



# City of Leesburg

## 3rd Quarter Unaudited Financials

### Fiscal Year 2009-10



**Overview**

The revised budget of \$24,426,024 is \$358,968 greater than original budget of \$24,067,056 due to budget adjustments related to carry forwards of \$283,220, also known as rollovers, Federal Grant related adjustments totaling \$55,885 for police training and equipment, \$27,191 for police overtime and motorized roll-up door, \$57,792 for police overtime, motorcycle computers and equipment, \$34,601 for dispatch computer console and related equipment, fund balance of \$150,000 for the general employees' pension, a Lake County grant for \$2,904 for the purchase of a drug case, a \$20,000 donation for library materials, a contribution of \$113,504 for the NSP program, fund balance of \$5,951 for the City portion of an EMS grant for dispatch equipment, an insurance reimbursement of \$16,807 for Fire Engine #605, a reduction in Federal Grant revenue totaling (\$402,000) due to a dispatch grant that was not awarded, and a reduction in Ad Valorem revenue totaling (\$6,887). As of June, 75% of the year has passed. Total revenue of \$19,084,389 represents 78.1% of budget. Total expenditures including encumbrances of \$17,164,140 represent 70.3% of budget of \$24,426,024. The period ending contribution to fund balance is \$2,806,107.

**Revenues**

Year to date Ad Valorem revenue totals \$6,023,745 which represents Current year Property Taxes of \$5,955,884 and Delinquent taxes of \$67,861 respectively. Current year property taxes of \$5,955,884 exceed budget of \$5,880,407 by \$75,477, or 1.3%. The Lake County Tax Collector's Office advised that the Tax Certificate Sale yielded \$371,332 for the City of Leesburg. Collections for the year are pretty much complete although there may be some small miscellaneous payments throughout the rest of the fiscal year. Other Taxes and Franchise Fees of \$3,129,291 are 70.8% of budget and overall are tracking according to plan. Intergovernmental revenue of \$1,593,770 is slightly ahead of last year and is at 65.3% of budget. Charges for services totaling \$513,948 are at 60.2% of budget and are consistent with last year's collections. Fines & Forfeitures totaling \$77,953 are at 48.9% of budget. Fine and Forfeiture collections of \$77,953 are \$34,606 lower than last year's collections of \$112,559. Traffic Fines, Investigative Fees, Library Fines and Code Enforcement fines comprise the majority of the variance. Code Enforcement Fines have been inhibited by the foreclosure process as the City has experienced reductions in fines when cases flow through the Magistrate process. Miscellaneous revenues of \$1,123,137 are at 93.3% of budget which is primarily related to reimbursements of \$219,197 from the Neighborhood Stabilization Program (NSP). Utility contributions and surcharges, which are volume driven and react to seasonal fluctuations, are \$4,990,543 and \$1,203,371, or 75.4% and 75% of budget respectively.

**Expenditures**

Total expenditures and encumbrances of \$17,164,140 are at 70.3% of budget of \$24,426,024. With the exception of City Commission, City Attorney, GIS, Airport Maintenance, Fire, and Economic Development departmental expenditures are at or below budget. City Commission expenditures are elevated due to the December employee luncheon. City Attorney has recently issued a purchase order to Shutts & Bowen. GIS has recently issued a purchase order to Jones Edmunds for a CAD drawing project. Airport Maintenance pays annual maintenance contracts and encumbers major purchases in October which elevates their expenditures at the beginning of the fiscal year. The additional cost in Fire is related to their pension plan. The increase in expenditure of \$239,240 in Economic Development is primarily attributable to the Neighborhood Stabilization Program (NSP), where funds are first spent and subsequently reimbursed when the property is sold.

**Fund Balance**

Revenue of \$19,084,389 exceeds expenditures of \$16,278,282 resulting in an increase in fund balance at the end of the reporting period of \$2,806,107. Following is a recap of major items that may effect fund balance that have been budgeted but not encumbered or purchased:

Current Contribution to Fund Balance		\$2,806,107
Budgeted expenditures:		
Sweeper	\$164,920	
Motorcycles	18,000	
Police vehicles	151,000	
IVR	101,500	
SunGard training	24,000	
Carver-Sidewalks	100,000	
Elevator Rehab	50,000	
City Hall A/C	25,000	
Fire Equipment	27,500	
Library Books	42,341	
Open Purchase Orders	885,858	
Fire Impact Shortfall	74,351	
Building Shortfall	64,253	
Water Refund	<u>\$410,766</u>	
Total adjustments		<u>\$2,139,489</u>
Adjusted Fund Balance		\$ 666,618

**General Fund (Continued)****June 2010****Cash Reserve Policy**

The cash balance of the general fund of \$8,320,086 has increased by \$1,273,311 or 18.1% over the previous year ended audited balance of \$7,046,775. However, cash will be reduced if dividend contributions are refunded at the end of the fiscal year. In addition, cash will be reduced further by deficiencies in the Fire Impact Fee Fund and Building Fund, totaling \$74,351 and \$64,253 respectively.

	<b>2010</b>	<b>FYE 2009</b>
Budgeted Revenue	\$24,082,257	\$24,706,041
Reserve Percentage	<u>20%</u>	<u>20%</u>
Required Cash Reserve	\$ 4,816,451	\$ 4,941,208
*Unaudited Cash Balance	<u>\$ 8,320,086</u>	<u>\$ 7,046,775</u>
Excess	\$ 3,503,635	\$ 2,105,567
Prior year excess (deficiency)	\$ 2,105,567	\$ (386,654)

\*Revised to reflect audited numbers for fiscal year 2009.

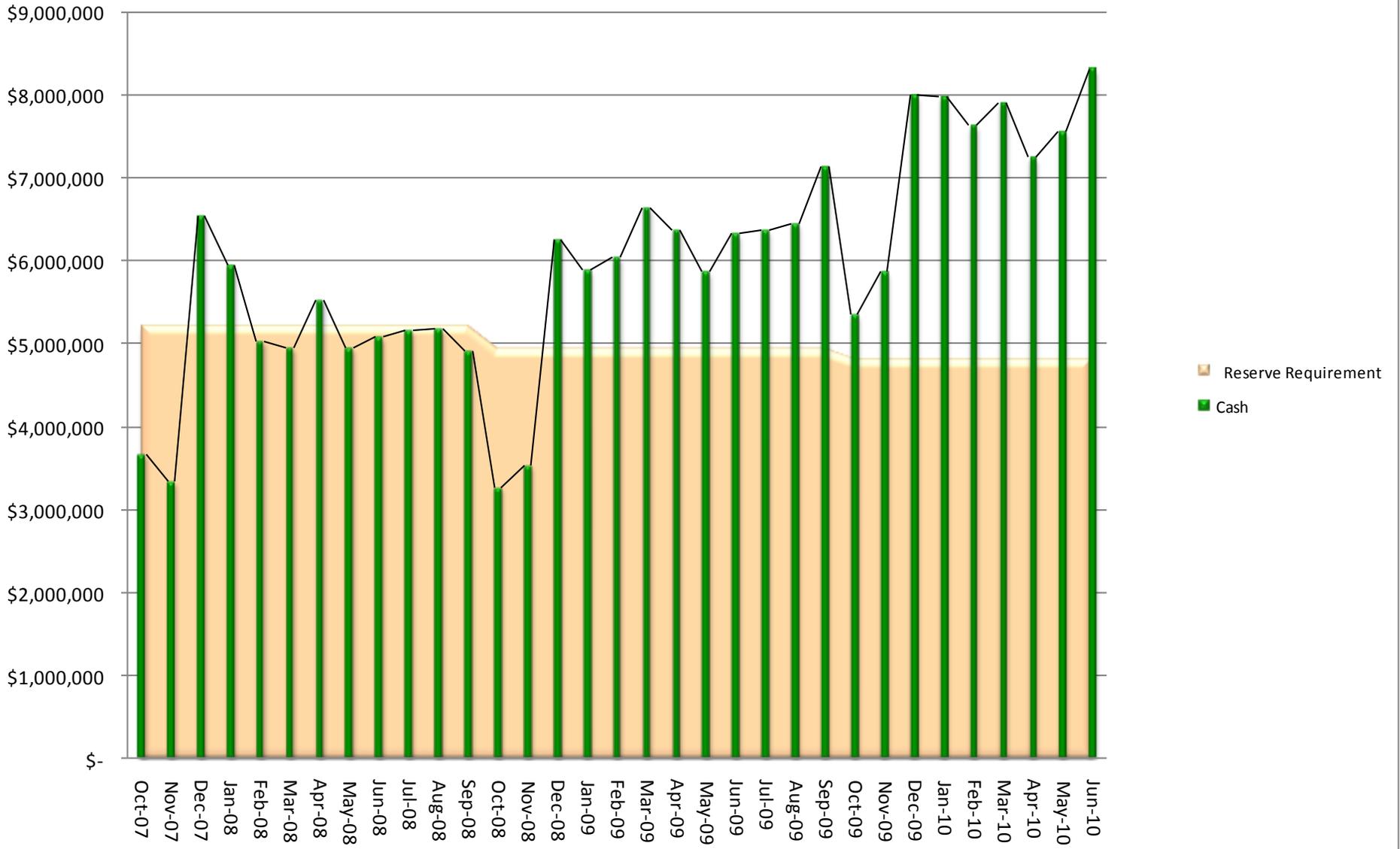
**Reconciliation of Budget Changes**

Original Budget	\$ 24,067,056
Federal Grant not awarded	(402,000)
Ad Valorem Reduction	(6,887)
Rollovers	283,220
Federal Grants for police:	
Training and equipment	55,885
Overtime and motorized roll-up door	27,191
Overtime and motorcycle computers/equip	57,792
Dispatch Computer Console/equip	34,601
General Employees' Pension	150,000
Lake County drug case grant	2,904
Library donation for materials	20,000
NSP Program contribution	113,504
City portion of EMS grant	5,951
Fire Engine #605 insurance reimbursement	<u>16,807</u>
Revised Budget	\$ 24,426,024

**Bottom Line:**

The contribution to fund balance at the end of the reporting period is \$2,806,107. As noted on page 2 of this report, Fund Balance is expected to be reduced by purchases and adjustments totaling \$2,139,489. Therefore, Fund Balance at the end of the reporting period of \$2,806,107 is expected to be reduced by purchases and adjustments of \$2,139,489 projecting a Fund Balance of \$666,618 at year ending September 30, 2010. The unaudited cash balance is \$8,320,086 which reflects the up front collections of Ad Valorem Revenue. Revenues and expenditures, except as noted, are tracking as expected through the end of the reporting period.

# General Fund Cash and Reserve Requirement



**City of Leesburg General Fund  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Revenue</b>			
Ad Valorem Taxes	\$ 5,887,294	\$ 5,880,407	\$ 6,023,745
Other Taxes & Franchise Fees	4,421,411	4,421,411	3,129,291
Licenses & Permits	363,100	363,100	283,974
Intergovernmental	2,665,020	2,441,393	1,593,770
Charges for Services	853,271	853,271	513,948
Fines & Forfeitures	159,500	159,500	77,953
Miscellaneous Revenues	<u>1,053,724</u>	<u>1,187,228</u>	<u>1,123,137</u>
Revenues From Outside Sources	15,403,320	15,306,310	12,745,818
<b>Other Sources</b>			
Transfers	436,000	436,000	144,657
Utility Contributions	6,622,808	6,622,808	4,990,543
Utility Surcharges	1,604,928	1,604,928	1,203,371
Fund Balance Appropriated	<u>-</u>	<u>439,171</u>	<u>-</u>
Total Other Sources	8,663,736	9,102,907	6,338,571
Total Revenues	<u>\$ 24,067,056</u>	<u>\$ 24,409,217</u>	<u>\$ 19,084,389</u>
<b>Expenditures</b>			
City Commission	\$ 140,381	\$ 146,657	\$ 115,575
City Manager	390,565	435,717	271,515
City Clerk	161,355	161,355	117,853
City Attorney	235,233	235,233	168,431
Finance	2,983,417	2,989,063	2,202,306
Human Resources	545,018	551,629	354,640
Information Technology	2,050,238	2,181,824	1,441,139
GIS/Engineering	309,360	309,360	228,822
Airport Maintenance	670,478	684,392	512,761
Police	7,421,228	7,528,514	5,337,691
Fire	5,898,006	6,059,810	4,654,259
Public Works	3,855,589	4,067,095	2,130,425
Planning & Zoning	426,159	429,954	302,894
Housing & Economic Development	352,991	466,495	466,383
Library	1,414,222	1,434,222	971,644
Recreation	<u>3,825,156</u>	<u>3,833,427</u>	<u>2,355,039</u>
Operating Expenditures	30,679,396	31,514,747	21,631,377
<b>Other Expenditures &amp; Contributions</b>			
Transfers	1,584,380	1,577,493	1,419,623
Contingencies	636,461	195,310	-
Non-Departmental	425,125	425,125	25,096
Computer Maintenance Contributions	(224,200)	(224,200)	(168,150)
Fleet Contributions	(3,206,879)	(3,206,879)	(2,398,700)
Utility Cost Allocations	<u>(5,827,227)</u>	<u>(5,872,379)</u>	<u>(4,230,964)</u>
Total Other	(6,612,340)	(7,105,530)	(5,353,095)
Total Expenditures	<u>\$ 24,067,056</u>	<u>\$ 24,409,217</u>	<u>\$ 16,278,282</u>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,806,107</u>

**Overview**

The Stormwater fund is a special revenue fund which tracks activities related to various Stormwater and drainage improvements within the City of Leesburg. Stormwater relies upon two major sources of revenue which are Intergovernmental and Charges for Services. Charges for Services are very predictable as they reflect monthly charges collected through utility billing. Intergovernmental Revenues are Grant or Grant-type Revenues that are usually collected after project completion. Revenues budgeted in this category are budgeted after receiving a firm commitment from the grantor. The budget serves as a mechanism to plan Capital Outlay. Due to the nature of these funds, revenue and expenditures are not designed to track evenly. Typically funds are accumulated over time and expended as the resources become available. The revised budget of \$2,966,229 is \$615,893 greater than the original budget of \$2,350,336 due to carry forwards, also known as rollovers. As of June, 75% of the year has passed. Total revenue of \$1,276,385 represents 43% of budget. Total expenditures including encumbrances of \$965,329 represent 40.7% of budget. Revenues relating to charges for services are on track. Intergovernmental revenues are \$109,335, or 28.1% of budget, and are directly attributable to the recovery of expenditures related to grant funded projects. The period ending cash balance of \$1,532,524 is available to fund current and future Stormwater projects.

**Fund Balance**

Year to date operations resulted in a contribution to fund balance of \$311,056. Fund balance is legally restricted to Stormwater activities and projects.

**Major Projects**

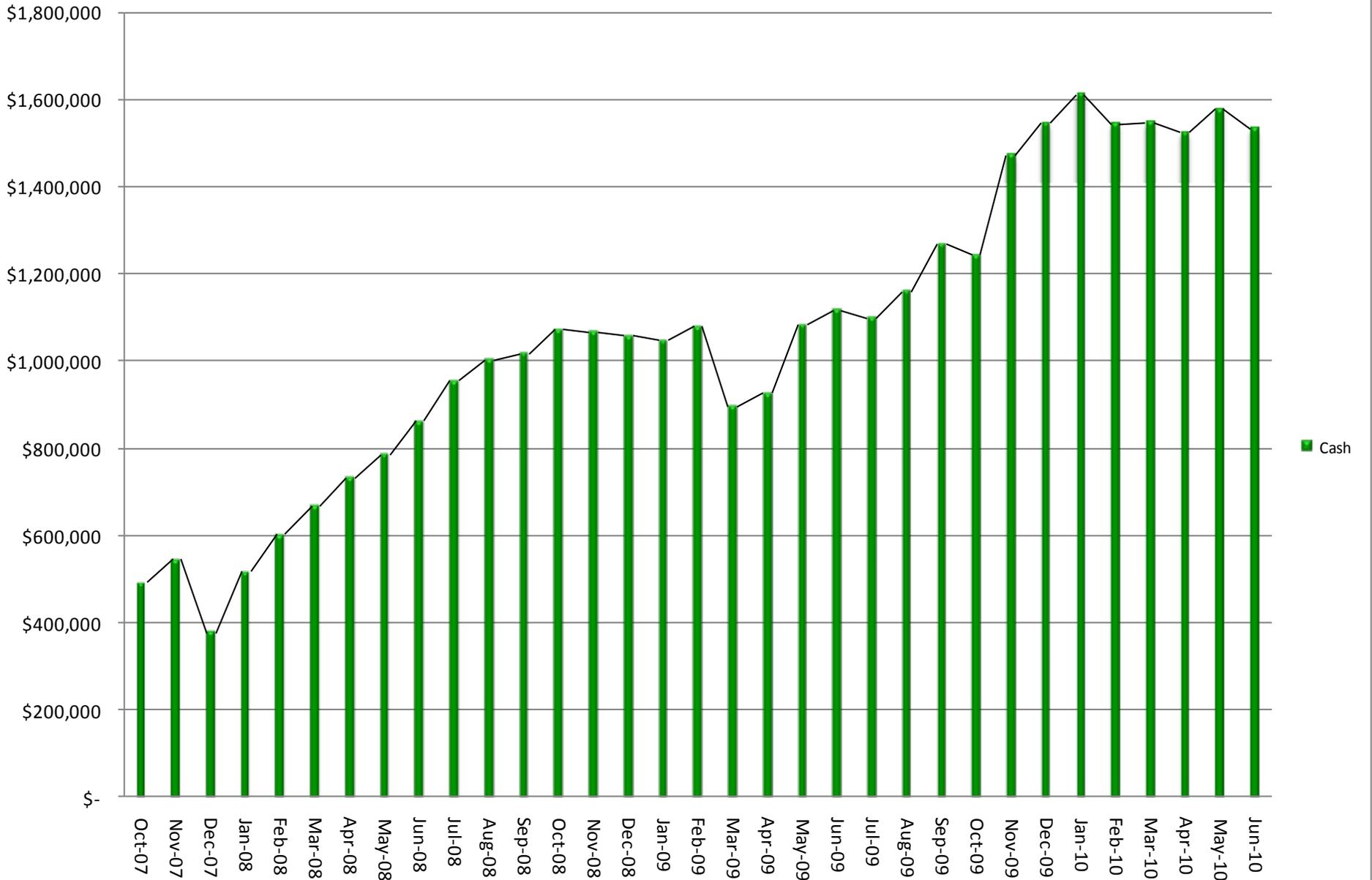
A recap of the major projects associated with the Stormwater Special Revenue Fund is presented below:

6th Street Drainage	\$ 50,098
Lake Lucerne	103,781
Tally Basin	29,743
Data Inventory	56,378
Whispering Pines	30,416
Enc Ditch Lines at Webster St	118,715
Enc Ditch Lines at Heritage Estates	1,887
Lake Street-Curbs, Gutters & Inlets	701
Enc Ditch Lines at Birchwood	23,028
Fountain Lake Trail Drainage	7,280
Tally Basin Model Update	<u>8,126</u>
Total	\$ 430,153

**Bottom Line:**

The Stormwater Fund is performing as expected and funding is available for current and future projects.

# Stormwater Fund Cash



**City of Leesburg Stormwater Fund  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Revenue</b>			
Intergovernmental	\$ 162,500	\$ 388,975	\$ 109,335
Charges for Services	1,535,000	1,535,000	1,162,095
Interest	<u>6,000</u>	<u>6,000</u>	<u>4,955</u>
Revenues From Outside Sources	1,703,500	1,929,975	1,276,385
Other Revenues			
Fund Balance Appropriated	<u>646,836</u>	<u>1,036,254</u>	<u>-</u>
Total Other Revenues	646,836	1,036,254	-
 Total Revenues	 <u>\$ 2,350,336</u>	 <u>\$ 2,966,229</u>	 <u>\$ 1,276,385</u>
 <b>Expenses</b>			
Salaries & Benefits	\$ 166,747	\$ 166,747	\$ 131,145
Operating Expenses	661,089	899,370	530,543
Capital Outlay	<u>1,522,500</u>	<u>1,844,475</u>	<u>303,641</u>
Total Operating Expenses	2,350,336	2,910,592	965,329
Other Expenditures			
Reserve for Future Use	<u>-</u>	<u>55,637</u>	<u>-</u>
Total Other Expenditures	-	55,637	-
 Total Expenditures	 <u>\$ 2,350,336</u>	 <u>\$ 2,966,229</u>	 <u>\$ 965,329</u>
 <b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 311,056</u></u>

## **Community Redevelopment Agencies**

**June 2010**

The City of Leesburg has three Community Redevelopment Agencies: Greater Leesburg, Carver Heights/Montclair and Highway 441/27 which were created to fund redevelopment within their designated boundaries. Rapid expenditure of available funds and issuance of long-term debt is generally desirable to maximize the time-value of the TIF increment.

### **Greater Leesburg CRA Fund**

#### **Overview**

The greater Leesburg CRA is comprised of two components, Main Street and Pine Street. All sources of revenue are split equally between the two.

#### **Main Street**

Revenue is \$282,041 and expenditures are 43,453 at the end of the reporting period. Mortgage payments totaling \$24,047 for the fiscal year are remitted for payment of the Christley property. The unrestricted cash balance is \$265,459.

#### **Pine Street**

Revenue is \$282,041 and expenditures are \$1,376 at the end of the reporting period. The Community Development Corporation (CDC) manages the Pine Street Component of the CRA. The unrestricted cash balance is \$307,536.

### **Carver Heights/Montclair CRA Fund**

Carver Heights has revenue of \$277,541. The CRA has debt service which approximates \$200,000 per year with the final payment due in fiscal year 2016. Operating expenditures of \$30,065, capital outlay of \$16,407, debt service of \$188,166 and transfers to the General Fund of \$41,178 total \$275,816. The fund has unrestricted cash on hand of \$184,817 and restricted cash on hand of \$1,312,426.

### **Highway 441/27 CRA Fund**

Highway 441/27 has revenue of \$1,048,001 and bond proceeds of \$14,605,000 which provide total sources of \$15,653,001. The bond proceeds are associated with the Tax Increment Revenue Bonds Series 2009 totaling \$14,605,000 for infrastructure improvements associated with the 441/27 intersection. Operating expenditures of \$12,149, capital outlay of \$917,613, debt service of \$2,284,868, and transfers of \$3,005,064 and \$135,946 to the electric and communications funds for the Perkins to Griffin project total \$6,355,640. The fund has unrestricted cash on hand of \$376,254 and restricted cash on hand of \$12,073,005.

**City of Leesburg Community Redevelopment Funds  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2010**

	<u>Greater Leesburg 2010 Actual</u>	<u>Carver Heights/ Montclair 2010 Actual</u>	<u>Highway 27/441 2010 Actual</u>
<b>Revenues</b>			
Lake County Redevelopment	\$ 310,184	\$ 151,573	\$ 511,857
Other Governmental Revenue	-	-	63,000
Miscellaneous Revenue	1,772	2,369	54,299
General Fund Ad Valorem	252,126	123,599	418,845
Loan Proceeds	-	-	14,605,000
Total Resources	<u>\$ 564,082</u>	<u>\$ 277,541</u>	<u>\$ 15,653,001</u>
<b>Expenditures</b>			
Operating Expenses	\$ 26,794	\$ 30,065	\$ 12,149
Capital Outlay	-	16,407	917,613
Debt Service	18,035	188,166	2,284,868
Transfer to General Fund	-	41,178	-
Transfer to Electric Fund	-	-	3,005,064
Transfer to Communications Fund	-	-	135,946
Total Expenditures	<u>\$ 44,829</u>	<u>\$ 275,816</u>	<u>\$ 6,355,640</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>			
	<u>\$ 519,253</u>	<u>\$ 1,725</u>	<u>\$ 9,297,361</u>
<b>Unrestricted Cash</b>			
	<u>\$ 572,994</u>	<u>\$ 184,817</u>	<u>\$ 376,254</u>
<b>Restricted Cash</b>			
	<u>\$ -</u>	<u>\$ 1,312,426</u>	<u>\$ 12,073,005</u>

**Capital Projects Fund****June 2010**

The Capital Projects fund tracks sources and uses of funds associated with projects that generally benefit the citizens of Leesburg as a whole. Bonds and grants account for the major source of cash used in this fund.

A recap of the major expenditures associated with the Capital Projects Fund is presented below:

Airport Improvements	
Runway 13/31 Extension	\$ 1,572,767
Security Improvements	14,689
Furniture Country Re-roof	89,818
Runway & Taxi Lights	39,550
Overlay 3/21	<u>711,243</u>
Total Airport	2,428,067
Public Works	
Refurbish Fuel Facility	61,127
Renovate Old Library	40,927
New Sidewalks	19
Thomas Avenue Sidewalks	18,343
Road Resurfacing	378,402
Road Rebuilds	36,940
Curb Rebuilds	<u>36,433</u>
Total Public Works	572,191
Transportation	628
Recreation	
Fountain Lake Trail	400,909
Lee/Wild Trail Phase 2 Design	73,603
Fountain Lake Trail-Phase 2	16,575
Repay Sleepy Hollow Lights	<u>703,504</u>
Total Recreation	1,194,591
Arbitrage– Series 2004	3,848
Total Expenditures	\$ 4,199,325

**City of Leesburg Capital Projects  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Revenue</b>			
Other Taxes & Franchise Fees	\$ 606,593	\$ 606,593	\$ 413,524
Intergovernmental	1,314,075	9,017,389	2,381,601
Charges for Services	-	58,044	28,911
Miscellaneous Revenues	-	2,104	12,474
Revenues From Outside Sources	<u>1,920,668</u>	<u>9,684,130</u>	<u>2,836,510</u>
Transfers			
General Fund	40,122	39,863	1,615
Recreation Impact Fee Fund	-	365,660	252,562
Gas Fund	-	300,000	89,818
Workers' Comp Fund	-	40,826	40,929
Discretionary Tax Fund	-	256,688	29,014
Bond Proceeds	300,000	2,039,551	-
Fund Balance Appropriated	-	164,048	-
Total Other Sources	<u>340,122</u>	<u>3,206,636</u>	<u>413,938</u>
Total Revenues	<u>\$ 2,260,790</u>	<u>\$ 12,890,766</u>	<u>\$ 3,250,448</u>
<b>Expenditures</b>			
Airport Maintenance	1,617,000	9,533,893	2,428,067
Public Works	643,790	2,017,180	572,820
Recreation	-	636,189	491,088
Operating Expenditures	<u>2,260,790</u>	<u>12,187,262</u>	<u>3,491,975</u>
Other Expenditures & Contributions			
Debt Service	-	-	750
Total Other	<u>-</u>	<u>-</u>	<u>750</u>
Total Expenditures	<u>\$ 2,260,790</u>	<u>\$ 12,187,262</u>	<u>\$ 3,492,725</u>
Transfers to Other Funds			
Electric Fund	-	703,504	703,504
Total Transfers	<u>\$ -</u>	<u>\$ 703,504</u>	<u>\$ 703,504</u>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (945,781)</u>

**Overview**

Special revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Due to the nature of these funds, revenue and expenditures are not designed to track evenly. Typically funds are accumulated over time and expended as resources become available.

**Police Forfeiture Fund**

Police Forfeiture Revenues are split between State and Federal Forfeitures each having their own rules and restrictions as to how the funds may be spent. Revenue at the end of the reporting period is \$15,757 and expenditures are \$83,098. Unrestricted cash of \$22,558 is encumbered by purchase orders totaling \$5,046 leaving \$17,512 available for future use.

**Police Education**

Police Education Revenue is set aside for the specific funding of criminal justice education programs and training courses which include basic recruit, officer and agency support personnel training. Revenue at the end of the reporting period is \$5,524 and expenditures are \$8,468. Unrestricted cash totals \$25,299 and is available for future use.

**Discretionary Sales Tax Fund (Also known as Local Option, LOOP)**

LOOP can be used for infrastructure, infrastructure improvements and capital vehicle purchases having an estimated useful life in excess of 5 years and toward debt service used to fund capital projects. Revenue at the end of the reporting period is \$1,149,169 and expenditures are \$972,267. Unrestricted cash totals \$268,021 and is available for future use.

**Police Impact Fee Fund**

Police Impact Fees can be spent on capital improvements related to growth which also includes the equipping of officers due to growth related expansion. Revenue at the end of the reporting period is \$3,865 and expenditures are \$283. Unrestricted cash totals \$147,411 and is available for future use.

**Fire Impact Fee Fund**

Fire Impact Fees can be spent on infrastructure improvements related to growth which also includes the equipping of fire personnel due to growth related expansion. Revenue is \$5,070 and expenditures are \$252. The deficiency in unrestricted cash is \$74,351 and is covered by General Fund excess Reserves.

**Recreation Impact Fee Fund**

Recreation Impact Fees can be spent on infrastructure improvements related to growth which also includes the development and equipping of new recreational areas due to growth related expansion. Revenue is \$4,490 and expenditures are \$252,822. Unrestricted cash totals \$209,754 and is available for future use. Analysis of the Fountain Lake Trail project with representations from Public Works, Recreation and the City's Project Manager indicates that the project is complete and there are approximately \$9,000 in invoices yet to be paid. With the best information that we currently have on hand, approximately \$200,000 is available for future use.

**City of Leesburg Special Revenue Funds**  
**Statement of Revenues and Expenditures**  
**For the Nine Months Ended June 30, 2010**

	<b>Police Forfeiture</b>	<b>Police Education</b>	<b>Discretionary Sales Tax</b>	<b>Police Impact Fees</b>	<b>Fire Impact Fees</b>	<b>Recreation Impact Fees</b>
<b>Revenues</b>						
Sale of Forfeited Property	\$ 15,621	\$ -	\$ -	\$ -	\$ -	\$ -
Local Option Sales Tax	-	-	1,148,467	-	-	-
Judgements & Fines Police Educ.	-	5,440	-	-	-	-
Interest Earnings	136	84	702	467	(238)	901
Impact Fees	-	-	-	3,398	5,308	3,589
<b>Total Resources</b>	<b>\$ 15,757</b>	<b>\$ 5,524</b>	<b>\$ 1,149,169</b>	<b>\$ 3,865</b>	<b>\$ 5,070</b>	<b>\$ 4,490</b>
<b>Expenditures</b>						
Operating Expenditures	\$ 83,098	\$ 8,468	\$ 40	\$ 23	\$ (8)	\$ 60
Transfer to Debt Service Fund	-	-	839,734	-	-	-
Transfer to Capital Projects Fund	-	-	29,014	-	-	252,562
Transfer to Community Development	-	-	-	260	260	200
Transfer to General Fund	-	-	103,479	-	-	-
<b>Total Expenditures</b>	<b>\$ 83,098</b>	<b>\$ 8,468</b>	<b>\$ 972,267</b>	<b>\$ 283</b>	<b>\$ 252</b>	<b>\$ 252,822</b>
<b>Excess (Deficiency) of Revenues</b>						
<b>Over (Under) Expenditures</b>	<b>\$ (67,341)</b>	<b>\$ (2,944)</b>	<b>\$ 176,902</b>	<b>\$ 3,582</b>	<b>\$ 4,818</b>	<b>\$ (248,332)</b>
<b>Unrestricted Cash</b>	<b>\$ 22,558</b>	<b>\$ 25,299</b>	<b>\$ 268,021</b>	<b>\$ 147,411</b>	<b>\$ (74,351)</b>	<b>\$ 209,754</b>

**Overview**

The revised budget of \$86,085,856 is \$15,706,118 greater than original budget of \$70,379,738 due to budget adjustments related to carry forwards of \$5,264,500, also known as rollovers, fund balance of \$113,564 to rewind an airport transformer, \$703,504 general fund loan payoff for Sleepy Hollow lights, fund balance of \$40,000 for review of appraisal and separation study regarding Fruitland Park assets, fund balance of \$11,288 for the allocation of the Public Outreach Coordinator, fund balance of \$40,000 for cyber security assessment and plan development for the Smart Grid project, Highway 441/27 CRA bond funds of \$9,523,289 for the Perkins to Griffin Project, and fund balance of \$9,973 for RW Beck Study. As of June, 75% of the year has passed. Operating revenues of \$49,415,479 represent 72.3% of budget of \$68,368,510. Operating expenses and encumbrances totaling \$42,440,196 represent 72.4% of budget of \$58,597,937. Included in this report is depreciation expense of \$1,835,268 which has the effect of reducing net income and increasing cash. Year to date net income is \$2,213,953.

**Surplus (Net Loss)**

Total revenues of \$53,624,323 exceed expenses of \$51,410,370 resulting in a surplus of \$2,213,953. Included in the surplus is a one time transfer from the Capital Projects Fund of \$703,504 for the repayment of lights installed at Sleepy Hollow. In addition, the utility has been refunded labor costs of \$461,370 for work associated with the Highway 27/441 project. The surplus excluding these would be \$1,049,079. This report also includes the recognition of over/under recovered power costs. The inclusion of these costs more accurately matches the City's electric revenues that will be refunded/recovered over future billings. The City adjusts for the change in fuel costs which is affected through the Bulk Power Fuel Cost Adjustment calculation (BPCA). The adjustment affects billings 60 days after those costs are actually incurred. The BPCA adjustment reflects the changes in the price of purchased power attributable to the changes in the prices of commodities such as coal, oil, natural gas and nuclear energy. The BPCA rate is currently \$38.00 which is \$27.25 less than its all time high of \$65.25 in September of 2008.

**Electric Utility (Continued)**

**Cash Reserve Calculation**

	<b>2010</b>	<b>FYE 2009</b>
*Budgeted Operating Revenue	\$ 68,368,510	\$ 74,888,133
Less:		
Budgeted Cost of Purchase Power		
Generation	2,975,818	3,863,939
St Lucie	880,000	881,108
Purchase Power	<u>42,736,177</u>	<u>50,049,495</u>
Total Purchase Power	46,591,995	54,794,542
Add:		
General Fund Transfers	4,578,000	4,578,315
Surcharge Revenues	<u>1,088,000</u>	<u>1,088,352</u>
Total Transfers & Surcharges	5,666,000	5,666,667
Minimum Revenue Required	27,442,515	25,760,258
Number of days in the year	<u>÷ 365</u>	<u>÷ 365</u>
Average daily cash	75,184.97	70,576.04
Number of days required	<u>× 120</u>	<u>× 120</u>
Minimum cash balance	9,022,196	8,469,125
Cash on hand	<u>15,950,818</u>	<u>11,505,791</u>
Excess	<u>\$ 6,928,622</u>	<u>\$ 3,036,666</u>

\*Operating revenue does not include income from grants, interest, other non-operating revenues, transfers in from other sources or funds, capital contributions or debt proceeds.

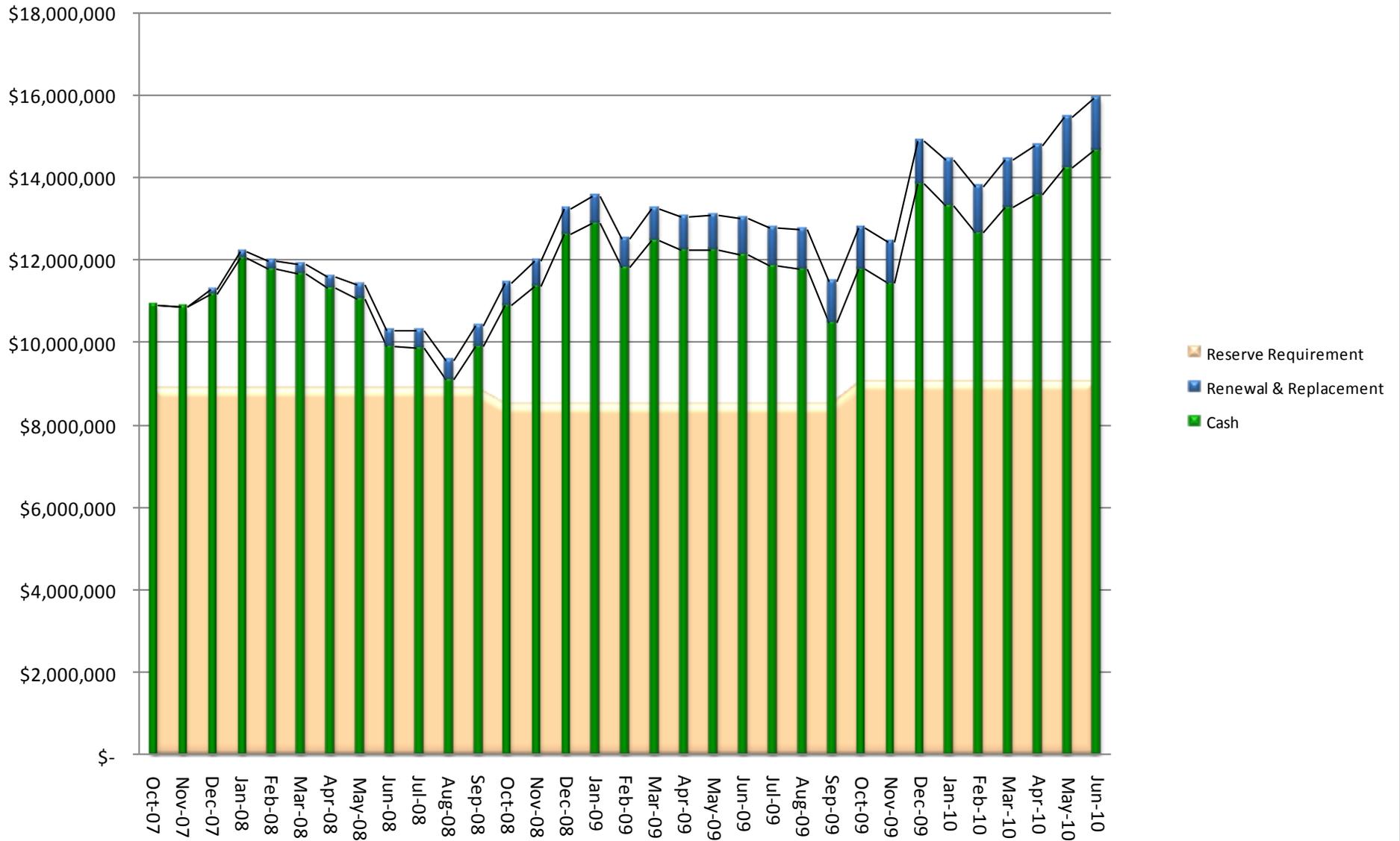
**Reconciliation of Budget Changes**

Original Budget	\$ 70,379,738
Carry Forwards	5,264,500
Rewind Airport Transformer	113,564
Sleepy Hollow Lights Loan Payoff	703,504
Appraisal & Separation Study Review	40,000
Public Outreach Coordinator Allocation	11,288
Cyber Security Assessment	40,000
Hwy 441/27 CRA-Perkins to Griffin	9,523,289
RW Beck Study	<u>9,973</u>
Revised Budget	\$ 86,085,856

**Bottom Line:**

The surplus at the end of the reporting period is \$2,213,953. Included in the surplus is a one time transfer from the Capital Projects Fund of \$703,504 for the repayment of lights installed at Sleepy Hollow. In addition, the utility has been refunded labor costs of \$461,370 for work associated with the Highway 27/441 project. The unaudited cash balance of \$15,950,818 shows strong improvement over last year's ending balance of \$11,505,791. The BPCA rate is currently \$38.00 which is \$27.25 less than its all time high of \$65.25 in September of 2008.

# Electric Fund Cash and Reserve Requirement



**City of Leesburg Electric Systems  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 67,253,374	\$ 67,253,374	\$ 47,791,856
Other Operating Revenue	<u>1,115,136</u>	<u>1,115,136</u>	<u>1,623,623</u>
Total Operating Revenues	68,368,510	68,368,510	49,415,479
<b>Expenses</b>			
Generation	2,975,818	2,975,818	2,337,831
St. Lucie	880,000	880,000	679,251
Purchased Power	42,736,177	42,736,177	31,825,983
Administration	3,194,922	3,328,939	2,280,214
Distribution	4,416,365	4,563,300	2,029,054
Unemployment Compensation	-	-	1,522
Uncollectable Accounts	100,000	100,000	151,939
Customer Accounts	1,467,202	1,467,202	1,041,258
Meter Reading	150,535	150,535	99,829
Depreciation	<u>2,395,966</u>	<u>2,395,966</u>	<u>1,835,268</u>
Total Operating Expenses	58,316,985	58,597,937	42,282,149
<b>Net Income From Operations</b>	10,051,525	9,770,573	7,133,330
<b>Non-Operating Revenue (Expense)</b>			
Interest Income	617,428	617,428	257,733
Other Non-Operating Income	192,600	192,600	195,923
Debt Service	(2,665,884)	(2,665,884)	(1,513,932)
Customer Deposit Interest	(45,000)	(45,000)	(6,094)
Decommission Trust CR #3	(326,379)	(326,379)	(244,784)
Other Non-Operating Expense	<u>(86,370)</u>	<u>(86,370)</u>	<u>(28,104)</u>
Total Non-Operating Revenue (Expense)	(2,313,605)	(2,313,605)	(1,339,258)
<b>Income Before Operating Transfers</b>	7,737,920	7,456,968	5,794,072
<b>Interfund Transfers</b>			
Transfers from Other Funds			
Hwy 441/27 CRA Fund	-	9,523,289	3,005,064
Capital Projects Fund	-	703,504	703,504
Transfers to Other Funds			
General Fund	(4,578,000)	(4,578,000)	(3,433,500)
Surcharges to General Fund	<u>(1,088,000)</u>	<u>(1,088,000)</u>	<u>(845,094)</u>
Total Transfers	(5,666,000)	4,560,793	(570,026)
<b>Net Income After Transfers</b>	2,071,920	12,017,761	5,224,046
<b>Other Sources</b>			
Capital Contributions	901,200	901,200	46,620
Appropriated Retained Earnings	300,000	300,000	-
Debt Proceeds	-	5,156,974	-
Fund Balance-Rollovers	-	322,351	-
Capital Projects	<u>(2,642,754)</u>	<u>(17,607,458)</u>	<u>(3,056,713)</u>
Net Other Sources	(1,441,554)	(10,926,933)	(3,010,093)
<b>Contribution to Fund Balance</b>	\$ <u>630,366</u>	\$ <u>1,090,828</u>	\$ <u>2,213,953</u>

**Overview**

The revised budget of \$11,201,476 is \$2,680,491 greater than original budget of \$8,520,985 due to budget adjustments related to carry forwards of \$2,369,203, also known as rollovers, fund balance of \$11,288 for the allocation of the Public Outreach Coordinator, and fund balance of \$300,000 for the roof replacement at Family Furniture. As of June, 75% of the year has passed. Operating revenue of \$7,985,237 represents 99.6% of budget of \$8,021,319. Operating expenses and encumbrances totaling \$5,301,086 represent 79.9% of budget of \$6,638,093. Included in this report is depreciation expense of \$253,541 which has the effect of reducing net income and increasing cash. Year to date net income is \$1,901,939.

**Surplus (Net Loss)**

Total revenues of \$8,053,158 exceed total expenses of \$6,151,219 resulting in net income of \$1,901,939. Income is up significantly over the previous fiscal year due to a colder than average winter.

**Cash Reserve Calculation**

	<b>2010</b>	<b>FYE 2009</b>
*Budgeted Operating Revenue	\$ 8,021,319	\$10,341,871
Less:		
Budgeted Cost of Purchased Gas	<u>3,789,243</u>	<u>5,808,010</u>
Net Revenue	4,232,076	4,533,861
Add:		
General Fund Transfers	567,645	745,308
Surcharge Revenues	<u>194,399</u>	<u>111,903</u>
Total Transfers & Surcharges	762,044	857,211
Minimum Revenue Required	4,994,120	5,391,072
Number of days in the year	<u>÷ 365</u>	<u>÷ 365</u>
Average daily cash	13,682.52	14,770.06
Number of days required	<u>× 90</u>	<u>× 90</u>
Minimum cash balance	1,231,427	1,329,305
Cash on hand	<u>6,222,002</u>	<u>3,697,410</u>
Excess	<u>\$ 4,990,575</u>	<u>\$ 2,368,105</u>

\*Operating revenue does not include income from grants, interest, other non-operating revenues, transfers in from other sources or funds, capital contributions or debt proceeds.

**Reconciliation of Budget Changes**

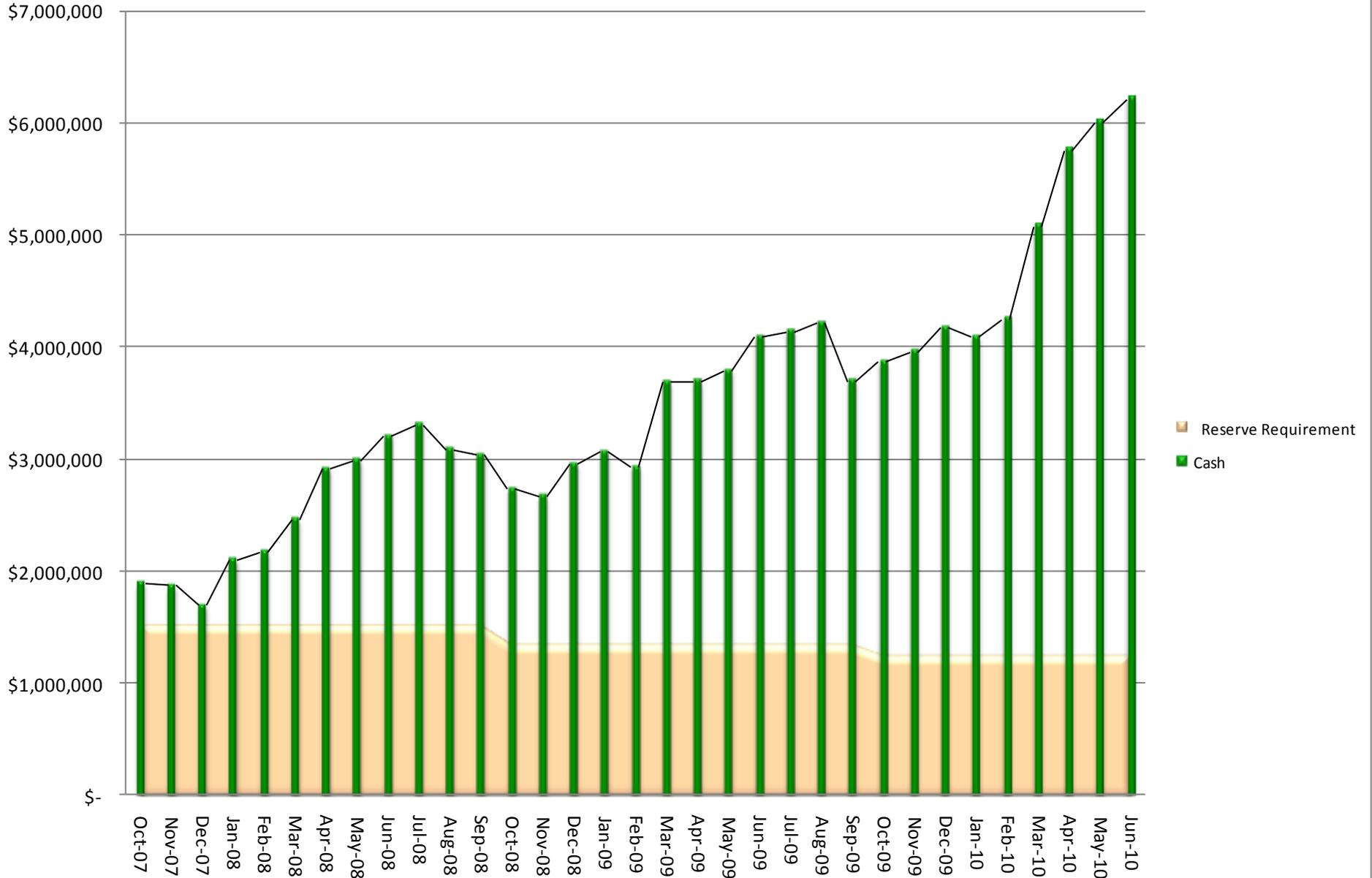
Original Budget	\$ 8,520,985
Carry Forwards	2,369,203
Public Outreach Coordinator Allocation	11,288
Furniture Country Roof Replacement	<u>300,000</u>
Revised Budget	\$ 11,201,476

**Bottom Line:**

Net income at the end of the reporting period is \$1,901,939. The unaudited cash balance of \$6,222,002 compares favorably to last year's ending balance of \$3,697,410. At the end of the previous fiscal year, funds totaling \$500,000 were loaned to the Solid Waste utility to bring the utility into compliance with the Cash Reserve policy. As of June 30, 2010, repayments total \$452,802 leaving a remaining balance due of \$47,198. \$89,818 of the \$300,000 approved for roof replacement has been transferred to the Capital Projects fund.

# Gas Fund

## Cash and Reserve Requirement



**City of Leesburg Gas Systems**  
**Statement of Revenues and Expenditures**  
**For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 7,896,319	\$ 7,896,319	\$ 7,857,810
Other Operating Revenue	125,000	125,000	127,427
Total Operating Revenues	<u>8,021,319</u>	<u>8,021,319</u>	<u>7,985,237</u>
<b>Expenses</b>			
Purchased Gas	3,789,243	3,789,243	3,241,397
Administration	1,094,194	1,130,482	751,246
Distribution	926,441	938,676	653,209
Uncollectable Accounts	20,000	20,000	14,744
Customer Accounts	302,955	302,955	331,847
Meter Reading	78,153	78,153	51,829
Depreciation	378,584	378,584	253,541
Total Operating Expenses	<u>6,589,570</u>	<u>6,638,093</u>	<u>5,297,813</u>
Net Income From Operations	1,431,749	1,383,226	2,687,424
<b>Non-Operating Revenue (Expense)</b>			
Interest Income	35,000	35,000	41,893
Other Non-Operating Income	25,000	25,000	4,302
Debt Service	(416,717)	(416,717)	(224,115)
Customer Deposit Interest	(1,500)	(1,500)	(390)
Other Non-Operating Expense	-	-	-
Total Non-Operating Revenue (Expense)	<u>(358,217)</u>	<u>(358,217)</u>	<u>(178,310)</u>
Income Before Operating Transfers	1,073,532	1,025,009	2,509,114
<b>Interfund Transfers</b>			
Transfers from Other Funds			
Wastewater Fund	100,000	100,000	-
Transfers to Other Funds			
General Fund	(567,645)	(567,645)	(425,734)
Surcharges to General Fund	(194,399)	(194,399)	(112,320)
Capital Projects Fund	-	(300,000)	(89,818)
Total Transfers	<u>(662,044)</u>	<u>(962,044)</u>	<u>(627,872)</u>
Net Income After Transfers	411,488	62,965	1,881,242
<b>Other Sources</b>			
Capital Contributions	339,666	490,715	21,726
Appropriated Retained Earnings	-	354,442	-
Debt Proceeds	-	2,175,000	-
Capital Projects	(533,105)	(2,868,283)	(1,029)
Net Other Sources	<u>(193,439)</u>	<u>151,874</u>	<u>20,697</u>
Contribution to Fund Balance	<u>\$ 218,049</u>	<u>\$ 214,839</u>	<u>\$ 1,901,939</u>

**Overview**

The revised budget of \$16,827,932 is \$7,267,849 greater than the original budget of \$9,560,083 due to budget adjustments related to carry forwards of \$7,043,186, also known as rollovers, renewal and replacement funds of \$5,275 for an impeller at Plantation, renewal and replacement funds of \$74,900 for engineering services relating to the Perkins to Griffin project, fund balance of \$11,288 for the allocation of the Public Outreach Coordinator, and fund balance of \$133,200 for the Coquina Coast project. As of June, 75% of the year has passed. Operating revenue of \$4,830,445 represents 65.4% of budget of \$7,389,123. Operating expenses and encumbrances totaling \$4,188,310 represent 70.2% of budget of \$5,966,199. Included in this report is depreciation expense of \$1,043,267 which has the effect of reducing net income and increasing cash. The year to date net loss is (\$709,284).

**Surplus (Net Loss)**

Total expenses of \$5,707,727 exceed total revenues of \$4,998,443 resulting in a net loss of (\$709,284). Water consumption is down 12% and year to date operating revenues are down \$509,555 over the same time period last year which are related to a wetter than normal winter season. In addition, year to date depreciation expense has increased by \$325,319. Total operating expenses are \$149,829 less than the previous fiscal year at this time. In addition, depreciation expense has increased by \$325,319. If depreciation expense had not increased the total reduction in operating expenses would have been \$475,148 which reflects the efforts of the Water Utility in reducing ongoing operational costs.

**Cash Reserve Calculation**

	<b>2010</b>	<b>FYE 2009</b>
*Budgeted Operating Revenue	\$ 7,389,123	\$7,063,851
Reserve Percentage	<u>25%</u>	<u>25%</u>
Required Reserve	1,847,281	1,765,963
Cash on hand	<u>3,423,267</u>	<u>4,775,700</u>
Excess	<u>\$ 1,575,986</u>	<u>\$3,009,737</u>

\*Operating revenue does not include income from grants, interest, other non-operating revenues, transfers in from other sources or funds, capital contributions or debt proceeds.

**Reconciliation of Budget Changes**

Original Budget	\$ 9,560,083
Carry Forwards	7,043,186
R&R-Impeller at Plantation	5,275
R&R-Perkins to Griffin Engineering	74,900
Public Outreach Coordinator Allocation	11,288
Coquina Coast Project	<u>133,200</u>
Revised Budget	\$ 16,827,932

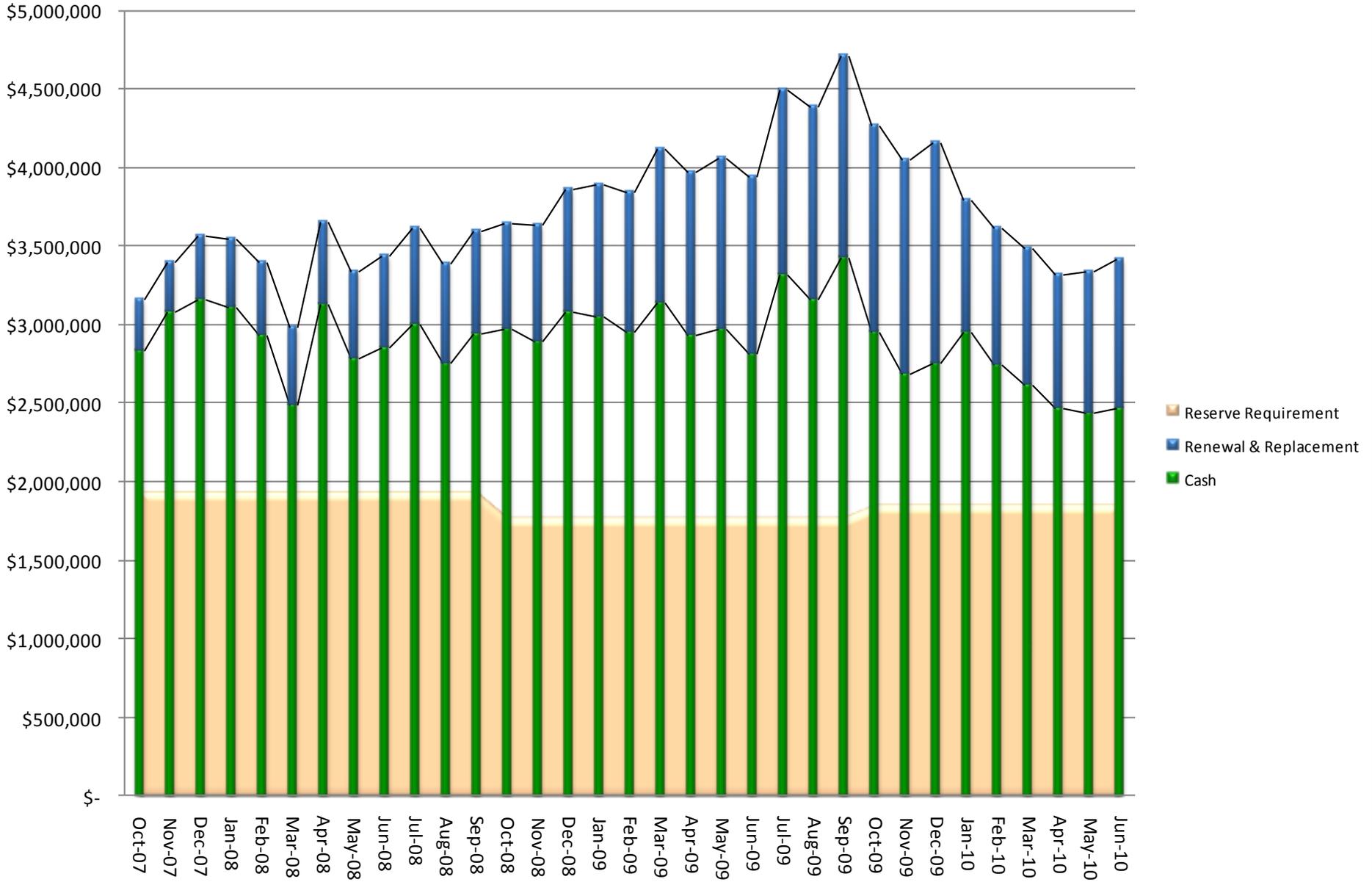
## **Water Utility (Continued)**

### **Bottom Line:**

The year to date net loss is (\$709,284). The net loss is primarily related to a wetter than normal winter season, with a decrease in operating revenues of \$509,555 through June compared to the same time period last year. The fund has also been hit with an increase in depreciation of \$325,319 over last year, due to a large number of assets placed in service at the end of the previous fiscal year. The unaudited cash balance of \$3,423,267 has decreased by \$1,352,433, or 28.3%, compared to last year's ending cash balance of \$4,775,700. The decrease is primarily attributable to accounts and accrued wages payable totaling \$453,174 which was paid out in October and a payment of \$1,148,541 to DOT for the Highway 441/ 27 CRA; \$623,584 of which was funded from renewal and replacement cash. Total renewal and replacement payments to date for the project are \$704,900.

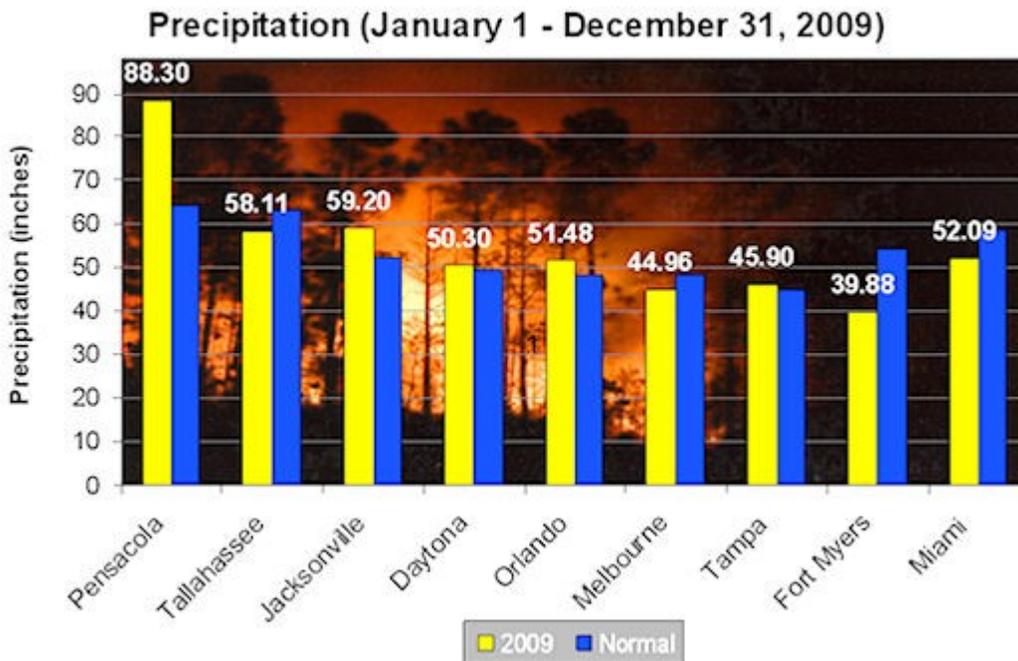
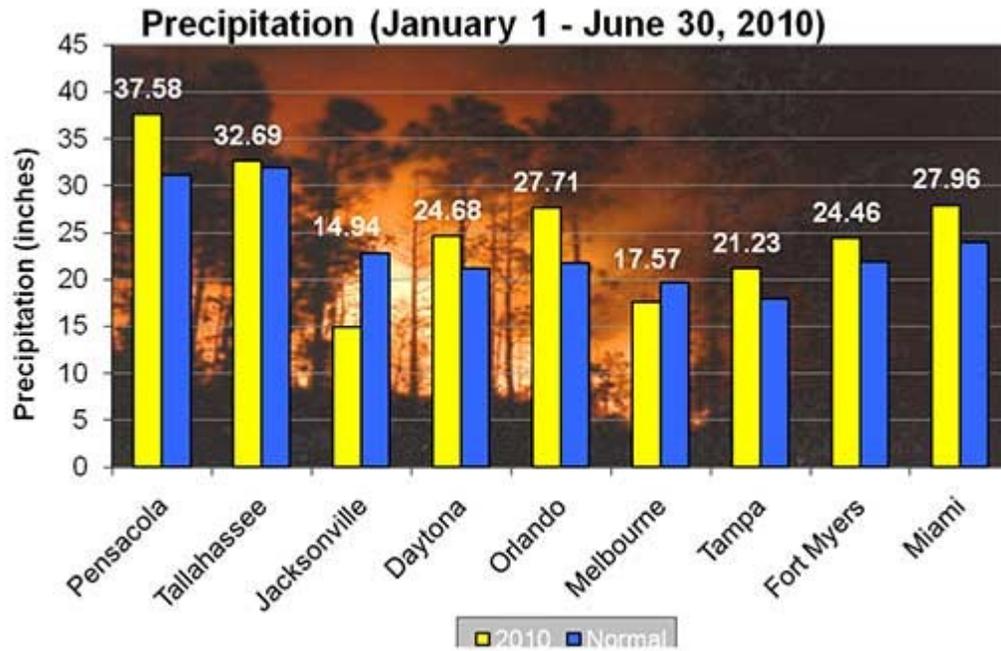
# Water Fund

## Cash and Reserve Requirement



# Year-to-Date Rainfall

Updated July 2, 2010



Updated the first week of each month.

Source: [http://www.fl-dof.com/fire\\_weather/forecast/ytd\\_rainfall.html](http://www.fl-dof.com/fire_weather/forecast/ytd_rainfall.html)

**City of Leesburg Water Utility  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 7,247,921	\$ 7,247,921	\$ 4,704,331
Other Operating Revenue	<u>141,202</u>	<u>141,202</u>	<u>126,114</u>
Total Operating Revenues	7,389,123	7,389,123	4,830,445
<b>Expenses</b>			
Administration	1,091,965	1,140,582	523,027
Treatment	1,524,808	1,561,175	1,004,692
Reuse	160,120	160,120	82,177
Distribution	1,355,641	1,360,641	1,001,522
Unemployment Compensation	-	-	267
Uncollectable Accounts	20,000	20,000	14,826
Customer Accounts	497,602	497,602	336,449
Meter Reading	132,879	132,879	88,121
Depreciation	<u>960,000</u>	<u>960,000</u>	<u>1,043,267</u>
Total Operating Expenses	5,743,015	5,832,999	4,094,348
<b>Net Income From Operations</b>	1,646,108	1,556,124	736,097
<b>Non-Operating Revenue (Expense)</b>			
Grants	-	-	(43,718)
Impact Fees	-	-	71,786
Interest Income	118,000	118,000	95,273
Other Non-Operating Income	47,760	47,760	2,406
Debt Service	(1,596,837)	(1,596,837)	(914,825)
Customer Deposit Interest	<u>(1,500)</u>	<u>(1,500)</u>	<u>(604)</u>
Total Non-Operating Revenue (Expense)	(1,432,577)	(1,432,577)	(789,682)
<b>Income Before Operating Transfers</b>	213,531	123,547	(53,585)
<b>Interfund Transfers</b>			
Transfers from Other Funds			
Wastewater Fund	500,000	500,000	-
Transfers to Other Funds			
General Fund	(547,688)	(547,688)	(410,766)
Building Fund	-	-	(660)
Surcharges to General Fund	<u>(322,177)</u>	<u>(322,177)</u>	<u>(269,630)</u>
Total Transfers	(369,865)	(369,865)	(681,056)
<b>Net Income After Transfers</b>	(156,334)	(246,318)	(734,641)
<b>Other Sources (Uses)</b>			
Capital Contributions	100,000	100,000	42,251
Appropriated Renewal & Replacement	835,200	915,375	-
Appropriated Retained Earnings	570,000	1,124,474	-
Debt Proceeds	-	6,500,000	-
Capital Projects	<u>(1,332,000)</u>	<u>(8,376,665)</u>	<u>(16,894)</u>
Net Other Sources	173,200	263,184	25,357
<b>Contribution to Fund Balance</b>	<u>\$ 16,866</u>	<u>\$ 16,866</u>	<u>\$ (709,284)</u>

**Overview**

The revised budget of \$12,018,963 is \$2,050,090 greater than the original budget of \$9,968,873 due to budget adjustments related to carry forwards of \$1,036,060, impact fees of \$902,487 for the Headworks Pump Station project, use of impact fees totaling \$100,255 for engineering costs associated with the Headworks project, and fund balance of \$11,288 for the allocation of the Public Outreach Coordinator. As of June, 75% of the year has passed. Operating revenue of \$6,837,859 represents 71.8% of budget of \$9,527,400. Operating expenses and encumbrances totaling \$5,520,618 represent 76% of budget of \$7,263,337. Included in this report is depreciation expense of \$1,073,714 which has the effect of reducing net income and increasing cash. Year to date net income is \$583,111.

**Surplus (Net Loss)**

Total revenues of \$7,242,386 exceed total expenses of \$6,659,275 resulting in net income of \$583,111. It is important to note, that the Wastewater Utility has had significant improvement to its financial health since fiscal year 2007. However, the surplus has been sufficient to cover the required reserve and renewal and replacement requirements only. Accumulation of surplus cash has yet to occur but is expected.

**Cash Reserve Calculation**

	<b>2010</b>	<b>FYE 2009</b>
*Budgeted Operating Revenue	\$ 9,527,400	\$ 9,866,096
Reserve Percentage	<u>25%</u>	<u>25%</u>
Required Reserve	2,381,850	2,466,524
Cash on hand	<u>4,286,817</u>	<u>3,557,518</u>
Excess	<u>\$ 1,904,967</u>	<u>\$ 1,090,994</u>

\*Operating revenue does not include income from grants, interest, other non-operating revenues, transfers in from other sources or funds, capital contributions or debt proceeds.

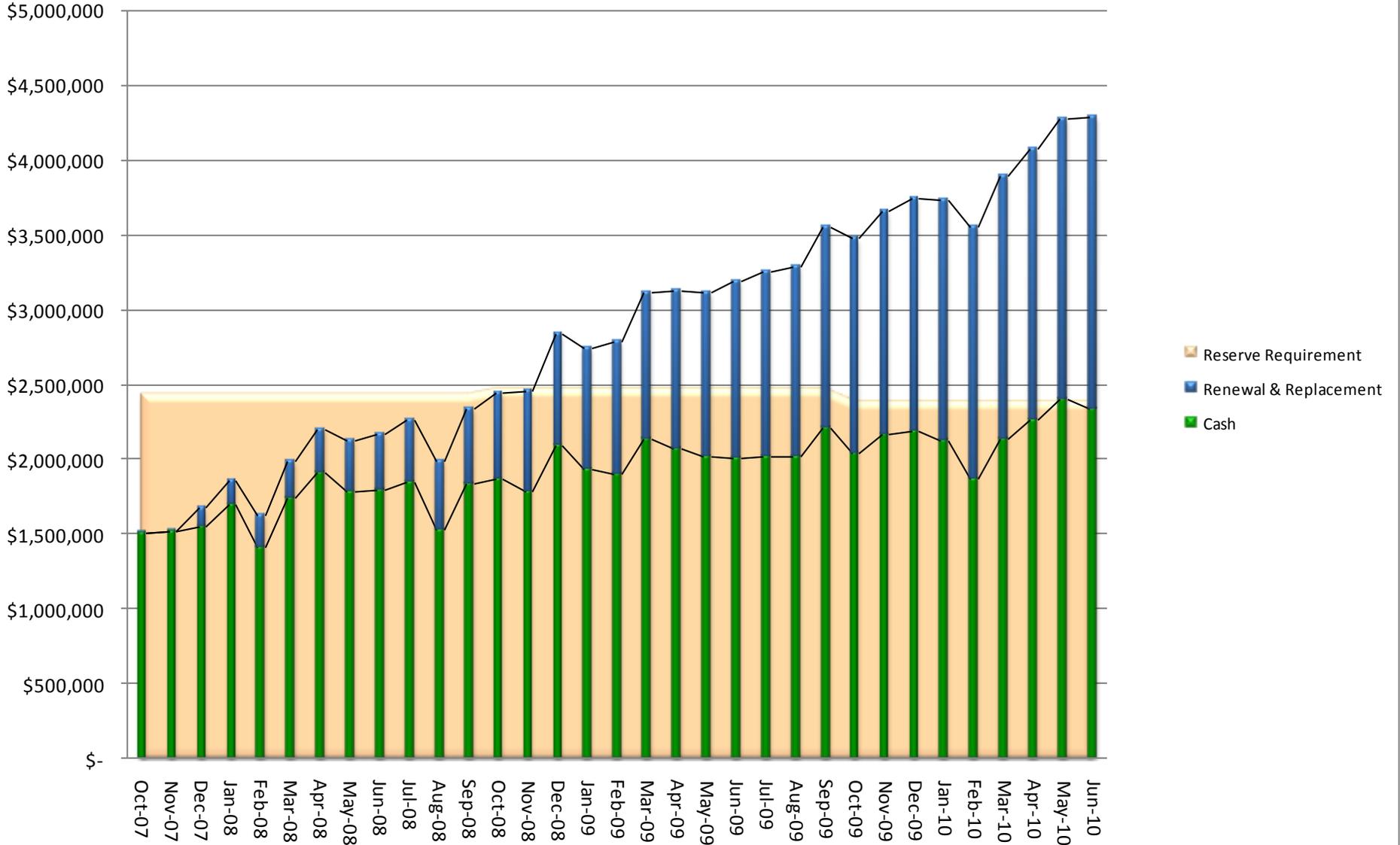
**Reconciliation of Budget Changes**

Original Budget	\$ 9,968,873
Carry Forwards	1,036,060
Headworks Pump Station	902,487
Headworks Engineering Costs	100,255
Public Outreach Coordinator Allocation	<u>11,288</u>
Revised Budget	\$ 12,018,963

**Bottom Line:**

Net income for the end of the reporting period is \$583,111. The unaudited cash balance of \$4,286,817 continues to improve.

# Wastewater Fund Cash and Reserve Requirement



**City of Leesburg Wastewater Utility  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 9,343,960	\$ 9,343,960	\$ 6,729,540
Other Operating Revenue	183,440	183,440	108,319
Total Operating Revenues	<u>9,527,400</u>	<u>9,527,400</u>	<u>6,837,859</u>
<b>Expenses</b>			
Administration	760,668	789,830	525,766
Canal Street-Treatment	1,163,609	1,163,609	887,312
Turnpike-Treatment	694,271	694,271	512,860
Laboratory	196,842	203,842	131,114
Sprayfield	236,171	236,171	161,647
Collections	986,087	986,087	698,790
Lift Stations	1,104,852	1,104,852	792,981
Unemployment Compensation	-	-	1,287
Uncollectable Accounts	20,000	20,000	27,481
Customer Accounts	641,912	641,912	479,088
Meter Reading	126,763	126,763	84,065
Depreciation	1,296,000	1,296,000	1,073,714
Total Operating Expenses	<u>7,227,175</u>	<u>7,263,337</u>	<u>5,376,105</u>
<b>Net Income From Operations</b>	2,300,225	2,264,063	1,461,754
<b>Non-Operating Revenue (Expense)</b>			
Grants	-	-	500
Impact Fees	-	-	285,270
Interest Income	35,000	35,000	114,068
Other Non-Operating Income	-	-	4,689
Debt Service	(1,963,705)	(1,963,705)	(771,639)
Customer Deposit Interest	-	-	(18)
Total Non-Operating Revenue (Expense)	<u>(1,928,705)</u>	<u>(1,928,705)</u>	<u>(367,130)</u>
<b>Income Before Operating Transfers</b>	371,520	335,358	1,094,624
<b>Transfers to Other Funds</b>			
General Fund	662,070	662,070	496,553
Building Fund	-	-	660
Total Transfers	<u>662,070</u>	<u>662,070</u>	<u>497,213</u>
<b>Net Income After Transfers</b>	(290,550)	(326,712)	597,411
<b>Other Sources (Uses)</b>			
Renewal & Replacement	171,400	200,000	-
Appropriated Retained Earnings	235,073	1,266,977	-
Debt Proceeds	-	989,586	-
Capital Projects	(31,000)	(2,051,928)	(14,300)
Net Other Sources	<u>375,473</u>	<u>404,635</u>	<u>(14,300)</u>
<b>Contribution to Fund Balance</b>	<u>\$ 84,923</u>	<u>\$ 77,923</u>	<u>\$ 583,111</u>

**Combined Cash Reserve-Utility System****June 2010**

Because of the structuring of previous bond issues, Wall Street looks at the combined Utility to determine compliance with the cash reserve policy. In order to accurately determine liquidity, the Utility System needs to be reviewed both individually and combined. Individually and on a combined basis the Utility System meets the required cash reserve.

**Excess (Deficiency) of Combined Utility Cash Reserves**

	<b>2010</b>	<b>FYE 2009</b>
Gas	\$ 4,990,575	\$2,368,105
Water	1,575,986	3,009,737
Wastewater	<u>1,904,967</u>	<u>1,090,994</u>
Combined Excess (Deficiency)	\$ 8,471,528	\$6,468,836

**Bottom Line:**

The combined utility cash reserve excess of \$8,471,528 remains strong and includes the impact of the Highway 27/441 water utility relocation project which currently totals \$704,900.

**Overview**

The revised budget of \$1,793,636 is \$485,766 greater than original budget of \$1,307,870 due to carry forwards of \$45,000, also known as rollovers, transfers from 441/27 CRA for the Perkins to Griffin project in the amount of \$243,791, fund balance of \$50,000 for pole relocation, and developer contributed capital of \$146,975 for the Lake County School Board fiber connection. As of June, 75% of the year has passed. Operating revenues totaling \$917,070 represent 76.4% of budget of \$1,200,870. Operating expenses and encumbrances totaling \$800,389 represent 76% of budget of \$1,052,883. Included in this report is depreciation expense of \$227,206 which has the effect of reducing net income and increasing cash. Net income at the end of the reporting period is \$89,379.

**Surplus (Net Loss)**

Total revenues of \$1,061,162 exceed expenses of \$971,783 by \$89,379.

**Cash Reserve Calculation**

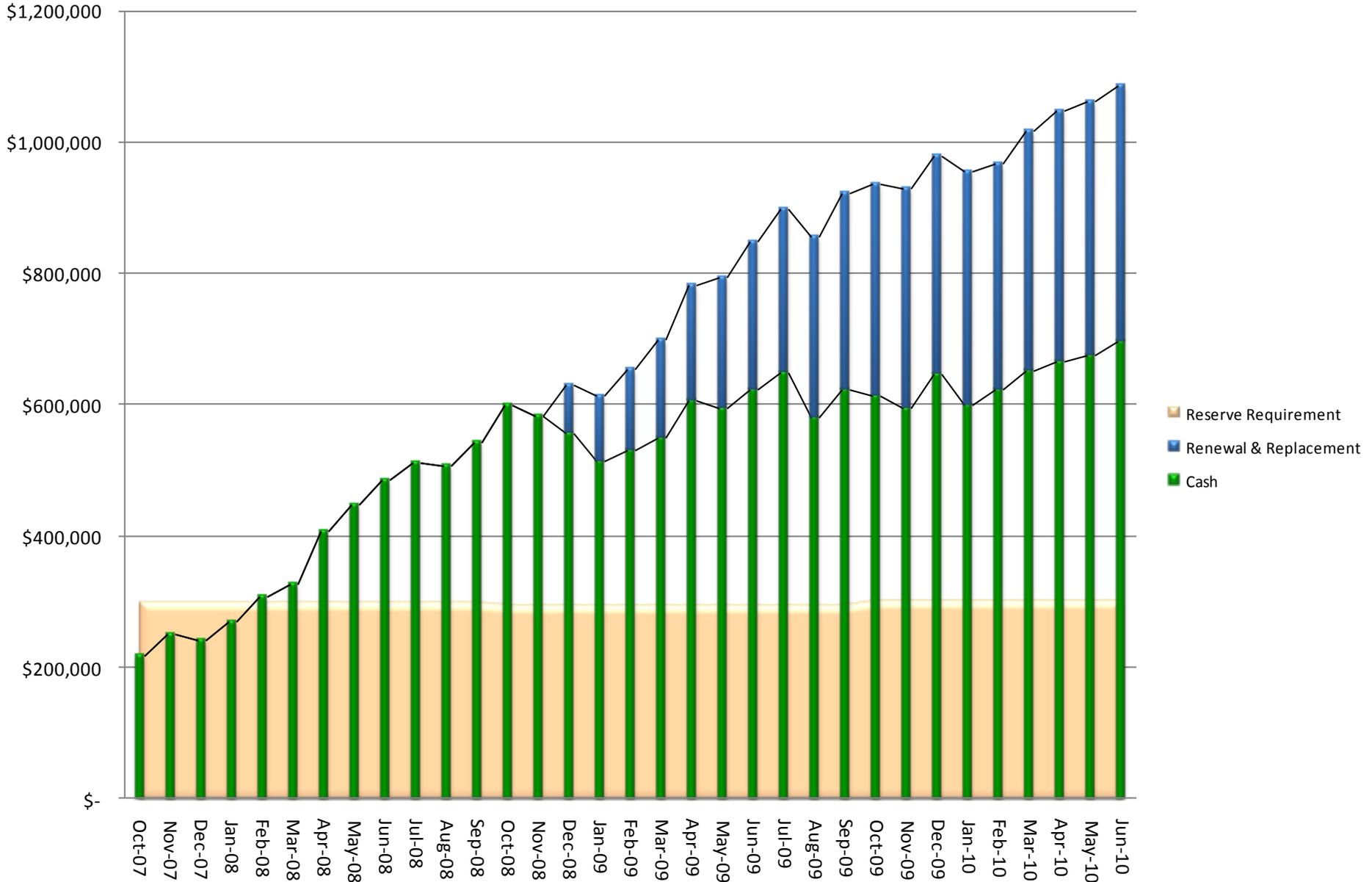
	<b>2010</b>	<b>FYE 2009</b>
*Budgeted Operating Revenue	\$ 1,200,870	\$ 1,172,221
Reserve Percentage	<u>25%</u>	<u>25%</u>
Required Reserve	300,218	293,055
Cash on hand	<u>1,086,047</u>	<u>923,400</u>
Excess	\$ 785,829	\$ 630,345

\*Operating revenue does not include income from grants, interest, other non-operating revenues, transfers in from other sources or funds, capital contributions or debt proceeds.

**Bottom Line:**

Net income at the end of the reporting period is \$89,379. The unaudited cash balance of \$1,086,047 compares favorably to last year's ending cash balance of \$923,400.

# Communications Fund Cash and Reserve Requirement



**City of Leesburg Communication Systems  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 1,200,870	\$ 1,200,870	\$ 915,226
Other Operating Revenue	-	-	1,844
Total Operating Revenues	<u>1,200,870</u>	<u>1,200,870</u>	<u>917,070</u>
<b>Expenses</b>			
Communications	596,583	646,583	495,203
Internet Service Provider	71,300	71,300	51,735
Uncollectable Accounts	10,000	10,000	2,760
Depreciation	<u>325,000</u>	<u>325,000</u>	<u>227,206</u>
Total Operating Expenses	1,002,883	1,052,883	776,904
<b>Net Income From Operations</b>	197,987	147,987	140,166
<b>Non-Operating Revenue (Expense)</b>			
Interest Income	-	-	3,395
Other Non-Operating Income	12,000	12,000	4,751
Debt Service	(135,655)	(135,655)	(33,924)
Customer Deposit Interest	<u>(100)</u>	<u>(100)</u>	<u>(9)</u>
Total Non-Operating Revenue (Expense)	(123,755)	(123,755)	(25,787)
<b>Income Before Operating Transfers</b>	74,232	24,232	114,379
<b>Interfund Transfers</b>			
Transfers from Other Funds			
Hwy 441/27 CRA Fund	<u>-</u>	<u>169,904</u>	<u>135,946</u>
Total Transfers	-	169,904	135,946
<b>Net Income After Transfers</b>	74,232	194,136	250,325
<b>Other Sources</b>			
Appropriated Retained Earnings	95,000	190,000	-
Capital Projects	<u>(157,068)</u>	<u>(371,972)</u>	<u>(160,946)</u>
Net Other Sources	(62,068)	(181,972)	(160,946)
<b>Contribution to Fund Balance</b>	<u>\$ 12,164</u>	<u>\$ 12,164</u>	<u>\$ 89,379</u>

**Overview**

The revised budget of \$3,726,119 is \$27,119 greater than original budget of \$3,699,000 due to carry forwards, also known as rollovers. As of June, 75% of the year has passed. Operating revenue of \$2,783,151 represents 75.6% of budget of \$3,684,000. Operating expenses and encumbrances totaling \$2,115,543 represent 63.4% of budget of \$3,338,857. Included in this report is depreciation expense of \$18,653 which has the effect of reducing net income and increasing cash. Net income at the end of the reporting period is \$509,105.

**Surplus (Net Loss)**

Total revenues of \$2,783,966 exceed total expenses of \$2,274,861 by \$509,105.

**Cash Reserve Calculation**

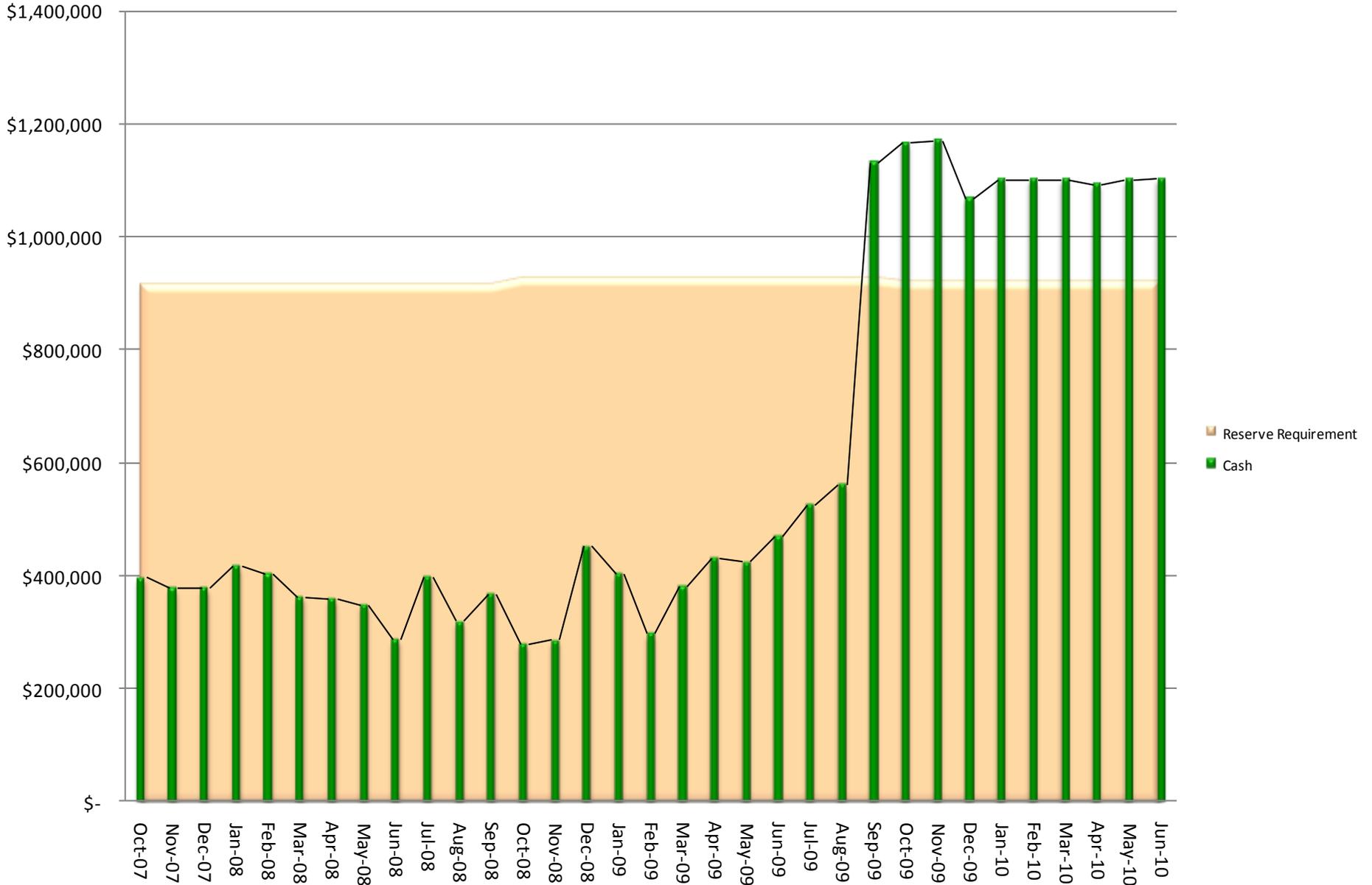
	<b>2010</b>	<b>FYE 2009</b>
*Budgeted Operating Revenue	\$ 3,684,000	\$3,710,019
Reserve Percentage	<u>25%</u>	<u>25%</u>
Required Reserve	921,000	927,504
Cash on hand	<u>1,101,916</u>	<u>1,129,972</u>
Excess (Deficiency)	\$ 180,916	\$ 202,468

\*Operating revenue does not include income from grants, interest, other non-operating revenues, transfers in from other sources or funds, capital contributions or debt proceeds.

**Bottom Line:**

Year to date net income is \$509,105, and the unaudited cash balance is \$1,101,916. At the end of the fiscal year, funds totaling \$500,000 were loaned to the Solid Waste utility to bring the utility into compliance with the Cash Reserve policy. As of June 30, 2010, the Solid Waste Fund has paid back \$452,802 leaving a remaining balance due of \$47,198.

# Solid Waste Fund Cash and Reserve Requirement



**City of Leesburg Solid Waste Fund  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 3,654,000	\$ 3,654,000	\$ 2,753,346
Other Operating Revenue	<u>30,000</u>	<u>30,000</u>	<u>29,805</u>
Total Operating Revenues	3,684,000	3,684,000	2,783,151
<b>Expenses</b>			
Long-Term Care	118,048	145,167	-
Residential	1,451,328	1,451,328	908,950
Commercial	1,322,038	1,322,038	852,094
Uncollectable Accounts	20,000	20,000	13,540
General & Administrative	122,843	122,843	79,818
Customer Accounts	257,481	257,481	201,468
Depreciation	<u>20,000</u>	<u>20,000</u>	<u>18,653</u>
Total Operating Expenses	3,311,738	3,338,857	2,074,523
<b>Net Income From Operations</b>	372,262	345,143	708,628
<b>Non-Operating Revenue (Expense)</b>			
Interest Income	-	-	3,746
Other Non-Operating Income	15,000	15,000	(2,931)
Customer Deposit Interest	<u>-</u>	<u>-</u>	<u>(20)</u>
Total Non-Operating Revenue (Expense)	15,000	15,000	795
<b>Income Before Operating Transfers</b>	387,262	360,143	709,423
<b>Interfund Transfers</b>			
Transfers to Other Funds			
General Fund	<u>267,090</u>	<u>267,090</u>	<u>200,318</u>
Total Transfers	267,090	267,090	200,318
<b>Net Income After Transfers</b>	120,172	93,053	509,105
<b>Other Sources (Uses)</b>			
Appropriated Retained Earnings	<u>-</u>	<u>27,119</u>	<u>-</u>
Net Other Sources	-	27,119	-
<b>Contribution to Fund Balance</b>	<u>\$ 120,172</u>	<u>\$ 120,172</u>	<u>\$ 509,105</u>

**Overview**

The revised budget of \$4,216,000 is \$83,000 greater than the original budget of \$4,133,000 due to a budget adjustment to use fund balance for the Employee Health Clinic build out. Operating revenue of \$2,887,574 represents 71.6% of budget of \$4,033,000. Operating expenses and encumbrances totaling \$3,603,107 represent 95.2% of budget of \$3,784,000. The year to date net loss is (\$589,946).

**Surplus (Net Loss)**

Total expenses of \$3,571,109 exceed total revenues of \$2,981,163 resulting in a net loss of (\$589,946).

**Cash Reserve Calculation**

The cash reserve policy requires that there be adequate cash on hand to meet the obligations of the Health Insurance Fund. The results of the calculation are presented below:

	<b>2010</b>	<b>FYE 2009</b>
*Budgeted Expenditures	\$ 3,784,000	\$4,379,563
Number of days in the year	<u>÷ 365</u>	<u>÷ 365</u>
Budgeted average daily claims expense	10,367	11,999
Cash on hand	\$ 2,393,105	\$3,041,036
Actual average daily claims expense	<u>÷ 13,081</u>	<u>÷ 11,230</u>
Number of days cash on hand	182.95	270.80

**Bottom Line:**

The year to date net loss is (\$589,946). Cash on hand of \$2,393,105 remains strong but is below the previous fiscal year ending balance of \$3,041,036. The number of days cash on hand of 182.95 has decreased from the previous fiscal year end balance of 270.80 by 87.9 days. Risk Management’s year over year claims analysis comparing data from 2007 through 2010 indicates an underlying 9% claims trend. In addition, Risk Management has proposed and the City Commission has approved an employee Healthcare clinic. It is expected that this will move the City toward a long term solution rather than shifting costs between the City and employees.

**City of Leesburg Healthcare Fund**  
**Statement of Revenues and Expenditures**  
**For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Revenue</b>			
Employee Contributions	\$ 780,000	\$ 780,000	\$ 594,185
Employer Contributions	2,640,000	2,640,000	1,879,951
Retiree's Contribution	213,000	213,000	145,853
Retiree's Employer Contribution	340,000	340,000	242,204
Continuation Coverage	60,000	60,000	25,381
Revenues From Outside Sources	<u>4,033,000</u>	<u>4,033,000</u>	<u>2,887,574</u>
<b>Other Revenues</b>			
Interest on Investments	15,000	15,000	8,253
Other Income	<u>47,000</u>	<u>47,000</u>	<u>45,910</u>
Total Other Revenues	62,000	62,000	54,163
<b>Total Revenues</b>	<b>\$ 4,095,000</b>	<b>\$ 4,095,000</b>	<b>\$ 2,941,737</b>
<b>Expenses</b>			
Retiree Health Insurance	\$ 340,000	\$ 340,000	\$ 242,204
Professional Services	447,000	447,000	310,383
Insurance Premiums	319,000	319,000	233,516
Insurance Claims	2,020,000	2,020,000	2,218,280
Prescription Claims	696,000	696,000	566,726
Medicare Part D Subsidy	<u>(38,000)</u>	<u>(38,000)</u>	<u>(39,426)</u>
Total Operating Expenses	3,784,000	3,784,000	3,531,683
<b>Total Expenditures</b>	<b>\$ 3,784,000</b>	<b>\$ 3,784,000</b>	<b>\$ 3,531,683</b>
<b>Excess (Deficiency) of Revenue</b>			
<b>Over (Under) Expenditures</b>	<u>\$ 311,000</u>	<u>\$ 311,000</u>	<u>\$ (589,946)</u>

## Workers' Compensation

June 2010

### Overview

The revised budget of \$666,147 is \$40,826 greater than original budget of \$625,321 due to carry forwards, also known as rollovers for the rehab of the Leesburg Municipal Services Center (LMSC). As of June, 75% of the year has passed. Operating revenue of \$452,570 represents 73.6% of budget of \$615,321. Operating expenses and encumbrances totaling \$457,226 represent 73.1% of budget of \$625,321. Transfers totaling \$40,929 have been made for the LMSC Rehab project to date. In addition, transfers totaling \$44,826 have been transferred to building permits for reimbursement of employee expenses for a work related injury.

### Surplus (Net Loss)

Total expenses and transfers of \$520,314 exceed revenues of \$468,076 resulting in a net loss of (\$52,238). In addition to the transfers totaling \$85,755 mentioned under the overview section, claims activity is trending higher than previous fiscal years. Year to date claims of \$327,167 are \$35,999 or 12.4% higher than the five year average of \$291,168.

### Cash Reserve Calculation

The cash reserve policy requires that there be adequate cash on hand to meet the obligations of the Workers' Compensation Fund. The results of the calculation are presented below:

	<b>2010</b>	<b>FYE 2009</b>
Budgeted Operating Expenditures	\$ 625,321	\$ 524,590
Number of days in the year	<u>÷ 365</u>	<u>÷ 365</u>
Average daily claims expense	\$ 1,713.21	\$ 1,437.23
Cash on Hand	\$1,675,826	\$1,733,641
Average daily claims expense	<u>÷ 1,591.79</u>	<u>÷ 1,944.59</u>
Number of days cash on hand	1,052.79	891.52

### Bottom Line:

The year to date net loss is (\$52,238) which includes the transfers to the LMSC Rehab totaling \$40,929 and the transfers to building permits of \$44,826. Cash on hand of \$1,675,826 remains strong. The City is well-protected from periods of high claims due to healthy reserves and effective risk management. The number of days cash on hand of 1,052.79 has increased from the previous fiscal year end balance of 891.52 by 161.27 days.

**City of Leesburg Workers' Compensation  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Revenue</b>			
Employer Contributions	\$ 615,321	\$ 615,321	\$ 452,570
Revenues From Outside Sources	615,321	615,321	452,570
<b>Other Revenues</b>			
Interest on Investments	10,000	10,000	5,279
Other Income	-	-	10,227
Fund Balance Appropriated	-	40,826	-
Total Other Revenues	<u>10,000</u>	<u>50,826</u>	<u>15,506</u>
<b>Total Revenues</b>	\$ 625,321	\$ 666,147	\$ 468,076
<b>Expenses</b>			
Professional Services	\$ 43,375	\$ 43,375	\$ 23,231
Insurance Premiums	88,000	88,000	67,648
Insurance Claims	443,946	443,946	327,167
Self Insurance Assessment	40,000	40,000	16,513
Incurred But Not Reported (IBNR)	10,000	10,000	-
Total Operating Expenses	<u>625,321</u>	<u>625,321</u>	<u>434,559</u>
<b>Other Expenditures</b>			
Transfers to Other Funds	-	40,826	85,755
Total Other Expenditures	<u>-</u>	<u>40,826</u>	<u>85,755</u>
<b>Total Expenditures</b>	\$ 625,321	\$ 666,147	\$ 520,314
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,238)</u>

## Building Permits Fund

June 2010

### Overview

The revised budget of \$453,730 is \$6,630 greater than original budget of \$447,100 due to a budget adjustment for temporary labor to assist during fire inspection training. As of June, 75% of the year has passed. Operating revenue of \$198,017 represents 46% of budget of \$430,000. Operating expenses and encumbrances of \$264,671 represent 64.6% of budget of \$409,792. The net loss at the end of the reporting period is \$7,541.

### Surplus (Net Loss)

Total expenses of \$264,671 exceed total revenues of \$257,130 by \$7,541.

### Cash Reserve Calculation

The cash reserve policy requires that there be adequate cash on hand to meet the obligations of the Building Permits Fund. The results of the calculation are presented below:

	<b>2010</b>	<b>FYE 2009</b>
Budgeted Operating Expenditures	\$ 403,162	\$ 646,231
Number of days in the year	<u>÷ 365</u>	<u>÷ 365</u>
Average daily expense	\$ 1,104.55	\$ 1,770.50
Cash deficit	64,253	35,002
Average daily expense	<u>\$ 1,104.55</u>	<u>\$ 1,770.50</u>
Number of days cash on hand	0	0

The cash deficit of \$64,253 is covered by General Fund excess cash reserves.

### Bottom Line

The year to date net loss is \$7,541. The cash deficit is \$64,253. To mitigate additional losses the temporary building inspector was terminated October 23, 2009. In addition the Administrative Assistant I position was transferred to Planning, and the Administrative Assistant II position was transferred to Police effective October 24, 2009. Because service levels have reached a minimum and further reductions would hinder economic development and customer service, future losses are expected and subsidization of this fund will be necessary.

**City of Leesburg Building Permits Fund  
Statement of Revenues and Expenditures  
For the Nine Months Ended June 30, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2010 Actual</u>
<b>Permit Revenue</b>			
Building	\$ 300,000	\$ 300,000	\$ 146,117
Plumbing	25,000	25,000	9,650
Electric	40,000	40,000	18,911
Gas	11,000	11,000	1,307
Mechanical	50,000	50,000	14,188
Mobile Home	-	-	1,620
Sign	4,000	4,000	6,224
Revenues From Outside Sources	<u>430,000</u>	<u>430,000</u>	<u>198,017</u>
<b>Other Revenues</b>			
Intergovernmental Revenue	8,000	8,000	1,250
Investment Income	-	-	(181)
Miscellaneous	9,100	9,100	13,218
Total Other Revenues	<u>17,100</u>	<u>17,100</u>	<u>14,287</u>
<b>Total Revenues</b>	<b>\$ 447,100</b>	<b>\$ 447,100</b>	<b>\$ 212,304</b>
<b>Expenses</b>			
Salaries & Benefits	\$ 303,734	\$ 303,734	\$ 205,408
Operating Expenses	<u>99,428</u>	<u>99,428</u>	<u>59,263</u>
Total Operating Expenses	403,162	403,162	264,671
<b>Other Expenditures</b>			
Reserve for Future Use	<u>43,938</u>	<u>43,938</u>	<u>-</u>
Total Other Expenditures	43,938	43,938	-
<b>Total Expenditures</b>	<b>\$ 447,100</b>	<b>\$ 447,100</b>	<b>\$ 264,671</b>
<b>Income Before Operating Transfers</b>	<b>-</b>	<b>-</b>	<b>(52,367)</b>
<b>Interfund Transfers</b>			
Transfers from Other Funds			
Workers' Comp Fund	<u>-</u>	<u>-</u>	<u>44,826</u>
Total Transfers			
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>(7,541)</u></b>

# Building Permits Cash

