510,392</b>	<b>7,504,398</b>	<b>24,374,028</b>	<b>2,934,330</b>	<b>20,931,520</b>	<b>1,194,179</b>	<b>\$ 57,448,847</b>

Maximum: \$ 3,751,298

**CITY OF LEESBURG, FLORIDA**  
**AGGREGATE SENIOR LIEN EXISTING DEBT SERVICE**  
**BONDS SECURED BY EXPRESS LIEN ON NON-AD VALOREM REVENUES**

Fiscal Year	Series 2008 Carver CRA	Series 2009 Cap Improv	Series 2013 Cap Improv	Aggregate Debt Service
2015	203,993	472,526	1,011,613	1,688,132
2016	306,399	471,174	1,011,513	1,789,086
2017		474,113	1,006,063	1,480,176
2018		471,578	1,005,163	1,476,741
2019		473,334	1,003,813	1,477,147
2020		474,381	1,006,863	1,481,244
2021		469,954	998,663	1,468,617
2022		469,818	993,413	1,463,231
2023		468,973	986,913	1,455,886
2024		467,418	988,663	1,456,081
2025		469,917	995,663	1,465,580
2026		466,706	991,663	1,458,369
2027		467,550	999,013	1,466,563
2028		462,684	994,794	1,457,478
2029		461,872	993,794	1,455,666
2030		462,400	994,744	1,457,144
2031			994,644	994,644
2032			993,494	993,494
2033			985,325	985,325
2034			990,706	990,706
2035			985,000	985,000
	\$ 510,392	\$ 7,504,398	\$ 20,931,520	\$ 28,946,310
			<b>Maximum:</b>	<b>\$ 1,789,086</b>

**CITY OF LEESBURG, FLORIDA  
AGGREGATE CB&A DEBT SERVICE  
MAXIMUM ANNUAL COVENANT DEBT SERVICE**

<b>Fiscal Year</b>	<b>Series 2009 441/27 CRA</b>	<b>Series 2009 Magnolia Townhomes</b>	<b>Series 2015 GL CRA</b>	<b>Aggregate Debt Service</b>
2015	797,481	979,560	6,224	1,783,265
2016	903,419	978,450	80,343	1,962,212
2017	900,194	976,320	100,510	1,977,024
2018	901,194		101,313	1,002,507
2019	901,194		101,043	1,002,237
2020	1,005,794		100,715	1,106,509
2021	1,005,794		100,329	1,106,123
2022	1,109,706		100,870	1,210,576
2023	1,108,669		100,338	1,209,007
2024	1,111,144		100,734	1,211,878
2025	1,211,863		101,042	1,312,905
2026	1,214,563		100,278	1,314,841
2027	1,215,600		100,440	1,316,040
2028	1,214,975		-	1,214,975
2029	1,217,688		-	1,217,688
2030	1,218,500		-	1,218,500
2031	1,220,250		-	1,220,250
2032	1,219,750		-	1,219,750
2033	1,222,000		-	1,222,000
2034	1,221,750		-	1,221,750
2035	1,224,000		-	1,224,000
2036	1,228,500		-	1,228,500
	\$ 24,374,028	\$ 2,934,330	\$ 1,194,179	28,502,537

Maximum: \$ 1,977,024

**CITY OF LEESBURG, FLORIDA  
REDEVELOPMENT REVENUE NOTE, SERIES 2008  
(CRA FOR CARVER HEIGHTS/MONTCLAIR TIF PROJECT)<sup>1</sup>**

Date	Principal	Interest	Debt Service	Annual Debt Service
11/1/2014		10,394	10,394	
5/1/2015	183,204	10,394	193,598	203,993
11/1/2015		6,400	6,400	
5/1/2016	293,598	6,400	299,998	306,399
	\$ 476,802	\$ 33,588	\$ 510,390	\$ 510,392

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

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

<sup>1</sup>TIF is an acronym for Tax Increment Financing that is a public financing method which has been used for redevelopment and community improvement projects.

**CITY OF LEESBURG, FLORIDA**  
**CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE, SERIES 2009**

Date	Principal	Interest	Debt Service	Annual Debt Service
10/1/2014	230,000	126,703	356,703	
4/1/2015		121,263	121,263	477,966
10/1/2015	240,000	121,263	361,263	
4/1/2016		115,587	115,587	476,850
10/1/2016	255,000	115,587	370,587	
4/1/2017		109,556	109,556	480,143
10/1/2017	265,000	109,556	374,556	
4/1/2018		103,289	103,289	477,845
10/1/2018	280,000	103,289	383,289	
4/1/2019		96,667	96,667	479,956
10/1/2019	295,000	96,667	391,667	
4/1/2020		89,690	89,690	481,357
10/1/2020	305,000	89,690	394,690	
4/1/2021		82,477	82,477	477,167
10/1/2021	320,000	82,477	402,477	
4/1/2022		74,909	74,909	477,386
10/1/2022	335,000	74,909	409,909	
4/1/2023		66,986	66,986	476,895
10/1/2023	350,000	66,986	416,986	
4/1/2024		58,709	58,709	475,695
10/1/2024	370,000	58,709	428,709	
4/1/2025		49,958	49,958	478,667
10/1/2025	385,000	49,958	434,958	
4/1/2026		40,853	40,853	475,811
10/1/2026	405,000	40,853	445,853	
4/1/2027		31,275	31,275	477,128
10/1/2027	420,000	31,275	451,275	
4/1/2028		21,342	21,342	472,617
10/1/2028	440,000	21,342	461,342	
4/1/2029		10,936	10,936	472,278
10/1/2029	462,400	10,936	473,336	473,336
	\$ 5,357,400	\$ 2,273,697	\$ 7,631,097	\$ 7,631,097

**CITY OF LEESBURG, FLORIDA**  
**TAX INCREMENT REVENUE BONDS, SERIES 2009**  
**(CRA FOR US HIGHWAY 441/27 TIF PROJECT)<sup>1</sup>**

Date	Principal	Interest	Debt Service	Annual Debt Service			
11/1/2014		336,241	336,241				
5/1/2015	125,000	336,241	461,241	797,481			
11/1/2015		334,209	334,209				
5/1/2016	235,000	334,209	569,209	903,419			
11/1/2016		330,097	330,097				
5/1/2017	240,000	330,097	570,097	900,194			
11/1/2017		325,597	325,597				
5/1/2018	250,000	325,597	575,597	901,194			
11/1/2018		320,597	320,597				
5/1/2019	260,000	320,597	580,597	901,194			
11/1/2019		315,397	315,397				
5/1/2020	375,000	315,397	690,397	1,005,794			
11/1/2020		307,897	307,897				
5/1/2021	390,000	307,897	697,897	1,005,794			
11/1/2021		299,853	299,853				
5/1/2022	510,000	299,853	809,853	1,109,706			
11/1/2022		289,334	289,334				
5/1/2023	530,000	289,334	819,334	1,108,669			
11/1/2023		278,072	278,072				
5/1/2024	555,000	278,072	833,072	1,111,144			
11/1/2024		265,931	265,931				
5/1/2025	680,000	265,931	945,931	1,211,863			
11/1/2025		249,781	249,781				
5/1/2026	715,000	249,781	964,781	1,214,563			
11/1/2026		232,800	232,800				
5/1/2027	750,000	232,800	982,800	1,215,600			
11/1/2027		214,988	214,988				
5/1/2028	785,000	214,988	999,988	1,214,975			
11/1/2028		196,344	196,344				
5/1/2029	825,000	196,344	1,021,344	1,217,688			
11/1/2029		176,750	176,750				
5/1/2030	865,000	176,750	1,041,750	1,218,500			
11/1/2030		155,125	155,125				
5/1/2031	910,000	155,125	1,065,125	1,220,250			
11/1/2031		132,375	132,375				
5/1/2032	955,000	132,375	1,087,375	1,219,750			
11/1/2032		108,500	108,500				
5/1/2033	1,005,000	108,500	1,113,500	1,222,000			
11/1/2033		83,375	83,375				
5/1/2034	1,055,000	83,375	1,138,375	1,221,750			
11/1/2034		57,000	57,000				
5/1/2035	1,110,000	57,000	1,167,000	1,224,000			
11/1/2035		29,250	29,250				
5/1/2036	1,170,000	29,250	1,199,250	1,228,500			
\$	14,295,000	\$	10,079,026	\$	24,374,026	\$	24,374,028

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

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

<sup>1</sup>TIF 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)**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
11/1/2014	900,000	47,430	947,430	
5/1/2015		32,130	32,130	979,560
11/1/2015	930,000	32,130	962,130	
5/1/2016		16,320	16,320	978,450
11/1/2016	960,000	16,320	976,320	976,320
	<u>\$ 2,790,000</u>	<u>\$ 144,330</u>	<u>\$ 2,934,330</u>	<u>\$ 2,934,330</u>

Resolution 8556, adopted November 3, 2009, the City authorized the issuance of Capital Improvement Refunding Revenue Note, Series 2009 to refinance the City's Capital Improvement Bond Anticipation Note, Series 2006 (taxable) which closed on November 2, 2009. The revenues pledged are the Budgeted Non Ad Valorem Revenues as shown in the first three schedules in the Covenant to Budget and Appropriate Section.

**CITY OF LEESBURG, FLORIDA**  
**CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES 2013**

Date	Principal	Interest	Debt Service	Annual Debt Service
10/01/2014	495,000	263,256	758,256	
4/1/2015		258,306	258,306	1,016,563
10/1/2015	505,000	258,306	763,306	
4/1/2016		253,256	253,256	1,016,563
10/1/2016	515,000	253,256	768,256	
4/1/2017		245,531	245,531	1,013,788
10/1/2017	530,000	245,531	775,531	
4/1/2018		237,581	237,581	1,013,113
10/1/2018	545,000	237,581	782,581	
4/1/2019		229,406	229,406	1,011,988
10/1/2019	565,000	229,406	794,406	
4/1/2020		220,931	220,931	1,015,338
10/1/2020	580,000	220,931	800,931	
4/1/2021		209,331	209,331	1,010,263
10/1/2021	605,000	209,331	814,331	
4/1/2022		194,206	194,206	1,008,538
10/1/2022	630,000	194,206	824,206	
4/1/2023		178,456	178,456	1,002,663
10/1/2023	665,000	178,456	843,456	
4/1/2024		161,831	161,831	1,005,288
10/1/2024	700,000	161,831	861,831	
4/1/2025		147,831	147,831	1,009,663
10/1/2025	725,000	147,831	872,831	
4/1/2026		133,331	133,331	1,006,163
10/1/2026	755,000	133,331	888,331	
4/1/2027		122,006	122,006	1,010,338
10/1/2027	775,000	122,006	897,006	
4/1/2028		109,897	109,897	1,006,903
10/1/2028	800,000	109,897	909,897	
4/1/2029		96,897	96,897	1,006,794
10/1/2029	830,000	96,897	926,897	
4/1/2030		82,372	82,372	1,009,269
10/1/2030	860,000	82,372	942,372	
4/1/2031		67,322	67,322	1,009,694
10/1/2031	890,000	67,322	957,322	
4/1/2032		51,747	51,747	1,009,069
10/1/2032	915,000	51,747	966,747	
4/1/2033		35,163	35,163	1,001,909
10/1/2033	955,000	35,163	990,163	
4/1/2034		17,853	17,853	1,008,016
10/1/2034	985,000	17,853	1,002,853	1,002,853
	\$ 14,825,000	\$ 6,369,769	\$ 21,194,769	\$ 21,194,769

**CITY OF LEESBURG, FLORIDA  
CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2015  
(GREATER LEESBURG CRA)**

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
04/01/2015		6,224.18	6,224.18	
10/01/2015	52,000	14,550.00	66,550.00	72,774.18
04/01/2016		13,793.40	13,793.40	
10/01/2016	74,000	13,793.40	87,793.40	101,586.80
04/01/2017		12,716.70	12,716.70	
10/01/2017	77,000	12,716.70	89,716.70	102,433.40
04/01/2018		11,596.35	11,596.35	
10/01/2018	79,000	11,596.35	90,596.35	102,192.70
04/01/2019		10,446.90	10,446.90	
10/01/2019	81,000	10,446.90	91,446.90	101,893.80
04/01/2020		9,268.35	9,268.35	
10/01/2020	83,000	9,268.35	92,268.35	101,536.70
04/01/2021		8,060.70	8,060.70	
10/01/2021	86,000	8,060.70	94,060.70	102,121.40
04/01/2022		6,809.40	6,809.40	
10/01/2022	88,000	6,809.40	94,809.40	101,618.80
04/01/2023		5,529.00	5,529.00	
10/01/2023	91,000	5,529.00	96,529.00	102,058.00
04/01/2024		4,204.95	4,204.95	
10/01/2024	94,000	4,204.95	98,204.95	102,409.90
04/01/2025		2,837.25	2,837.25	
10/01/2025	96,000	2,837.25	98,837.25	101,674.50
04/01/2026		1,440.45	1,440.45	
10/01/2026	99,000	1,440.45	100,440.45	101,880.90
	\$ 1,000,000	\$ 194,181.08	\$ 1,194,181.08	\$ 1,194,181.08