

*Fiscal Year*

# City of Leesburg 1st Quarter Unaudited Financials

*2011-2012*



**Overview**

The revised budget of \$23,392,700 is \$878,129 greater than the original budget of \$22,514,571 due to budget adjustments related to carry forwards of \$745,016 from FY 2010-11, also known as rollovers, \$20,969 for the transfer from wastewater for a generator, \$90,590 of fund balance for the fire pension payment, and a \$21,554 transfer from water for a generator rebuild.. As of December, 25% of the year has passed. Total revenue of \$7,547,885 represents 32.3% of budget. Total expenditures including encumbrances of \$7,018,962 represent 30% of budget of \$23,392,700. The period ending contribution to fund balance is \$2,186,584.

**Revenues**

Year to date, Ad Valorem revenue totals \$3,538,229 which represents current year property taxes of \$3,537,729 and delinquent taxes of \$500. Other Taxes and Franchise Fees of \$909,733 are 21.7% of budget. Licenses and permits are \$204,585, or 70% of budget. Intergovernmental revenue of \$422,615 is at 20.1% of budget. Charges for Services totaling \$73,466 are at 13.9% of budget. Fines & Forfeitures totaling \$17,040 are at 19.6% of budget. Miscellaneous revenues of \$376,502 are at 31.5% of budget. Utility contributions of \$1,657,292 are 24.2% of budget. Utility surcharges of \$335,061 are at 21.8% of budget.

**Expenditures**

Total expenditures and encumbrances of \$7,018,962 are at 30% of budget of \$23,392,700. With the exception of the City attorney, information technology, airport, fire, planning and zoning, and recreation, departmental expenditures are at or below budget. City attorney, fire, and recreation are over budget due to outstanding encumbrances. Information technology is over budget due to annual maintenance contracts and outstanding encumbrances. Airport is also over budget due to outstanding encumbrances, as well as, a quarterly payment to U.S. Customs and Border Patrol. Planning and zoning is slightly over budget due to a payment made to Lake-Sumter MPO of \$7,130 for expenditures related to the 2011-12 Transportation Management System.

**Fund Balance**

Total revenues of \$7,547,885 exceed total expenditures of \$5,361,301 resulting in a contribution to fund balance at the end of the reporting period of \$2,186,584.

**General Fund (Continued)**

**December 2011**

**Cash Reserve Policy**

The cash balance of the general fund of \$10,442,387 has increased by \$1,810,393, or 21%, when compared to the previous year ended unaudited cash balance of \$8,631,994.

	<b>2012</b>	<b>FYE 2011</b>
Budgeted Revenue	\$22,462,601	\$22,830,659
Reserve Percentage	<u>20%</u>	<u>20%</u>
Required Cash Reserve	\$ 4,492,520	\$ 4,566,132
*Unaudited Cash Balance	<u>\$10,442,387</u>	<u>\$ 8,631,994</u>
Excess	\$ 5,949,867	\$ 4,065,862

**Reconciliation of Budget Changes**

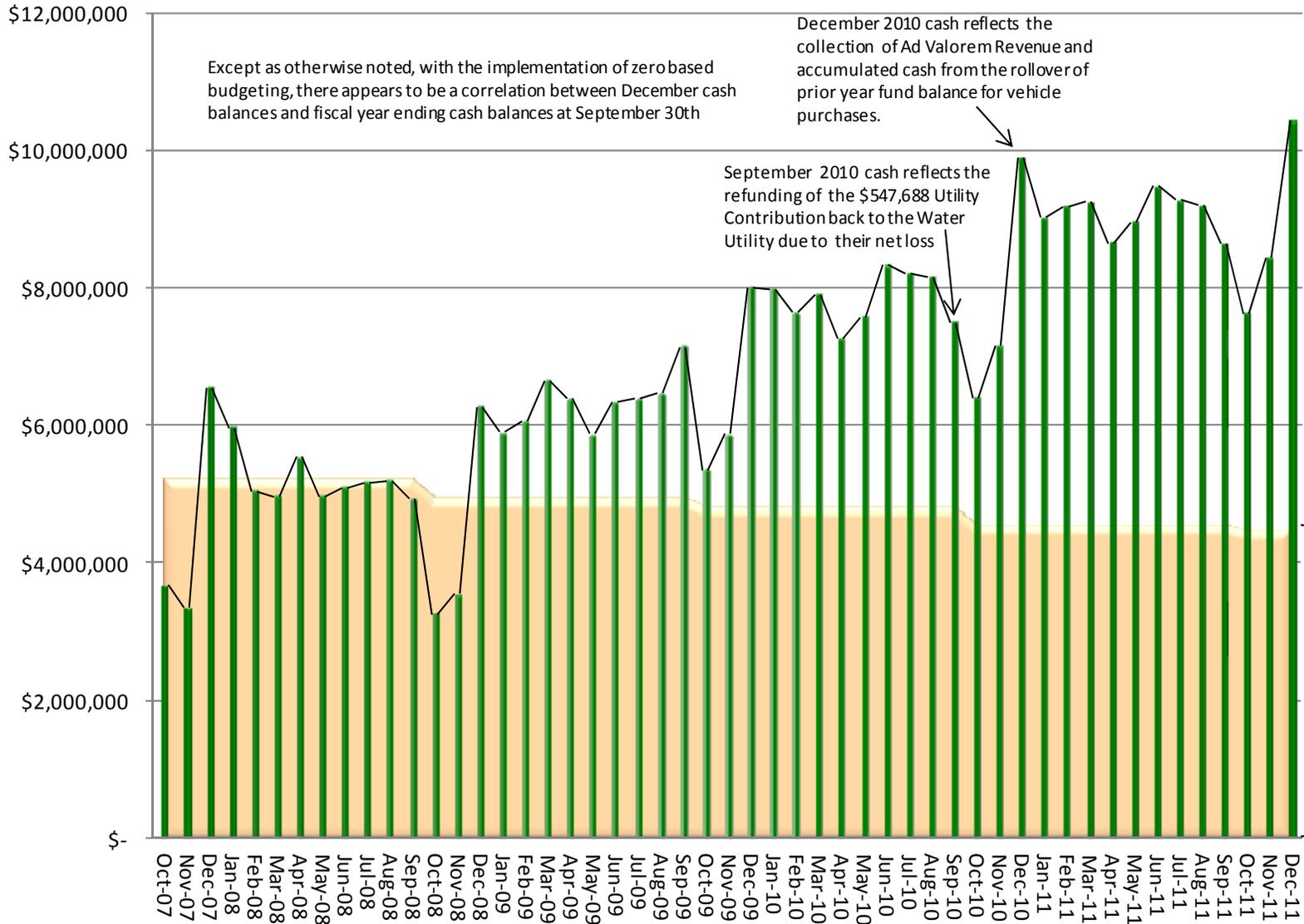
Original Budget	\$ 22,514,571
Rollovers	745,016
Transfer from WWT—generator	20,969
Fund balance—fire pension payment	90,590
Transfer from water—generator rebuild	21,554
Reimbursement for vehicle accident	632
Voice Over Internet Protocol—Phase I	<u>125,000</u>
Revised Budget	\$ 23,518,332

**Bottom Line:**

The period ending contribution to fund balance is \$2,186,584. The unaudited cash balance of \$10,442,387 has increased by \$1,810,393, or 21%, when compared to the previous year ended unaudited cash balance of \$8,631,994.

# General Fund Cash and Reserve Requirement

■ Reserve Requirement  
■ Cash



Changes in the Reserve Requirement reflect changes in the annual operating budget. The reserve is adjusted annually after budget adoption and represents 20% of Budgeted Revenue.  
 $\$22,462,601 \times 20\% = \$4,492,520$

**City of Leesburg General Fund  
Statement of Revenues and Expenditures  
For the Three Months Ended December 31, 2011**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2012 Actual</u>
<b>Revenue</b>			
Ad Valorem Taxes	\$ 4,778,568	\$ 4,778,568	\$ 3,538,229
Other Taxes & Franchise Fees	4,197,547	4,197,547	909,733
Licenses & Permits	292,300	292,300	204,585
Intergovernmental	2,032,198	2,100,875	422,615
Charges for Services	529,094	529,094	73,466
Fines & Forfeitures	87,000	87,000	17,040
Miscellaneous Revenues	<u>1,196,994</u>	<u>1,196,994</u>	<u>376,502</u>
Revenues From Outside Sources	13,113,701	13,182,378	5,542,170
<b>Other Sources</b>			
Transfers	1,025,539	1,025,539	13,362
Utility Contributions	6,789,169	6,855,927	1,657,292
Utility Surcharges	1,534,192	1,534,192	335,061
Fund Balance Appropriated	<u>51,970</u>	<u>794,664</u>	<u>-</u>
Total Other Sources	9,400,870	10,210,322	2,005,715
Total Revenues	\$ 22,514,571	\$ 23,392,700	\$ 7,547,885
<b>Expenditures</b>			
City Commission	\$ 129,051	\$ 129,051	\$ 26,230
City Manager	477,015	477,015	102,409
City Clerk	189,525	189,525	38,116
FL Energy & Aerospace Technology	-	-	9,604
City Attorney	229,961	229,961	27,235
Finance	3,305,172	3,309,422	644,347
Human Resources	540,566	540,566	100,406
Information Technology	2,071,493	2,138,691	640,800
GIS/Engineering	362,367	362,367	78,282
Airport Maintenance	655,466	655,466	178,867
Police	7,875,396	7,940,234	1,729,875
Fire	5,833,738	5,942,439	1,375,007
Public Works	4,181,001	4,807,381	731,373
Planning & Zoning	254,097	254,097	73,342
Housing & Economic Development	224,799	224,799	47,183
Library	1,469,346	1,469,346	329,660
Recreation	<u>2,958,162</u>	<u>2,958,162</u>	<u>677,575</u>
Operating Expenditures	30,757,155	31,628,522	6,810,311
<b>Other Expenditures &amp; Contributions</b>			
Transfers	921,737	928,499	406,752
Contingencies	100,000	100,000	-
Non-Departmental	287,131	287,131	378,251
Computer Maintenance Contributions	(180,520)	(180,520)	(45,130)
Fleet Contributions	(3,195,740)	(3,195,740)	(800,093)
Generator Reimbursements	(33,083)	(33,083)	(3,572)
Utility Cost Allocations	<u>(6,142,109)</u>	<u>(6,142,109)</u>	<u>(1,385,218)</u>
Total Other	(8,242,584)	(8,235,822)	(1,449,010)
Total Expenditures	\$ 22,514,571	\$ 23,392,700	\$ 5,361,301
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	\$ -	\$ -	\$ 2,186,584

**Overview**

The Stormwater fund is an enterprise 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 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 capital and infrastructure activity associated with this fund, revenue and expenses are not designed to track evenly. Typically funds are accumulated over time and expended as resources become available. The revised budget of \$4,046,916 is \$1,884,398 greater than the original budget of \$2,162,518 due to budget adjustments related to carry forwards from FY 2010-11, also known as rollovers. As of December, 25% of the year has passed. Operating revenue of \$389,733 represents 25.3% of budget. Operating expenditures including encumbrances of \$325,709 represent 25.8% of budget.

**Net Income**

Total revenues of \$390,852 exceed total expenses of \$299,380 resulting in net income of \$91,472. Fund balance is legally restricted to Stormwater activities and projects.

**Cash Reserve Calculation**

	<b>2012</b>	<b>FYE 2011</b>
*Budgeted Operating Revenue	\$ 1,548,000	\$ 1,541,000
Reserve Percentage	<u>25%</u>	<u>25%</u>
Required Reserve	387,000	385,250
Operating cash	2,070,233	1,992,563
Renewal & replacement cash	<u>112,500</u>	<u>0</u>
Total cash on hand	2,182,733	1,992,563
Excess	<u>\$ 1,795,733</u>	<u>\$ 1,607,313</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.

**Major Projects**

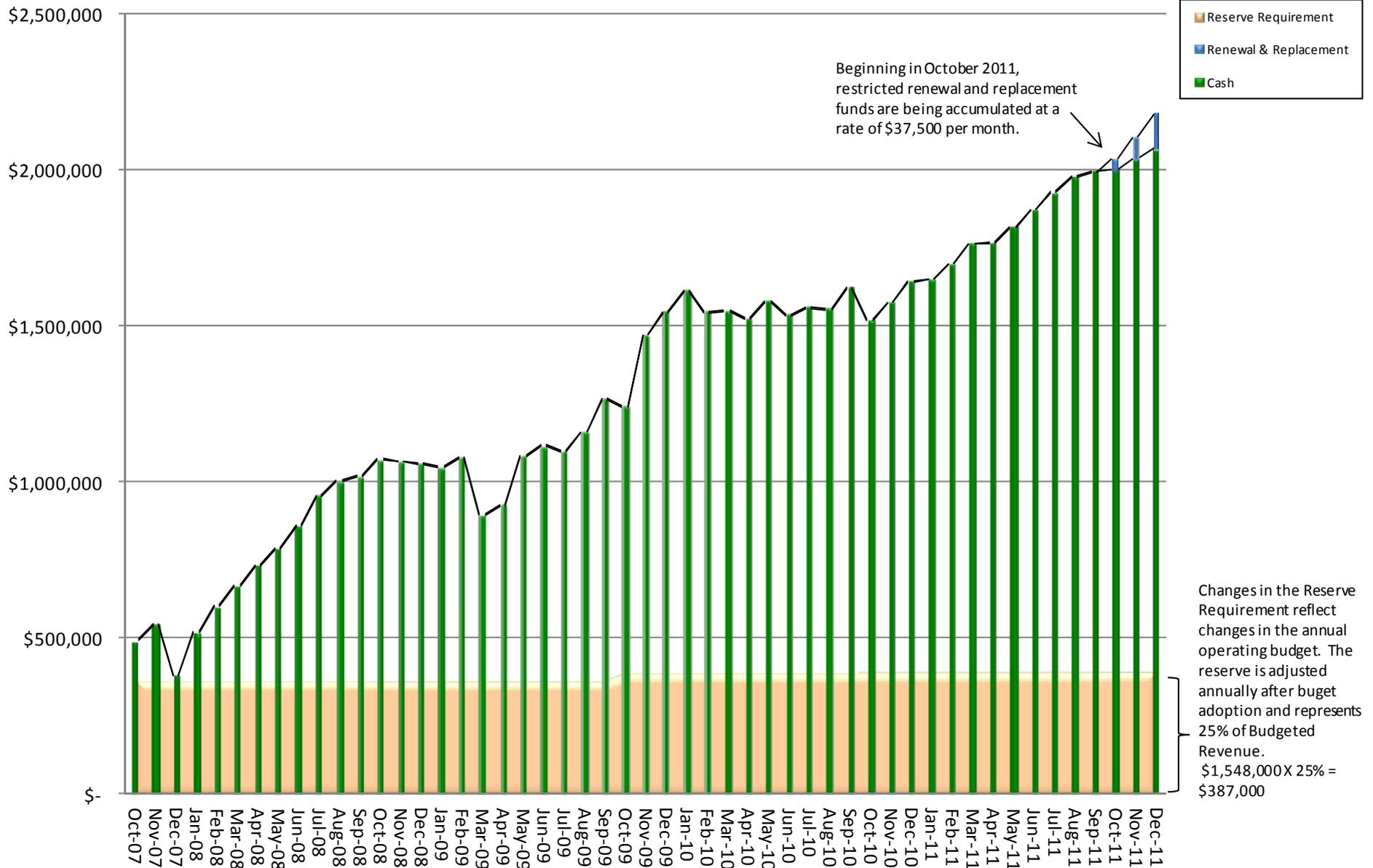
A recap of capital expenses associated with major projects within the Stormwater Fund is presented below:

Commerce & Industrial St Ditch Enclosure	\$ 5,344
Susan St Ditch Enclosure	<u>1,700</u>
Total	\$ 7,044

**Bottom Line:**

Total revenues exceed total expenses resulting in net income of \$91,472. Fund balance is legally restricted to Stormwater activities and projects. The period ending excess cash balance of \$1,795,733 is available to fund current and future stormwater projects.

# Stormwater Fund Cash and Reserve Requirement



**City of Leesburg Stormwater Systems**  
**Statement of Revenues and Expenditures**  
**For the Three Months Ended December 31, 2011**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2012 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 1,533,000	\$ 1,533,000	\$ 385,985
Other Operating Revenue	<u>10,000</u>	<u>10,000</u>	<u>3,748</u>
Total Operating Revenues	1,543,000	1,543,000	389,733
<b>Expenses</b>			
Stormwater	807,518	807,518	172,757
Uncollectable Accounts	5,000	5,000	1,250
Depreciation	<u>450,000</u>	<u>450,000</u>	<u>125,372</u>
Total Operating Expenses	1,262,518	1,262,518	299,379
<b>Net Income From Operations</b>	280,482	280,482	90,354
<b>Non-Operating Revenue (Expense)</b>			
Interest Income	<u>5,000</u>	<u>5,000</u>	<u>1,118</u>
Total Non-Operating Revenue (Expense)	5,000	5,000	1,118
<b>Income Before Operating Transfers</b>	285,482	285,482	91,472
<b>Other Sources</b>			
Appropriated Retained Earnings	614,518	2,498,916	-
Capital Projects	<u>(900,000)</u>	<u>(2,784,398)</u>	<u>-</u>
Net Other Sources	(285,482)	(285,482)	-
<b>Contribution to Fund Balance</b>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>91,472</u>

**Community Redevelopment Agencies**

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. There is \$16,000 in cash restricted for the sign grant program which is funded under the Main Street component.

**Main Street**

Revenue is \$175,522 and expenditures are \$143,662 at the end of the reporting period. Mortgage payments totaling \$24,047 for the fiscal year are remitted for payment of the Christley property. There is currently \$380,389 available in unrestricted cash.

**Pine Street**

Revenue is \$175,383 and expenditures are \$1,348 at the end of the reporting period. The Community Development Corporation (CDC) manages the Pine Street Component of the CRA. There is currently \$165,384 available in unrestricted cash.

**Carver Heights/Montclair CRA Fund**

Carver Heights has revenue of \$175,437. The CRA has debt service which approximates \$200,000 per year with the final payment due in fiscal year 2016. Operating expenditures of \$3,693, capital outlay of \$15,800, debt service of \$21,382, housing rehab program expenses of \$35,034, and transfers to the General Fund of \$13,362 total \$89,271. The fund has unrestricted cash on hand of \$186,190 and restricted cash on hand of \$1,195,400.

**Highway 441/27 CRA Fund**

Highway 441/27 has revenue of \$32,065. Operating expenditures of \$2,750, debt service of \$340,566, sign grant payments of \$12,005, and transfers of \$122,462 to the electric fund for the Perkins to Griffin project total \$477,783. The fund has unrestricted cash on hand of \$782,388 and restricted cash on hand of \$9,051,954.

**City of Leesburg Community Redevelopment Funds  
Statement of Revenues and Expenditures  
For the Three Months Ended December 31, 2011**

	<u>Greater Leesburg 2011 Actual</u>	<u>Carver Heights/ Montclair 2011 Actual</u>	<u>Highway 27/441 2011 Actual</u>
<b>Revenues</b>			
Lake County Redevelopment	\$ 193,839	\$ 96,106	\$ -
Miscellaneous Revenue	220	845	32,065
General Fund Ad Valorem	<u>156,846</u>	<u>78,486</u>	<u>-</u>
Total Resources	\$ 350,905	\$ 175,437	\$ 32,065
<b>Expenditures</b>			
Operating Expenses	\$ 18,472	\$ 3,693	\$ 2,750
Capital Outlay	120,526	15,800	-
Debt Service	6,012	21,382	340,566
Sign Grant	-	-	12,005
Housing Rehab Program	-	35,034	-
Transfer to General Fund	-	13,362	-
Transfer to Electric Fund	<u>-</u>	<u>-</u>	<u>122,462</u>
Total Expenditures	\$ 145,010	\$ 89,271	\$ 477,783
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 205,895</u>	<u>\$ 86,166</u>	<u>\$ (445,718)</u>
<b>Unrestricted Cash</b>	<u>\$ 545,773</u>	<u>\$ 186,190</u>	<u>\$ 782,388</u>
<b>Restricted Cash</b>			
Serial Sinking Cash	-	114,287	123,355
TIF Redev Fund-Mast Arms	-	-	636,358
Sign Grant Program	16,000	-	102,068
Revenue Note-DS Reserv/Construction	-	100,043	-
Revenue Note-Construction Account	-	981,070	-
2009 Bond-Debt Service Reserve	-	-	599,625
2009 Bond-Construction Account	-	-	6,966,136
2009 Bond-Interest Earned	-	-	24,412
2009 Bond-Restricted Surplus Fund	<u>-</u>	<u>-</u>	<u>600,000</u>
<b>Total Restricted Cash</b>	<u>\$ 16,000</u>	<u>\$ 1,195,400</u>	<u>\$ 9,051,954</u>

**Capital Projects Fund**

**December 2011**

The Capital Projects fund tracks sources and uses of funds associated with projects that generally benefit the citizens of Leesburg as a whole. Bonds, grants and special revenues 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	\$ 3,061
Security Cameras	30,446
Update Airport Signage	46,713
Wildlife Hazard Assessment	29,978
Security Fencing Design	<u>26,749</u>
Total Airport	136,947
 Recreation	
Lee-Wild Trail	<u>3,711</u>
Total Recreation	3,711
 Total Expenditures	\$ 140,658

**City of Leesburg Capital Projects  
Statement of Revenues and Expenditures  
For the Three Months Ended December 31, 2011**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2012 Actual</u>
<b>Revenue</b>			
Intergovernmental	\$ 1,120,000	\$ 3,427,120	\$ 245,060
Charges for Services	-	-	12,396
Miscellaneous Revenues	-	-	212
Revenues From Outside Sources	<u>1,120,000</u>	<u>3,427,120</u>	<u>257,668</u>
Transfers			
General Fund	10,500	17,262	1,945
Recreation Impact Fee Fund	50,000	58,964	2,723
Discretionary Tax Fund	-	40,474	45
Gas Tax Fund	528,000	528,000	-
Appr Retained Earnings-Bond Proceeds	<u>525,000</u>	<u>1,000,000</u>	<u>-</u>
Total Other Sources	1,113,500	1,644,700	4,713
 Total Revenues	 <u>\$ 2,233,500</u>	 <u>\$ 5,071,820</u>	 <u>\$ 262,381</u>
 <b>Expenditures</b>			
Airport Maintenance	1,250,000	1,973,395	136,947
Fire	120,000	120,000	-
Public Works	528,000	1,036,268	-
Recreation	<u>335,000</u>	<u>1,941,657</u>	<u>3,711</u>
Operating Expenditures	2,233,000	5,071,320	140,658
Other Expenditures & Contributions			
Debt Service	<u>500</u>	<u>500</u>	<u>-</u>
Total Other	500	500	-
 Total Expenditures	 <u>\$ 2,233,500</u>	 <u>\$ 5,071,820</u>	 <u>\$ 140,658</u>
 <b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 121,723</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 \$15,435 and expenditures are \$7,784. Unrestricted cash totals \$27,048 and is 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 \$1,443 and expenditures are \$6,969. Unrestricted cash totals \$20,248 and is available for future use.

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

LOOP can be used for infrastructure, infrastructure improvements, 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 \$229,449 and expenditures are \$280,415. Unrestricted cash totals \$130,715 and is available for future use.

**Gas Tax Fund**

Revenue at the end of the reporting period is \$152,391 and expenditures are \$20. This fund recognizes three major revenue sources, each of which is restricted to a specific use. Those uses include: construction, reconstruction and maintenance of roads, streets, bicycle paths and pedestrian pathways. Funds may also be used for utility relocation. Unrestricted cash totals \$462,278 and is available for future use.

**Police Impact Fee Fund**

Police Impact Fees can be used to fund 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 \$78 and expenditures are \$9. Unrestricted cash totals \$146,545 and is available for future use.

**Fire Impact Fee Fund**

Fire Impact Fees can be used to fund infrastructure improvements related to growth which also includes the equipping of fire personnel due to growth related expansion. Revenue is (\$39) and expenditures are \$0. The deficiency in unrestricted cash is \$73,748 and is covered by General Fund excess Reserves.

**Recreation Impact Fee Fund**

Recreation Impact Fees can be used to fund infrastructure improvements related to growth which also includes the development and equipping of new recreational areas due to growth related expansion. Revenue is \$96 and expenditures are \$2,734. Unrestricted cash totals \$178,134 and is available for future use.

**City of Leesburg Special Revenue Funds**  
**Statement of Revenues and Expenditures**  
**For the Three Months Ended December 31, 2011**

	<b>Police Forfeiture</b>	<b>Police Education</b>	<b>Discretionary Sales Tax</b>	<b>Gas Tax</b>	<b>Police Impact Fees</b>	<b>Fire Impact Fees</b>	<b>Recreation Impact Fees</b>
<b>Revenues</b>							
Ninth Cent Fuel Tax	\$ -	\$ -	\$ -	\$ 15,223	\$ -	\$ -	\$ -
Local Option Fuel Tax	-	-	-	101,865	-	-	-
Local Option Sales Tax	-	-	229,391	-	-	-	-
Revenue Sharing - Gas Tax	-	-	-	35,063	-	-	-
Revenue Sharing - Special Fuel Tax	-	-	-	37	-	-	-
Judgements & Fines Police Educ.	-	1,430	-	-	-	-	-
Sale of Forfeited Property	15,422	-	-	-	-	-	-
Interest Earnings	<u>13</u>	<u>13</u>	<u>58</u>	<u>203</u>	<u>78</u>	<u>(39)</u>	<u>96</u>
Total Resources	\$ 15,435	\$ 1,443	\$ 229,449	\$ 152,391	\$ 78	\$ (39)	\$ 96
<b>Expenditures</b>							
Operating Expenditures	\$ 7,784	\$ 6,969	\$ 5	\$ 20	\$ 9	\$ -	\$ 11
Transfer to Debt Service Fund	-	-	280,365	-	-	-	-
Transfer to Capital Projects Fund	<u>-</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,723</u>
Total Expenditures	\$ 7,784	\$ 6,969	\$ 280,415	\$ 20	\$ 9	\$ -	\$ 2,734
<b>Excess (Deficiency) of Revenues</b>							
<b>Over (Under) Expenditures</b>	<u>\$ 7,651</u>	<u>\$ (5,526)</u>	<u>\$ (50,966)</u>	<u>\$ 152,371</u>	<u>\$ 69</u>	<u>\$ (39)</u>	<u>\$ (2,638)</u>
<b>Unrestricted Cash</b>							
	<u>\$ 27,048</u>	<u>\$ 20,248</u>	<u>\$ 130,715</u>	<u>\$ 462,278</u>	<u>\$ 146,545</u>	<u>\$ (73,748)</u>	<u>\$ 178,134</u>

**Overview**

The revised budget of \$85,782,443 is \$10,112,484 greater than original budget of \$75,669,959 due to budget adjustments related to carry forwards from FY 2010-11, also known as rollovers. As of December, 25% of the year has passed. Operating revenues of \$12,312,219 represent 16.6% of budget of \$74,106,716. Operating expenses and encumbrances totaling \$14,248,251 represent 22.2% of budget of \$64,163,190. Included in this report is depreciation expense of \$662,718 which has the effect of reducing net income and increasing cash. Year to date net income is \$305,848.

**Surplus**

Total revenues of \$12,518,547 exceed expenses of \$12,212,699 resulting in a surplus of \$305,848. Included in net income are extraordinary items which are not typical of ongoing operations. These extraordinary items include transfers from Highway 27/441 CRA of \$122,462 for construction related to the Perkins to Griffin project. The transfer is \$169,588 less than total expenditures due to a reimbursement from Progress Energy received at the end of fiscal year 2011 for prepaid self supported pole structures and professional services related to easement acquisition. Included in the transfer from the CRA is a refunding of labor costs totaling \$108,271 which would normally be an operational expense. Were it not for these extraordinary items, year to date net income would be \$183,386. In order to understand the operations of the electric utility it is important to back these items out and view the results without their effect.

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 \$28.00 which is \$37.25 less than its all time high of \$65.25 in September of 2008.

**Reconciliation of Budget Changes**

Original Budget	\$ 75,669,959
Carry Forwards	<u>10,112,484</u>
Revised Budget	\$ 85,782,443

**Electric Utility (Continued)**

**December 2011**

**Cash Reserve Calculation**

	<b>2012</b>	<b>FYE 2011</b>
*Budgeted Operating Revenue	\$ 74,106,716	\$ 69,785,939
Less:		
Budgeted Cost of Purchase Power		
Generation	3,145,407	3,253,500
St Lucie	1,014,205	1,060,493
Purchase Power	<u>46,602,945</u>	<u>43,912,018</u>
Total Purchase Power	50,762,557	48,226,011
Add:		
General Fund Transfers	4,578,000	4,578,000
Surcharge Revenues	<u>1,190,438</u>	<u>1,158,473</u>
Total Transfers & Surcharges	5,768,438	5,736,473
Minimum Revenue Required	29,112,597	27,296,401
Number of days in the year	<u>÷ 366</u>	<u>÷ 365</u>
Average daily cash	79,542.61	74,784.66
Number of days required	<u>× 120</u>	<u>× 120</u>
Minimum cash balance	9,545,114	8,974,159
Operating cash	13,319,220	12,460,478
Renewal & replacement cash	<u>2,697,605</u>	<u>2,436,970</u>
Total cash on hand	16,016,825	14,897,448
Excess	<u>\$ 6,471,711</u>	<u>\$ 5,923,289</u>

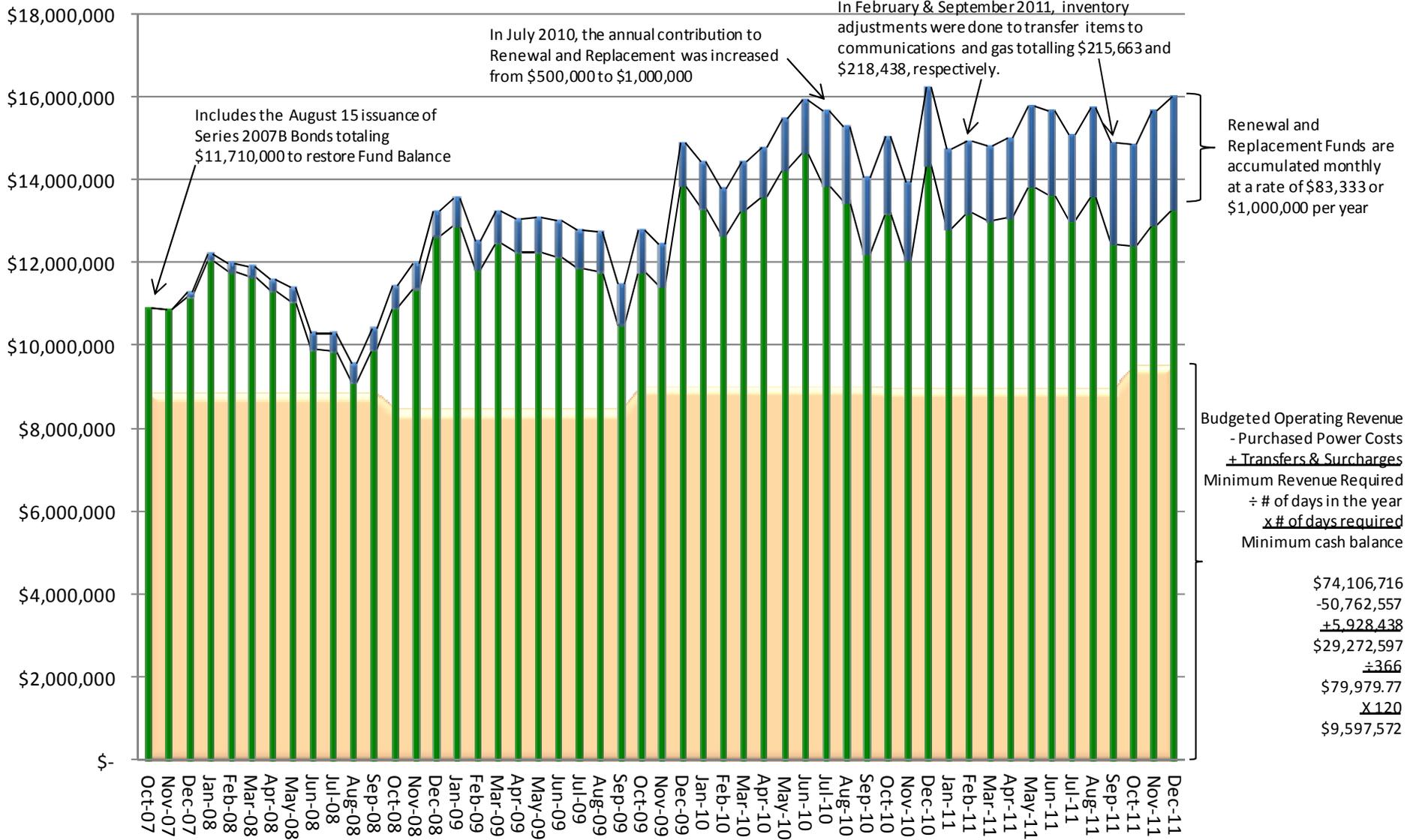
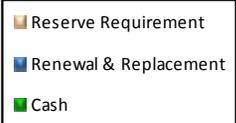
\*Operating revenue does not include income from grants, interest, other non-operating revenues, transfers in from other sources or funds, capital contributions or debt proceeds.

**Bottom Line:**

The unaudited cash balance is \$16,016,825. Total revenues of \$12,518,547 exceed expenses of \$12,212,699 resulting in a surplus of \$305,848. Included in net income are extraordinary items which are not typical of ongoing operations. These extraordinary items include transfers from Highway 27/441 CRA of \$122,462 for construction related to the Perkins to Griffin project. The transfer is \$169,588 less than total expenditures due to a reimbursement from Progress Energy received at the end of fiscal year 2011 for prepaid self supported pole structures and professional services related to easement acquisition. Included in the transfer from the CRA is a refunding of labor costs totaling \$108,271 which would normally be an operational expense. Were it not for these extraordinary items, year to date net income would be \$183,386. In order to understand the operations of the Electric utility it is important to back these items out and view the results without their effect.

The BPCA rate is currently \$28.00 which is \$37.25 less than its all time high of \$65.25 in September of 2008.

# Electric Fund Cash and Reserve Requirement



Renewal and Replacement Funds are accumulated monthly at a rate of \$83,333 or \$1,000,000 per year

Budgeted Operating Revenue  
- Purchased Power Costs  
+ Transfers & Surcharges  
Minimum Revenue Required  
÷ # of days in the year  
x # of days required  
Minimum cash balance

\$74,106,716
-50,762,557
<u>+5,928,438</u>
\$29,272,597
<u>÷366</u>
\$79,979.77
<u>X 120</u>
\$9,597,572

**City of Leesburg Electric Systems**  
**Statement of Revenues and Expenditures**  
**For the Three Months Ended December 31, 2011**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2012 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 71,208,939	\$ 71,208,939	\$ 11,916,347
Other Operating Revenue	<u>2,897,777</u>	<u>2,897,777</u>	<u>395,872</u>
Total Operating Revenues	74,106,716	74,106,716	12,312,219
<b>Expenses</b>			
Generation	3,145,407	3,145,407	588,596
St. Lucie	1,014,205	1,014,205	295,432
Purchased Power	46,602,945	46,602,945	6,669,268
Administration	3,400,378	3,400,378	692,339
Distribution	5,222,742	5,318,051	820,995
Smart Grid - Operating	-	-	15,081
Uncollectable Accounts	200,000	200,000	26,238
Customer Accounts	1,618,706	1,618,706	359,073
Meter Reading	163,498	163,498	31,482
Depreciation	<u>2,700,000</u>	<u>2,700,000</u>	<u>662,718</u>
Total Operating Expenses	64,067,881	64,163,190	10,161,222
<b>Net Income From Operations</b>	10,038,835	9,943,526	2,150,997
<b>Non-Operating Revenue (Expense)</b>			
Interest Income	214,541	214,541	22,002
Other Non-Operating Income	88,702	88,702	41,794
Debt Service	(2,721,463)	(2,721,463)	(503,620)
Customer Deposit Interest	(10,000)	(10,000)	(2,460)
Decommission Trust CR #3	-	-	(98,710)
Other Non-Operating Expense	<u>(67,114)</u>	<u>(67,114)</u>	<u>(68,684)</u>
Total Non-Operating Revenue (Expense)	(2,495,334)	(2,495,334)	(609,678)
<b>Income Before Operating Transfers</b>	7,543,501	7,448,192	1,541,319
<b>Interfund Transfers</b>			
Transfers from Other Funds			
Hwy 441/27 CRA Fund	-	4,859,937	122,462
Transfers to Other Funds			
General Fund	(4,578,000)	(4,578,000)	(1,144,500)
Surcharges to General Fund	<u>(1,190,438)</u>	<u>(1,190,438)</u>	<u>(233,948)</u>
Total Transfers	(5,768,438)	(908,501)	(1,255,986)
<b>Net Income After Transfers</b>	1,775,063	6,539,691	285,333
<b>Other Sources</b>			
Capital Contributions	100,000	100,000	20,069
Appropriated Retained Earnings	1,160,000	6,370,127	-
Fund Balance-Rollovers	-	42,420	-
Capital Projects	<u>(2,678,621)</u>	<u>(12,695,796)</u>	<u>446</u>
Net Other Sources	(1,418,621)	(6,183,249)	20,515
<b>Contribution to Fund Balance</b>	<u>\$ 356,442</u>	<u>\$ 356,442</u>	<u>\$ 305,848</u>

**Overview**

The revised budget of \$9,834,009 is \$2,019,851 greater than original budget of \$7,814,158 due to budget adjustments related to carry forwards from FY 2010-11, also known as rollovers. As of December, 25% of the year has passed. Operating revenue of \$1,711,166 represents 22.5% of budget of \$7,597,041. Operating expenses and encumbrances totaling \$1,190,993 represent 18.6% of budget of \$6,399,879. Included in this report is depreciation expense of \$81,273 which has the effect of reducing net income and increasing cash. Year to date net income is \$304,632.

**Net Income**

Total revenue of \$1,718,202 exceeds total expenses of \$1,413,570 resulting in net income of \$304,632.

**Cash Reserve Calculation**

	<b>2012</b>	<b>FYE 2011</b>
*Budgeted Operating Revenue	\$ 7,597,041	\$ 8,302,422
Less:		
Budgeted Cost of Purchased Gas	<u>3,371,263</u>	<u>3,986,194</u>
Net Revenue	4,225,778	4,316,228
Add:		
General Fund Transfers	561,090	605,558
Surcharge Revenues	<u>107,860</u>	<u>120,000</u>
Total Transfers & Surcharges	668,950	725,558
Minimum Revenue Required	4,894,728	5,041,786
Number of days in the year	<u>÷ 366</u>	<u>÷ 365</u>
Average daily cash	13,373.57	13,813.11
Number of days required	<u>× 90</u>	<u>× 90</u>
Minimum cash balance	1,203,621	1,243,180
Operating cash	7,606,225	7,272,693
Renewal & replacement cash	<u>0</u>	<u>0</u>
Total cash on hand	7,606,225	7,272,693
Excess	<u>\$ 6,402,604</u>	<u>\$ 6,029,513</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**

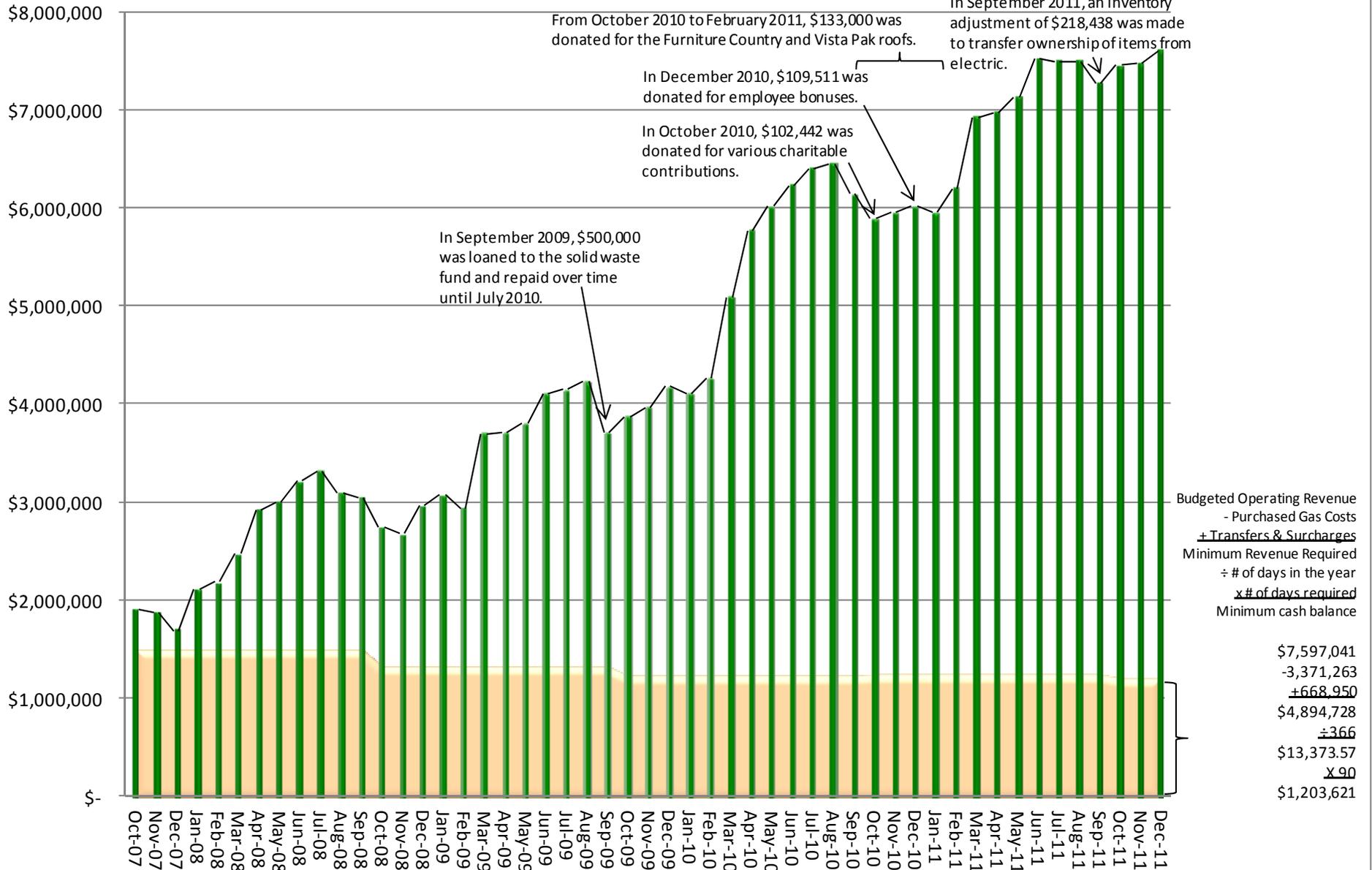
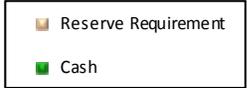
Original Budget	\$ 7,814,158
Carry Forwards	<u>2,019,851</u>
Revised Budget	\$ 9,834,009

**Bottom Line:**

The unaudited cash balance is \$7,606,225. Total revenue of \$1,718,202 exceeds total expenses of \$1,413,570 resulting in net income of \$304,632. The current cash position of the Gas utility underpins the liquidity of the combined utility, which is comprised of Gas, Water and Wastewater, and provides foundational support for Wall Street compliance.

# Gas Fund

## Cash and Reserve Requirement



Budgeted Operating Revenue	\$7,597,041
- Purchased Gas Costs	-3,371,263
<u>+ Transfers &amp; Surcharges</u>	<u>+668,950</u>
Minimum Revenue Required	\$4,894,728
÷ # of days in the year	÷366
<u>x # of days required</u>	<u>\$13,373.57</u>
Minimum cash balance	\$1,203,621

**City of Leesburg Gas Systems  
Statement of Revenues and Expenditures  
For the Three Months Ended December 31, 2011**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2012 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 7,462,041	\$ 7,462,041	\$ 1,675,191
Other Operating Revenue	135,000	135,000	35,975
Total Operating Revenues	<u>7,597,041</u>	<u>7,597,041</u>	<u>1,711,166</u>
<b>Expenses</b>			
Purchased Gas	3,371,263	3,371,263	591,220
Administration	1,051,485	1,050,485	209,119
Distribution	1,186,503	1,195,603	206,890
Uncollectable Accounts	20,000	20,000	5,000
Customer Accounts	353,660	353,660	81,342
Meter Reading	83,868	83,868	16,149
Depreciation	<u>325,000</u>	<u>325,000</u>	<u>81,273</u>
Total Operating Expenses	6,391,779	6,399,879	1,190,993
Net Income From Operations	1,205,262	1,197,162	520,173
<b>Non-Operating Revenue (Expense)</b>			
Interest Income	20,000	20,000	5,040
Other Non-Operating Income	7,500	7,500	1,997
Debt Service	(419,982)	(419,982)	(70,397)
Customer Deposit Interest	-	-	(149)
Total Non-Operating Revenue (Expense)	<u>(392,482)</u>	<u>(392,482)</u>	<u>(63,509)</u>
Income Before Operating Transfers	812,780	804,680	456,664
<b>Interfund Transfers</b>			
Transfers from Other Funds			
Wastewater Fund	100,000	100,000	-
Transfers to Other Funds			
General Fund	(561,090)	(561,090)	(140,273)
Surcharges to General Fund	<u>(107,860)</u>	<u>(107,860)</u>	<u>(23,509)</u>
Total Transfers	(568,950)	(568,950)	(163,782)
Net Income After Transfers	243,830	235,730	292,882
<b>Other Sources</b>			
Capital Contributions	39,617	157,790	-
Appropriated Retained Earnings	50,000	1,951,678	-
Capital Projects	<u>(288,521)</u>	<u>(2,308,372)</u>	<u>11,750</u>
Net Other Sources	(198,904)	(198,904)	11,750
Contribution to Fund Balance	<u>\$ 44,926</u>	<u>\$ 36,826</u>	<u>\$ 304,632</u>

**Overview**

The revised budget of \$13,243,974 is \$5,286,281 greater than the original budget of \$7,957,693 due to budget adjustments related to carry forwards from FY 2010-11, also known as rollovers. As of December, 25% of the year has passed. Operating revenue of \$1,842,793 represents 26.2% of budget of \$7,036,393. Operating expenses and encumbrances totaling \$1,248,504 represent 23.3% of budget of \$5,353,918. Included in this report is depreciation expense of \$254,791 which has the effect of reducing net income and increasing cash. Year to date net income is \$201,698.

**Net Income**

Total revenue of \$1,862,368 exceeds total expenses of \$1,660,669 resulting in net income of \$201,698.

**Cash Reserve Calculation**

	<b>2012</b>	<b>FYE 2011</b>
*Budgeted Operating Revenue	\$ 7,036,393	\$7,192,761
Reserve Percentage	<u>25%</u>	<u>25%</u>
Required Reserve	1,759,098	1,798,190
Operating cash	4,253,229	3,731,872
Renewal & replacement cash	<u>1,653,780</u>	<u>1,499,048</u>
Total cash on hand	5,907,009	5,230,920
**Excess	<u>\$ 4,147,911</u>	<u>\$3,432,730</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.

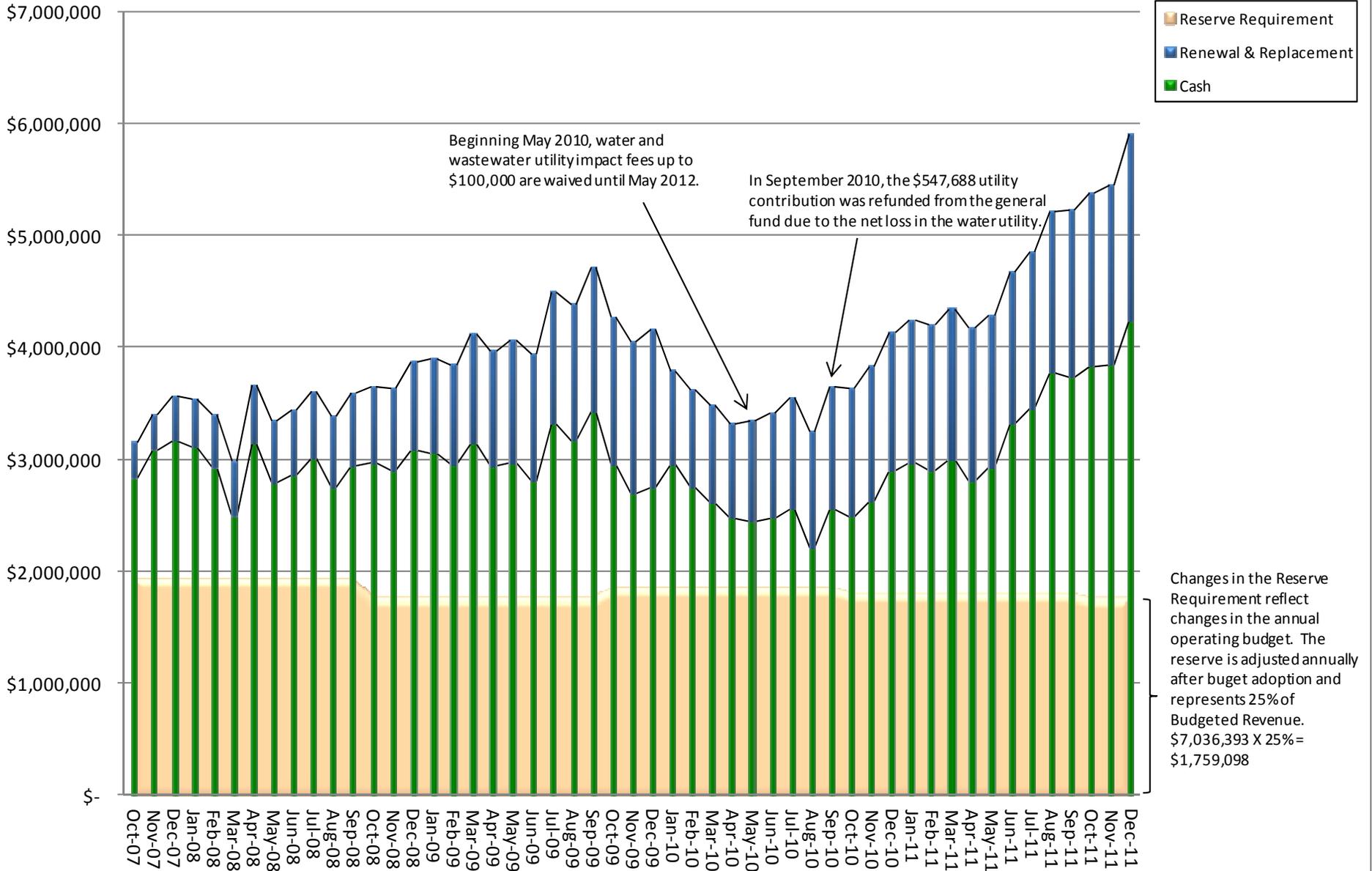
**Reconciliation of Budget Changes**

Original Budget	\$ 7,957,693
Carry forwards	<u>5,286,281</u>
Revised Budget	\$ 13,243,974

**Bottom Line:**

Year to date net income is \$201,698. The unaudited cash balance of \$5,907,009 has increased by \$676,089, or 12.9%, compared to last year's ending unaudited cash balance of \$5,230,920. Funding for ongoing projects have been restricted due to the suspension of impact fees which places a greater burden on operational and renewal and replacement cash.

# Water Fund Cash and Reserve Requirement



**City of Leesburg Water Utility**  
**Statement of Revenues and Expenditures**  
**For the Three Months Ended December 31, 2011**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2012 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 6,913,896	\$ 6,913,896	\$ 1,799,743
Other Operating Revenue	<u>122,497</u>	<u>122,497</u>	<u>43,050</u>
Total Operating Revenues	7,036,393	7,036,393	1,842,793
<b>Expenses</b>			
Administration	790,320	818,006	171,489
Treatment	1,278,418	1,282,193	299,812
Reuse	204,856	204,856	33,871
Distribution	1,029,928	1,029,928	210,274
Uncollectable Accounts	20,000	20,000	5,000
Customer Accounts	494,387	494,387	134,948
Meter Reading	148,088	148,088	28,515
Depreciation	<u>1,356,460</u>	<u>1,356,460</u>	<u>254,791</u>
Total Operating Expenses	5,322,457	5,353,918	1,138,700
<b>Net Income From Operations</b>	1,713,936	1,682,475	704,093
<b>Non-Operating Revenue (Expense)</b>			
Impact Fees	-	-	5,030
Interest Income	18,000	18,000	5,720
Other Non-Operating Income	500	500	5,118
Debt Service	(1,568,503)	(1,568,503)	(284,483)
Customer Deposit Interest	<u>(1,000)</u>	<u>(1,000)</u>	<u>(249)</u>
Total Non-Operating Revenue (Expense)	(1,551,003)	(1,551,003)	(268,864)
<b>Income Before Operating Transfers</b>	162,933	131,472	435,229
<b>Interfund Transfers</b>			
Transfers from Other Funds			
Wastewater Fund	500,000	500,000	-
Transfers to Other Funds			
General Fund	(527,039)	(527,039)	(131,760)
Building Fund	-	-	(100)
Surcharges to General Fund	<u>(235,894)</u>	<u>(235,894)</u>	<u>(77,604)</u>
Total Transfers	(262,933)	(262,933)	(209,464)
<b>Net Income After Transfers</b>	(100,000)	(131,461)	225,765
<b>Other Sources (Uses)</b>			
Capital Contributions	30,000	30,000	3,706
Appropriated Renewal & Replacement	372,800	372,800	-
Appropriated Retained Earnings	-	5,286,281	-
Capital Projects	<u>(227,800)</u>	<u>(5,461,395)</u>	<u>(27,773)</u>
Net Other Sources	175,000	227,686	(24,067)
<b>Contribution to Fund Balance</b>	<u>\$ 75,000</u>	<u>\$ 96,225</u>	<u>\$ 201,698</u>

**Overview**

The revised budget of \$11,661,997 is \$131,454 greater than the original budget of \$11,530,543 due to budget adjustments related to carry forwards from FY 2010-11, also known as rollovers. As of December, 25% of the year has passed. Operating revenue of \$2,240,115 represents 22.9% of budget of \$9,799,637. Operating expenses and encumbrances totaling \$1,890,180 represent 25.3% of budget of \$7,483,871. Included in this report is depreciation expense of \$375,784 which has the effect of reducing net income and increasing cash. Year to date net income is \$138,807.

**Surplus**

Total revenues of \$2,260,389 exceed total expenses of \$2,121,582 resulting in net income of \$138,807.

**Cash Reserve Calculation**

	<b>2012</b>	<b>FYE 2011</b>
*Budgeted Operating Revenue	\$ 9,799,637	\$ 9,768,836
Reserve Percentage	<u>25%</u>	<u>25%</u>
Required Reserve	2,449,909	2,442,209
Operating cash	2,822,553	2,690,319
Renewal & replacement cash	<u>3,176,765</u>	<u>2,936,237</u>
Total cash on hand	5,999,318	5,626,556
Excess	<u>\$ 3,549,409</u>	<u>\$ 3,184,347</u>

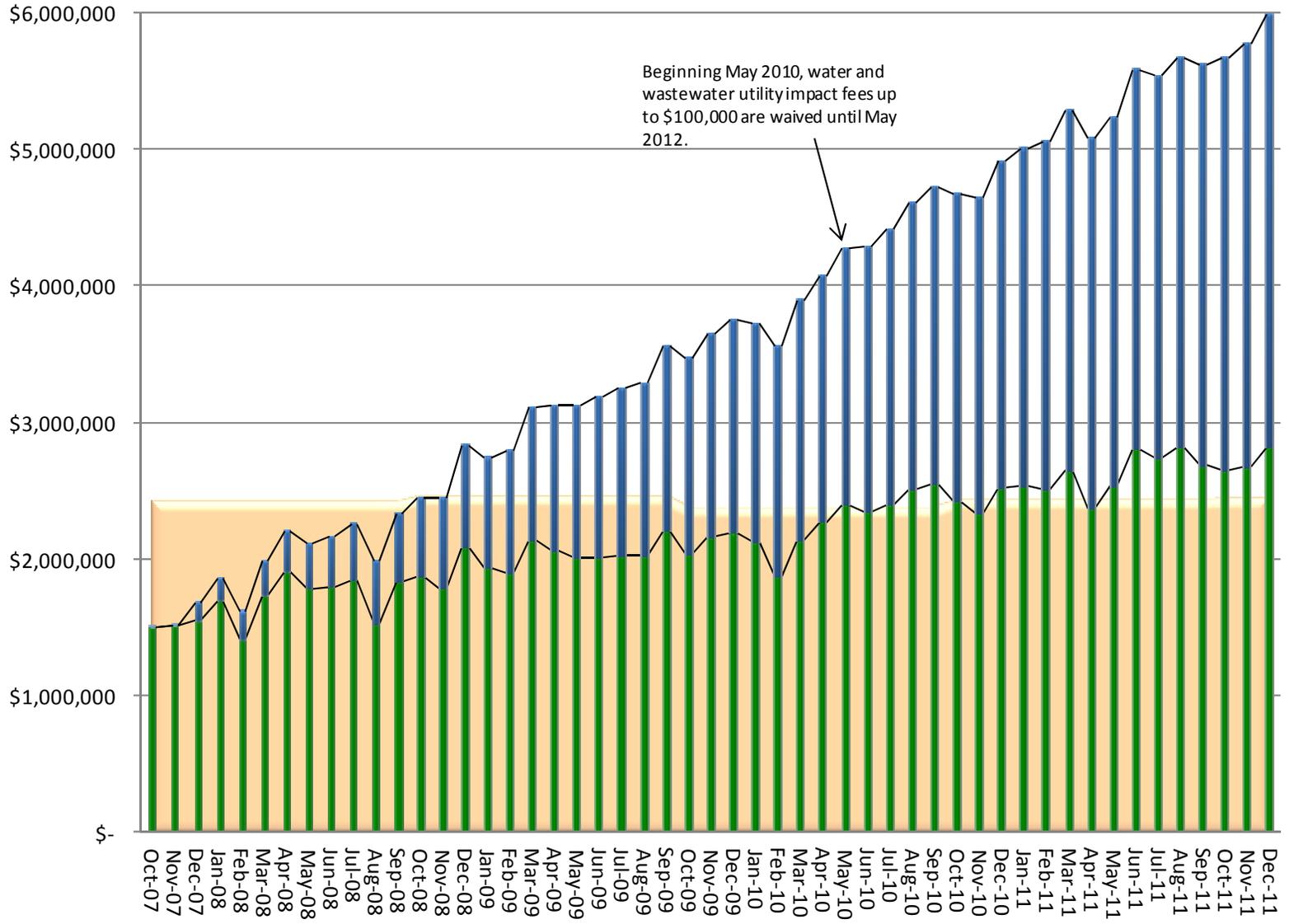
\*Operating revenue does not include income from grants, interest, other non-operating revenues, transfers in from other sources or funds, capital contributions or debt proceeds.

**Bottom Line:**

Net income for the end of the reporting period is \$138,807. The unaudited cash balance of \$5,999,318 has increased by \$372,762 or 6.6% over the previous year's ending balance of \$5,626,556 . It is important to note, funding for ongoing projects have been restricted due to the suspension of impact fees. This restriction places a greater burden on operational and renewal and replacement cash.

# Wastewater Fund Cash and Reserve Requirement

- Reserve Requirement
- Renewal & Replacement
- Cash



Changes in the Reserve Requirement reflect changes in the annual operating budget. The reserve is adjusted annually after budget adoption and represents 25% of Budgeted Revenue.  $\$9,799,637 \times 25\% = \$2,449,909$

**City of Leesburg Wastewater Utility  
Statement of Revenues and Expenditures  
For the Three Months Ended December 31, 2011**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2012 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 9,640,631	\$ 9,640,631	\$ 2,206,524
Other Operating Revenue	<u>159,006</u>	<u>159,006</u>	<u>33,591</u>
Total Operating Revenues	9,799,637	9,799,637	2,240,115
<b>Expenses</b>			
Administration	813,120	814,245	174,050
Canal Street-Treatment	1,044,439	1,069,123	265,415
Turnpike-Treatment	779,920	785,520	149,322
Laboratory	197,599	197,599	50,858
Sprayfield	245,206	245,206	54,400
Collections	971,941	971,941	190,463
Lift Stations	1,167,276	1,167,276	252,912
Uncollectable Accounts	20,000	20,000	5,000
Customer Accounts	679,101	679,101	164,586
Meter Reading	133,860	133,860	25,775
Depreciation	<u>1,400,000</u>	<u>1,400,000</u>	<u>375,784</u>
Total Operating Expenses	7,452,462	7,483,871	1,708,565
<b>Net Income From Operations</b>	2,347,175	2,315,766	531,550
<b>Non-Operating Revenue (Expense)</b>			
Impact Fees	-	-	11,895
Interest Income	21,000	21,000	7,841
Other Non-Operating Income	-	-	537
Debt Service	(1,939,330)	(1,939,330)	(237,725)
Customer Deposit Interest	<u>-</u>	<u>-</u>	<u>(3)</u>
Total Non-Operating Revenue (Expense)	(1,918,330)	(1,918,330)	(217,455)
<b>Income Before Operating Transfers</b>	428,845	397,436	314,095
<b>Interfund Transfers</b>			
Transfers from Other Funds			
Transfers to Other Funds			
General Fund	(700,751)	(700,751)	(175,188)
Building Fund	<u>-</u>	<u>-</u>	<u>(100)</u>
Total Transfers	(700,751)	(700,751)	(175,288)
<b>Net Income After Transfers</b>	(271,906)	(303,315)	138,807
<b>Other Sources (Uses)</b>			
Renewal & Replacement	1,583,000	1,664,410	-
Appropriated Retained Earnings	126,906	176,950	-
Capital Projects	<u>(1,363,000)</u>	<u>(1,388,810)</u>	<u>-</u>
Net Other Sources	346,906	452,550	-
<b>Contribution to Fund Balance</b>	\$ <u>75,000</u>	\$ <u>149,235</u>	\$ <u>138,807</u>

**Combined Cash Reserve-Utility System**

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 is in conformity with the cash reserve policy.

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

	<b>2012</b>	<b>FYE 2011</b>
Gas	\$ 6,402,604	\$ 6,029,513
Water	4,147,911	3,432,730
Wastewater	<u>3,549,409</u>	<u>3,184,347</u>
Combined Excess (Deficiency)	\$14,099,924	\$12,646,590
Change from previous year	\$ 1,453,334	\$ 3,592,663

**Bottom Line:**

The combined utility cash reserve excess of \$14,099,924 is strong and reflects an increase of \$1,453,334, or 11.5%, over the previous fiscal year. Funding for ongoing projects has been restricted due to the suspension of impact fees. The current cash position of the gas utility underpins the liquidity of the combined utility and provides foundational support for Wall Street compliance.

**Overview**

The revised budget of \$1,763,080 is \$104,120 greater than original budget of \$1,658,960 due to carry forwards from FY 2010-11, also known as rollovers. As of December, 25% of the year has passed. Operating revenues totaling \$345,725 represent 23.9% of budget of \$1,446,560. Operating expenses and encumbrances totaling \$305,655 represent 26.8% of budget of \$1,138,779. Included in this report is depreciation expense of \$68,920 which has the effect of reducing net income and increasing cash. Net income at the end of the reporting period is \$91,211.

**Surplus**

Total revenues of \$346,741 exceed expenses of \$255,530 by \$91,211.

**Cash Reserve Calculation**

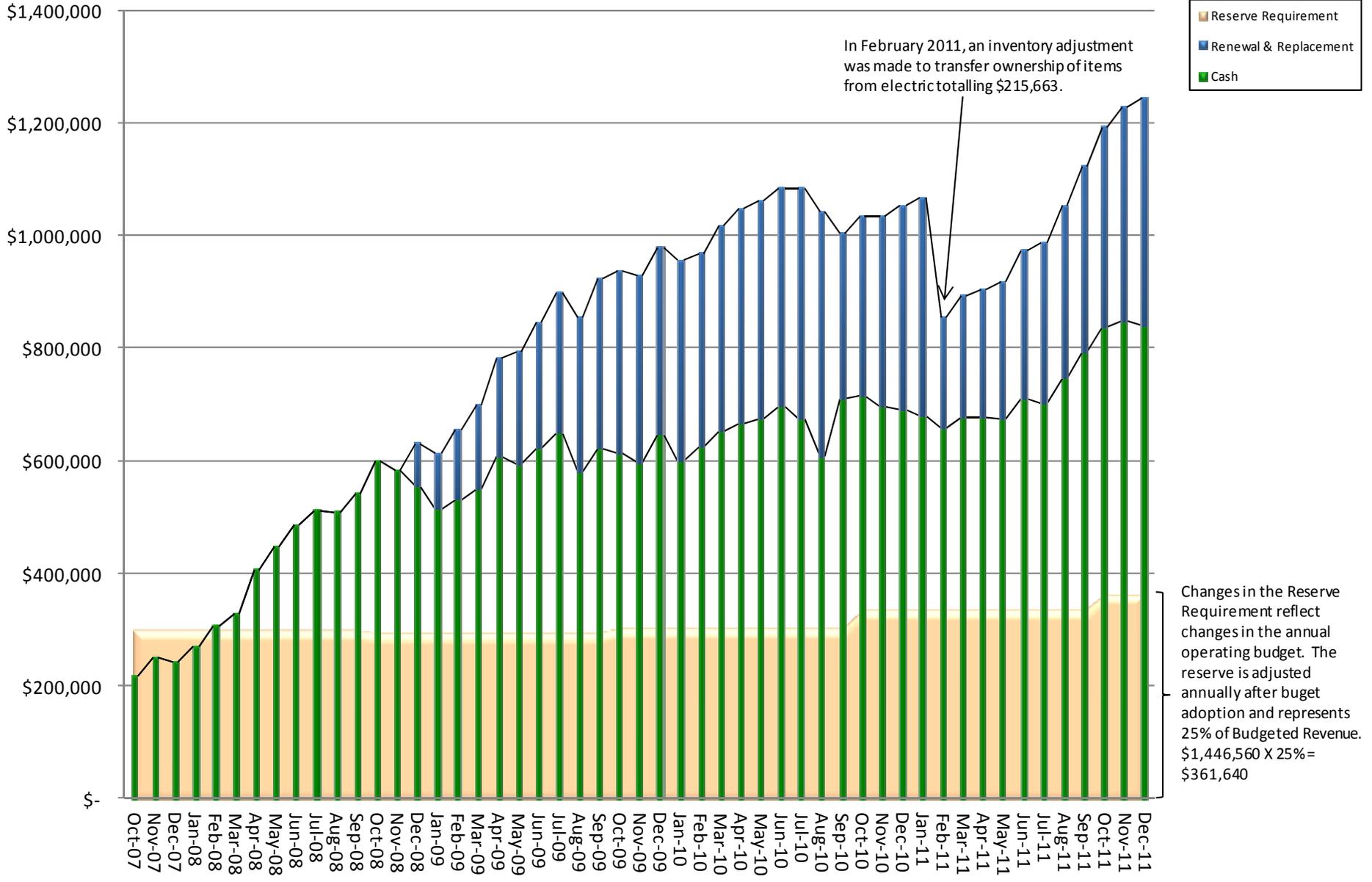
	<b>2012</b>	<b>FYE 2011</b>
*Budgeted Operating Revenue	\$ 1,446,560	\$ 1,333,981
Reserve Percentage	<u>25%</u>	<u>25%</u>
Required Reserve	361,640	333,495
Operating cash	842,363	795,279
Renewal & replacement cash	<u>404,324</u>	<u>329,324</u>
Total cash on hand	1,246,687	1,124,603
Excess	<u>\$ 885,047</u>	<u>\$ 791,108</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.

**Bottom Line:**

Net income at the end of the reporting period is \$91,211. The unaudited cash balance of \$1,246,687 has increased by \$122,084, or 10.9%, over last year's ending unaudited cash balance of \$1,124,603.

# Communications Fund Cash and Reserve Requirement



**City of Leesburg Communication Systems  
Statement of Revenues and Expenditures  
For the Three Months Ended December 31, 2011**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2012 Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 1,446,560	\$ 1,446,560	\$ 341,784
Other Operating Revenue	-	-	3,941
<b>Total Operating Revenues</b>	<u>1,446,560</u>	<u>1,446,560</u>	<u>345,725</u>
<b>Expenses</b>			
Communications	695,343	695,343	155,393
Internet Service Provider	133,436	133,436	19,749
Uncollectable Accounts	10,000	10,000	2,500
Depreciation	<u>300,000</u>	<u>300,000</u>	<u>68,920</u>
<b>Total Operating Expenses</b>	<u>1,138,779</u>	<u>1,138,779</u>	<u>246,562</u>
<b>Net Income From Operations</b>	307,781	307,781	99,163
<b>Non-Operating Revenue (Expense)</b>			
Interest Income	-	-	674
Other Non-Operating Income	2,400	2,400	343
Debt Service	(119,985)	(119,985)	(8,966)
Customer Deposit Interest	<u>-</u>	<u>-</u>	<u>(3)</u>
<b>Total Non-Operating Revenue (Expense)</b>	<u>(117,585)</u>	<u>(117,585)</u>	<u>(7,952)</u>
<b>Income Before Operating Transfers</b>	190,196	190,196	91,211
<b>Interfund Transfers</b>			
Transfers from Other Funds			
Hwy 441/27 CRA Fund	-	50,788	-
Transfers to Other Funds			
General Fund	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Transfers</b>	<u>-</u>	<u>50,788</u>	<u>-</u>
<b>Net Income After Transfers</b>	190,196	240,984	91,211
<b>Other Sources</b>			
Appropriated Retained Earnings	210,000	263,332	-
Capital Projects	<u>(315,000)</u>	<u>(419,120)</u>	<u>-</u>
<b>Net Other Sources</b>	<u>(105,000)</u>	<u>(155,788)</u>	<u>-</u>
<b>Contribution to Fund Balance</b>	<u>\$ 85,196</u>	<u>\$ 85,196</u>	<u>\$ 91,211</u>

**Overview**

The original budget of \$3,622,991 remains unchanged. As of December, 25% of the year has passed. Operating revenue of \$922,999 represents 25.5% of budget of \$3,617,791. Operating expenses and encumbrances totaling \$777,469 represent 24.2% of budget of \$3,214,025. Included in this report is depreciation expense of \$4,804 which has the effect of reducing net income and increasing cash. Net income at the end of the reporting period is \$164,829.

**Surplus**

Total revenues of \$926,852 exceed total expenses of \$762,023 by \$164,829.

**Cash Reserve Calculation**

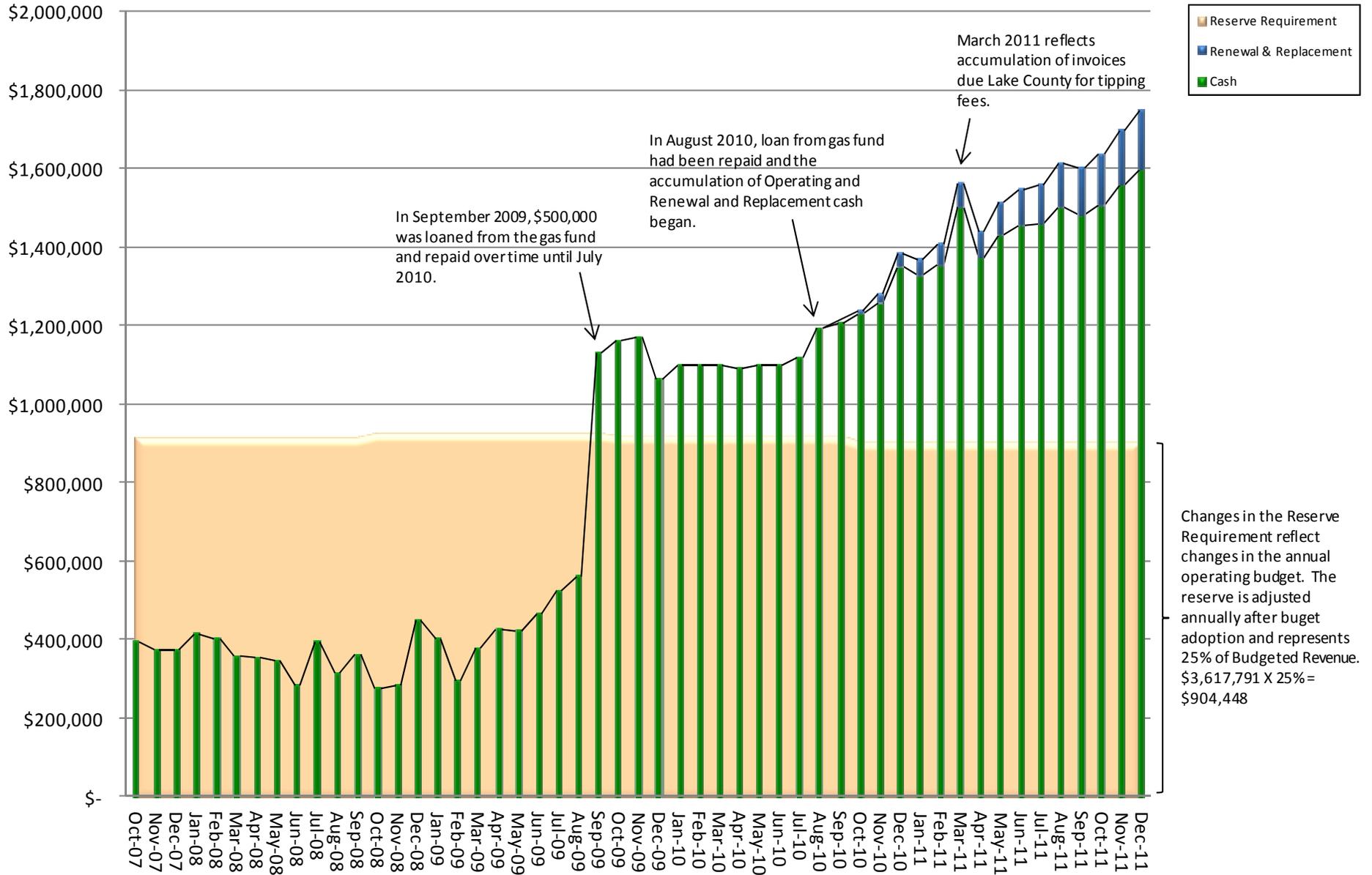
	<b>2012</b>	<b>FYE 2011</b>
*Budgeted Operating Revenue	\$ 3,617,791	\$3,617,791
Reserve Percentage	<u>25%</u>	<u>25%</u>
Required Reserve	904,448	904,448
Operating cash	1,600,038	1,482,746
Renewal & replacement cash	<u>150,000</u>	<u>120,000</u>
Total cash on hand	1,750,038	1,602,746
Excess (Deficiency)	<u>\$ 845,590</u>	<u>\$ 698,298</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.

**Bottom Line:**

Year to date net income is \$164,829. The unaudited cash balance of \$1,750,038 has increased by \$147,292, or 9.2%, over last year's ending unaudited cash balance of \$1,602,746.

# Solid Waste Fund Cash and Reserve Requirement



**City of Leesburg Solid Waste Fund**  
**Statement of Revenues and Expenditures**  
**For the Three Months Ended December 31, 2011**

	<u>Original</u> <u>Budget</u>	<u>Revised</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>
<b>Revenue</b>			
Charges For Services	\$ 3,588,091	\$ 3,588,091	\$ 913,774
Other Operating Revenue	<u>29,700</u>	<u>29,700</u>	<u>9,225</u>
Total Operating Revenues	3,617,791	3,617,791	922,999
<b>Expenses</b>			
Long-Term Care	54,231	54,231	-
Residential	1,408,792	1,408,792	294,428
Commercial	1,328,760	1,328,760	298,666
Uncollectable Accounts	20,000	20,000	5,000
General & Administrative	110,012	110,012	23,386
Customer Accounts	271,230	271,230	70,162
Depreciation	<u>21,000</u>	<u>21,000</u>	<u>4,804</u>
Total Operating Expenses	3,214,025	3,214,025	696,446
<b>Net Income From Operations</b>	403,766	403,766	226,553
<b>Non-Operating Revenue (Expense)</b>			
Interest Income	-	-	953
Other Non-Operating Income	5,200	5,200	2,899
Customer Deposit Interest	<u>-</u>	<u>-</u>	<u>(4)</u>
Total Non-Operating Revenue (Expense)	5,200	5,200	3,848
<b>Income Before Operating Transfers</b>	408,966	408,966	230,401
<b>Interfund Transfers</b>			
Transfers to Other Funds			
General Fund	<u>262,289</u>	<u>262,289</u>	<u>65,572</u>
Total Transfers	262,289	262,289	65,572
<b>Net Income After Transfers</b>	146,677	146,677	164,829
<b>Contribution to Fund Balance</b>	<u>\$ 146,677</u>	<u>\$ 146,677</u>	<u>\$ 164,829</u>

**Overview**

The original budget of \$6,203,016 remains unchanged. As of December, 25% of the year has passed. Operating revenue of \$1,313,790 represents 21.5% of budget of \$6,117,016. Operating expenses and encumbrances totaling \$1,773,555 represent 30.9% of budget of \$5,748,822. Year to date net income is \$144,087.

**Net Income**

Total revenue of \$1,331,503 exceeds total expenses of \$1,187,414 resulting in net income of \$144,087.

**Cash Reserve Calculation**

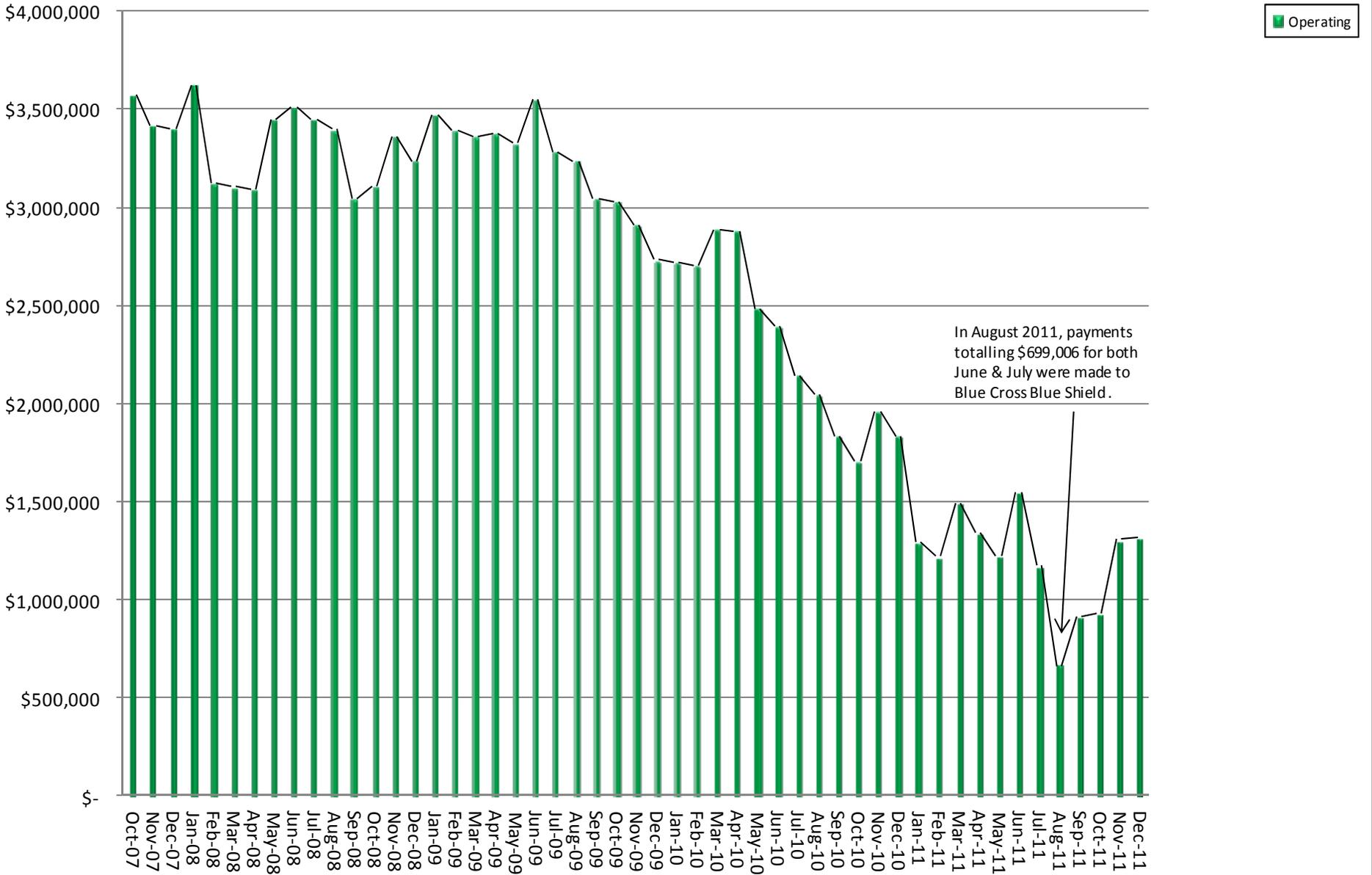
The cash reserve policy requires that there be adequate cash on hand to meet the obligations of the Health Insurance Fund. The results of the calculation are presented below:

	<b>2012</b>	<b>FYE 2011</b>
*Budgeted Expenditures	\$ 6,203,016	\$5,145,141
Number of days in the year	<u>÷ 366</u>	<u>÷ 365</u>
Budgeted average daily claims expense	16,948	14,096
Cash on hand	\$ 1,316,033	\$ 912,598
Actual average daily claims expense	<u>÷ 12,905</u>	<u>÷ 15,652</u>
Number of days cash on hand	101.98	58.31

**Bottom Line:**

Year to date net income is \$144,087. Cash on hand of \$1,316,033 has increased by \$403,435 or 44.2% over the previous year ending balance of \$912,598. The number of days cash on hand of 101.98 has increased from the previous fiscal year end balance of 58.31 by 43.67 days. The change is related to the increase in cash and the reduction in the actual average daily claims expense through December. It is too early in the fiscal year to determine if the reduction in actual average daily claims expense will retain its downward trend. In an attempt to mitigate the escalating costs of healthcare, the City opened a Wellness Center on January 17th, 2011. The Wellness Center should assist the City in identifying wellness issues early enough to manage health risks and increased costs associated with long term debilitating illnesses.

# Health Insurance Fund Cash and Reserve Requirement



**City of Leesburg Healthcare Fund**  
**Statement of Revenues and Expenditures**  
**For the Three Months Ended December 31, 2011**

	<u>Original</u> <u>Budget</u>	<u>Revised</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>
<b>Revenue</b>			
Employee Contributions	\$ 819,000	\$ 819,000	\$ 181,226
Employer Contributions	4,722,696	4,722,696	991,016
Retiree's Contribution	193,000	193,000	51,688
Retiree's Employer Contribution	347,320	347,320	86,831
Continuation Coverage	35,000	35,000	3,029
Revenues From Outside Sources	<u>6,117,016</u>	<u>6,117,016</u>	<u>1,313,790</u>
<b>Other Revenues</b>			
Interest on Investments	3,000	3,000	618
Other Income	<u>47,000</u>	<u>47,000</u>	<u>17,261</u>
Total Other Revenues	50,000	50,000	17,879
<b>Total Revenues</b>	<b>\$ 6,167,016</b>	<b>\$ 6,167,016</b>	<b>\$ 1,331,669</b>
<b>Expenses</b>			
Professional Services	\$ 642,058	\$ 642,058	\$ 130,364
Operating Expenses	48,293	48,293	7,066
Insurance Premiums	367,916	367,916	78,753
Insurance Claims	3,806,555	3,806,555	789,997
Prescription Claims	820,000	820,000	172,146
Pharmaceuticals	100,000	100,000	9,089
Medicare Part D Subsidy	(36,000)	(36,000)	-
Reinsurance Recoveries	-	-	167
Total Operating Expenses	<u>5,748,822</u>	<u>5,748,822</u>	<u>1,187,582</u>
<b>Total Expenditures</b>	<b>\$ 5,748,822</b>	<b>\$ 5,748,822</b>	<b>\$ 1,187,582</b>
<b>Excess (Deficiency) of Revenue</b>			
<b>Over (Under) Expenditures</b>	<u>\$ 418,194</u>	<u>\$ 418,194</u>	<u>\$ 144,087</u>

## Workers' Compensation

December 2011

### Overview

The original budget of \$625,321 remains unchanged. As of December, 25% of the year has passed. Operating revenue of \$141,646 represents 22.7% of budget of \$625,321. Operating expenses and encumbrances totaling \$131,061 represent 21% of budget of \$625,321. Year to date net income is \$35,031.

### Net Income

Total revenues of \$148,688 exceed total expenses of \$113,657 resulting in net income of \$35,031.

### Cash Reserve Calculation

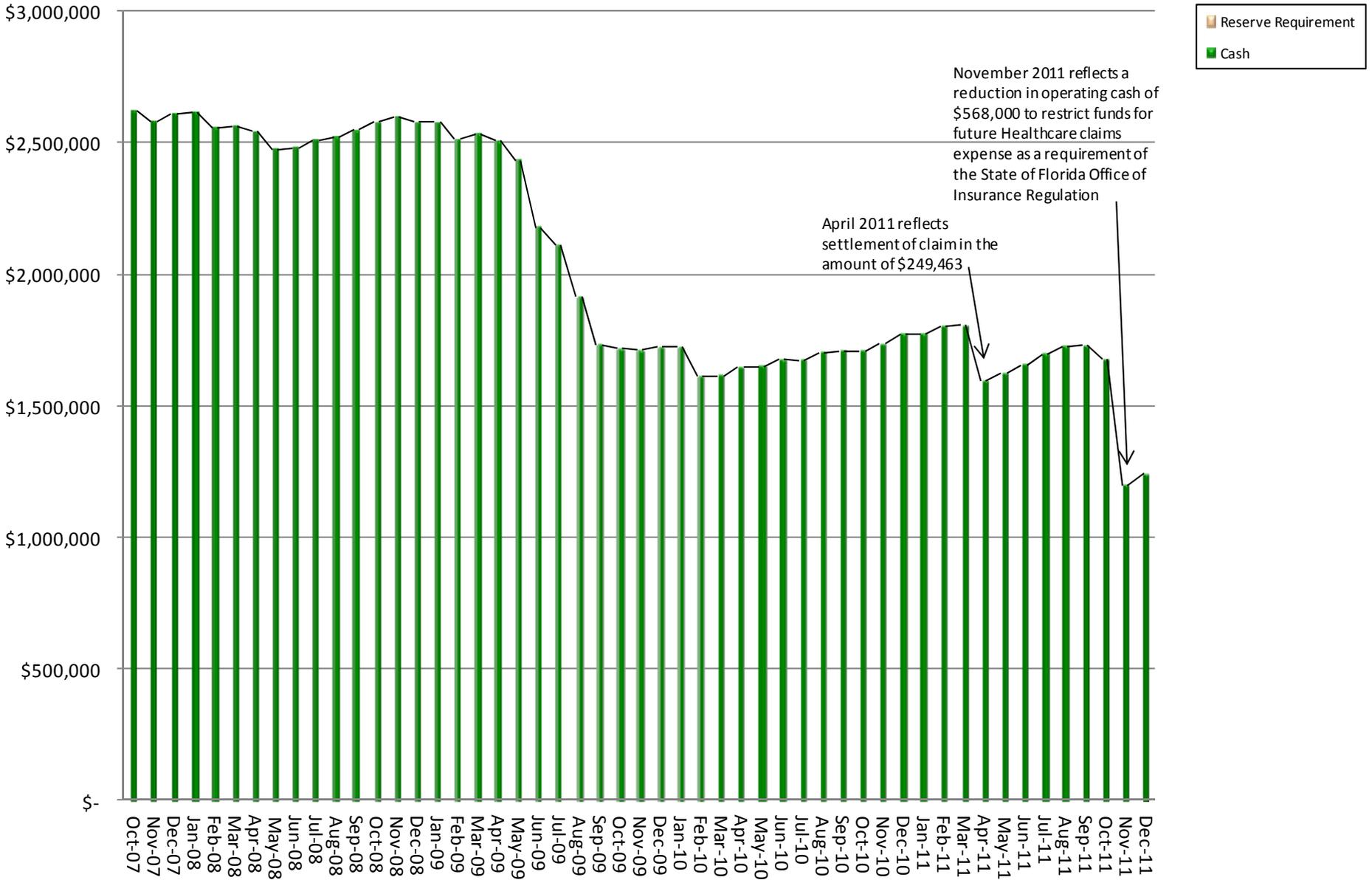
The cash reserve policy requires that there be adequate cash on hand to meet the obligations of the Workers' Compensation Fund. The results of the calculation are presented below:

	2012	FYE 2011
Budgeted Operating Expenditures	\$ 625,321	\$ 625,321
Number of days in the year	<u>÷ 366</u>	<u>÷ 365</u>
Average daily claims expense	\$ 1,708.53	\$ 1,713.21
Cash on Hand	\$ 1,244,484	\$1,729,737
Average daily claims expense	<u>÷ 1,235.40</u>	<u>÷ 1,457.01</u>
Number of days cash on hand	1,007.35	1,187.18

### Bottom Line:

Cash on hand of \$1,244,484 has decreased by \$485,253 from the previous year end balance of \$1,729,737. The change in cash is directly related to the creation of a restricted cash account totaling \$568,000 which was specifically identified for the State of Florida Office of Insurance Regulation should it be necessary to provide additional funding for future Healthcare claims expenses. The number of days cash on hand of 1,007.35 has decreased from the previous fiscal year end balance of 1,187.18 by 179.83 days which is directly attributable to the creation of the restricted cash account . Year to date net income is \$35,031. The City is protected by healthy reserves and effective risk management.

# Workers' Compensation Fund Cash and Reserve Requirement



**City of Leesburg Workers' Compensation  
Statement of Revenues and Expenditures  
For the Three Months Ended December 31, 2011**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2012 Actual</u>
<b>Revenue</b>			
Employer Contributions	\$ 625,321	\$ 625,321	\$ 141,646
Revenues From Outside Sources	625,321	625,321	141,646
<b>Other Revenues</b>			
Interest on Investments	-	-	942
Other Income	-	-	104
Total Other Revenues	-	-	1,046
<b>Total Revenues</b>	\$ 625,321	\$ 625,321	\$ 142,692
<b>Expenses</b>			
Professional Services	\$ 29,400	\$ 29,400	\$ 5,052
Insurance Premiums	74,665	74,665	52,406
Insurance Claims	500,161	500,161	56,199
Self Insurance Assessment	21,095	21,095	-
Reinsurance Recoveries	-	-	(5,996)
Total Operating Expenses	625,321	625,321	107,661
<b>Total Expenditures</b>	\$ 625,321	\$ 625,321	\$ 107,661
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	\$ -	\$ -	\$ 35,031

**Building Permits Fund****December 2011****Overview**

The original budget of \$435,607 remains unchanged. As of December, 25% of the year has passed. Operating revenue of \$87,493 represents 24.7% of budget of \$355,000. Operating expenses and encumbrances of \$92,554 represent 21.3% of budget of \$435,607. The year to date net loss is (\$3,788).

**Net Loss**

Total expenses of \$92,554 exceed total revenues of \$88,766 by \$3,788, resulting in a net loss.

**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:

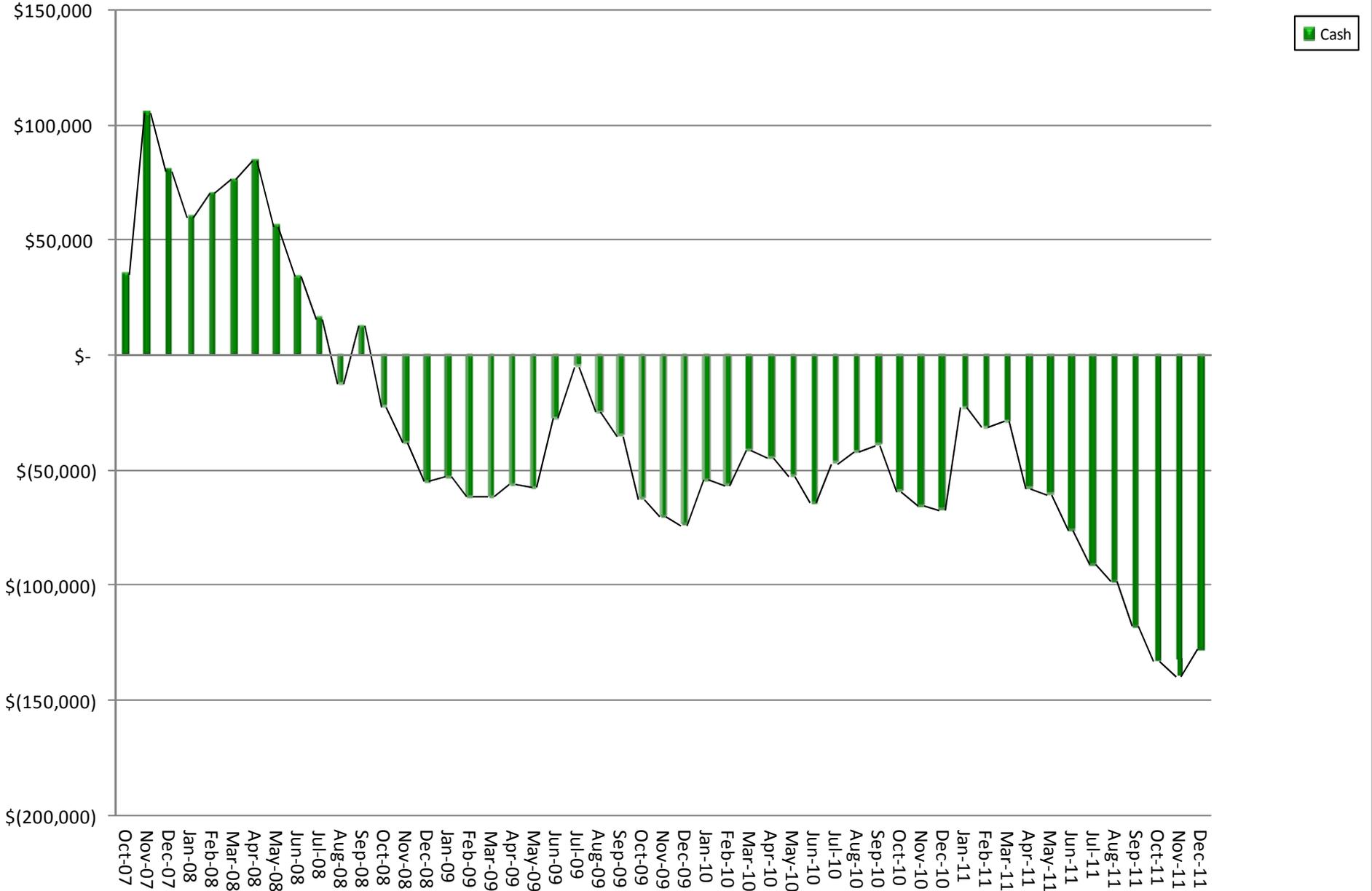
	<b>2012</b>	<b>FYE 2011</b>
Budgeted Operating Expenditures	\$ 435,500	\$ 414,473
Number of days in the year	<u>÷ 366</u>	<u>÷ 365</u>
Average daily expense	\$ 1,189.89	\$ 1,135.54
Cash deficit	\$ 127,744	\$ 117,662
Actual average daily expense	<u>÷ 1,006.02</u>	<u>÷ 1,149.57</u>
Number of days cash deficiency	126.98	102.35

The cash deficit of \$127,744 is covered by General Fund excess cash reserves.

**Bottom Line**

The year to date net loss is (\$3,788). The cash deficit is \$127,744. 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.

# Building Permits Cash



**City of Leesburg Building Permits Fund**  
**Statement of Revenues and Expenditures**  
**For the Three Months Ended December 31, 2011**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>2012 Actual</u>
<b>Permit Revenue</b>			
Building	\$ 230,000	\$ 230,000	\$ 47,098
Plumbing	20,000	20,000	4,431
Electric	45,000	45,000	20,156
Gas	3,000	3,000	1,019
Fire	25,000	25,000	6,118
Mechanical	25,000	25,000	5,981
Mobile Home	1,000	1,000	270
Sign	6,000	6,000	2,420
Revenues From Outside Sources	<u>355,000</u>	<u>355,000</u>	<u>87,493</u>
<b>Other Revenues</b>			
Intergovernmental Revenue	1,500	1,500	925
Charges for Services	-	-	218
Investment Income	-	-	(70)
Miscellaneous	-	-	200
Fund Balance Appropriated	<u>79,107</u>	<u>79,107</u>	<u>-</u>
Total Other Revenues	80,607	80,607	1,273
<b>Total Revenues</b>	\$ 435,607	\$ 435,607	\$ 88,766
<b>Expenses</b>			
Salaries & Benefits	\$ 345,173	\$ 345,173	\$ 72,942
Operating Expenses	<u>90,434</u>	<u>90,434</u>	<u>19,612</u>
Total Operating Expenses	435,607	435,607	92,554
<b>Total Expenditures</b>	\$ 435,607	\$ 435,607	\$ 92,554
<b>Income Before Operating Transfers</b>	-	-	(3,788)
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,788)</u>