

# CITY OF LEESBURG, FLORIDA



## FINANCIAL FEASIBILITY REPORT

### Utility System Refunding Revenue Bonds, Series 2013

#### Appendix B

April 10, 2013



**Public Resources Management Group, Inc.**

*Utility, Rate, Financial and Management Consultants*



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April 10, 2013

Honorable Mayor and Members  
of the City Commission  
City of Leesburg  
501 West Meadow Street  
Leesburg, Florida 34749

Subject: **Financial Feasibility Report – Utility System Refunding Revenue Bonds,  
Series 2013**

Honorable Mayor and Commissioners:

Presented herein is our financial feasibility report for inclusion in the Official Statement that summarizes our analyses, studies and conclusions with regard to the proposed issuance by the City of Leesburg, Florida (the "City") of approximately \$20,910,000<sup>[1]</sup> aggregate principal amount of Utility System Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds"). The City plans to issue the Series 2013 Bonds to: i) refund the City's outstanding Utility System Revenue Bonds, Series 2004 (the "Series 2004 Bonds"); ii) pay the costs of a debt service reserve fund surety bond to deposit to an account in the Reserve Fund to secure only the Series 2013 Bonds; and iii) pay certain expenses relating to the issuance and sale of the Series 2013 Bonds.

The primary purpose of this report is to summarize our estimates of the financial projections of the City's gas, water and wastewater utility systems (collectively, the "System") including funding of the capital improvement program identified by the City. As such, this report includes, among other things, discussions of: i) projected sales, customer growth and revenues; ii) the schedule of currently adopted rates and fees for utility service; iii) capital improvement projects and anticipated funding sources; and iv) projections of overall System financial operating results. The forecast of financial operating results includes projections of the System's ability to meet the rate covenant requirements of Resolution No. 7143, duly adopted by the City Commission (the "Commission") on June 14, 2004, as amended and supplemented from time to time (collectively, the "Bond Resolution").

Public Resources Management Group, Inc. ("PRMG") does not offer any opinion as to the general condition of the System and compliance with regulations imposed by various agencies upon the System or the estimated costs of the improvements anticipated to be funded during the six-year period commencing October 1, 2012 through September 30, 2018 (the "Forecast Period") as identified by the City. Capitalized undefined terms referenced herein shall have the same meaning as ascribed thereto in the Bond Resolution.

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[1] Preliminary; subject to change.

The financial projections in this report, associated with the issuance of the Series 2013 Bonds, were based on discussions with and information provided by the management of the City; the financial advisor for the City, Larson Consulting Services, LLC, Orlando, Florida (the "Financial Advisor"); the senior managing underwriter for the Series 2013 Bonds, RBC Capital Markets, LLC (the "Senior Managing Underwriter"); as well as certain assumptions and analyses made by us with respect to such financial projections. Our report includes a summary of our opinions and conclusions regarding the financial projections as well as the System's ability to meet the debt service requirements of the System. Such opinions and conclusions are subject to the assumptions and considerations identified in the report and information obtained during preparation of the report. As such, this report should be read in its entirety with respect to such projections.

### **Findings and Conclusions**

Based upon the principal considerations and assumptions and the results of our studies and analyses as summarized in this report, we are of the opinion that:

1. The projected growth in customers and usage of the System and the corresponding revenues derived from the application of the existing rates and the annual rate index adjustments applied to such customers and usage represent reasonable and attainable projections for the purposes of this report.
2. The projections of the Cost of Operation and Maintenance represent reasonable projections for the purposes of this report. Such projections were based on historical trends in costs, discussions with the City staff, and our understanding of the capital program and additional expenses to be incurred.
3. The existing rates for gas, water and wastewater service are competitive when compared to charges for similar services provided by other Florida utilities. The anticipated rate adjustments as represented in this report, which are based on the application of an annual inflationary index and, with respect to rates for the Gas System, periodic purchased gas adjustments, are not expected by the City to negatively affect the customer growth or sales (billed gas, water and wastewater use or flow) assumed for the Forecast Period.
4. The existing water and wastewater capacity charges (referred to in the Bond Resolution as Water Capacity Charges and Sewer Capacity Charges, respectively) are competitive with those charged by other Florida utilities. As discussed in this report, these charges have been currently waived by the City subject to certain limitations.
5. The System Gross Revenues for the Forecast Period, assuming implementation of the projected rate adjustments, should be sufficient to pay all projected Costs of Operations and Maintenance of the System, pay the estimated Bond Service Requirement on all Outstanding Bonds, and make all additional deposits as required by the Bond Resolution.

Honorable Mayor and Members  
of the City Commission  
City of Leesburg  
April 10, 2013  
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6. The projected debt service coverage relating to the System debt as presented in this report is projected to be in compliance with the Rate Covenant contained in the Bond Resolution.

This report summarizes the results of our studies and analyses up to the date of this report. Prospective purchasers of the Series 2013 Bonds should not rely upon the information contained in this report for a current description of any matters set forth herein as of any date subsequent to the date of this report. Changed conditions occurring or becoming known after such date could affect the material presented herein to the extent of such changes. PRMG did not perform an audit of the financial books and records of the System but relied upon information, assumptions, and projections provided by the City staff and others.

Respectively submitted,

**Public Resources Management Group, Inc.**



Henry L. Thomas  
Vice President and Principal



Bryan A. Mantz, CMC, CGFM  
Supervising Consultant

HLT/dlc  
Attachments

**CITY OF LEESBURG, FLORIDA**  
**FINANCIAL FEASIBILITY REPORT**  
**UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2013**

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**CITY OF LEESBURG, FLORIDA**  
**FINANCIAL FEASIBILITY REPORT**  
**UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2013**

**INTRODUCTION**

The financial feasibility report summarizes our analyses, studies, and conclusions with regard to the proposed issuance by the City of Leesburg, Florida (the "City") of approximately \$20,910,000<sup>[1]</sup> aggregate principal amount of Utility System Refunding Revenue Bonds, Series 2013 (the "Series 2013 Bonds").

The Series 2013 Bonds are being issued under the authority of Resolution No. 7143, duly adopted by the City Commission (the "Commission") on June 14, 2004, as amended and supplemented from time to time (collectively, the "Bond Resolution"). For a more complete description of the Bond Resolution, please refer to Appendix C in the Official Statement relating to the Series 2013 Bonds. Capitalized undefined terms used in this report shall have the meanings ascribed thereto in the Bond Resolution.

The City plans to issue the Series 2013 Bonds to provide funds to: i) refund the City's outstanding Utility System Revenue Bonds, Series 2004 (the "Series 2004 Bonds"); ii) pay the costs of a debt service reserve fund surety bond to deposit to an account in the Reserve Fund to secure only the Series 2013 Bonds; and iii) pay certain expenses relating to the issuance and sale of the Series 2013 Bonds.

The primary purpose of this report is to present financial projections of operating results of the City's gas, water and wastewater utility systems (collectively, the "System"), including the anticipated ability of the System to meet the rate covenant requirements as defined in the Bond Resolution for the six-year period commencing October 1, 2012 through September 30, 2018 (the "Forecast Period"). Public Resources Management Group, Inc. ("PRMG") was responsible for the compilation of historical financial information and the preparation of the projected financial results, including the projections of customer and sales revenues, operating expenses, capital funding, and other components that comprise the projected operating results.

PRMG does not offer any opinion as to the general condition of the System, compliance with regulations imposed by various agencies upon the operation of the System, the impact of potential future regulatory requirements or the estimated cost of the various capital improvements to be funded from System operations as referenced in this report.

In preparation of this report, PRMG has relied upon financial, statistical, and operational data provided by the City that has been derived from operating and financial reports and records prepared and provided by the City, including information contained in the Comprehensive Annual Financial Reports prepared and published by the City. In addition, we have been furnished information and assumptions from the City and others including the estimated level of

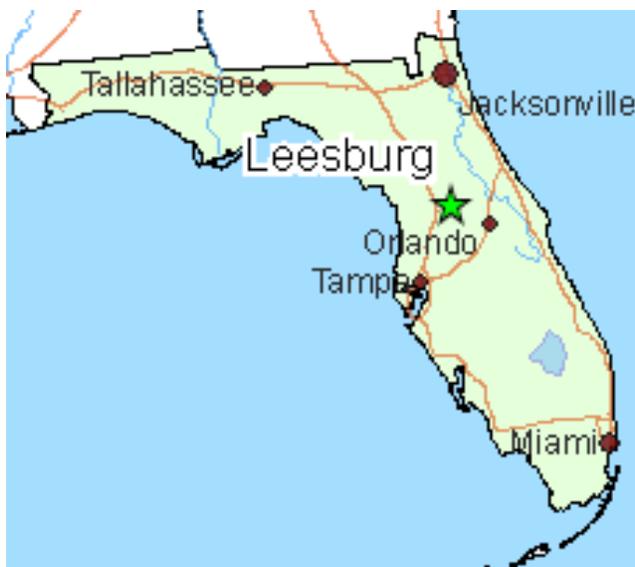
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[1] Preliminary; subject to change.

debt service requirements associated with the issuance of the Series 2013 Bonds provided by the financial advisor for the City, Larson Consulting Services, LLC, Orlando, Florida (the "Financial Advisor") and the senior managing underwriter for the Series 2013 Bonds, RBC Capital Markets, LLC (the "Senior Managing Underwriter"), and have utilized information obtained from other utility systems in Florida and other sources. While we believe the sources of such information, assumptions, and projections to be reasonable for the purposes of this report, we offer no assurances with respect thereto. The actual results achieved during the Forecast Period set forth in this report may vary from those projected and such variations could be material. Such projections are, therefore, subject to change and we can give no assurances that the projections will be realized.

**GENERAL**

**Figure 1: Location of the City of Leesburg, Florida**



The City is a political subdivision of the State of Florida governed by the State Constitution and the general laws of the State of Florida. Originally settled in the 1850's, the City was officially incorporated in 1875. The City occupies approximately 24.5 square miles and is located in the central portion of the State in Lake County (the "County"). Based on information developed by the Bureau of Economic and Business Research, University of Florida ("BEBR") and published on the website of the State of Florida Office of Economic and Demographic Research (the "2012 BEBR Estimates"), the City had an estimated permanent population of approximately 20,263 people as of April 1, 2012. There are currently 14 municipalities

in the County and the City ranks as the 2<sup>nd</sup> largest municipality in the County in terms of population.

The population projections for the City as provided by the City's Department of Community Development are as follows:

| <b>City Population Projections</b> |                   |
|------------------------------------|-------------------|
| <b>Year</b>                        | <b>Population</b> |
| 2012                               | 20,263            |
| 2015                               | 27,967            |
| 2020                               | 38,771            |
| 2025                               | 47,271            |
| 2030                               | 56,498            |
| 2035                               | 65,710            |

Average Annual  
Compound Growth Rate: 5.2%

Source: Information provided by City's Department of Community Development.

As shown in the preceding table, the City anticipates a significant amount of population growth through 2035.

## **GAS SYSTEM OVERVIEW**

The natural gas service area of the City presently encompasses approximately 88 square miles as shown on Figure 2 at the end of this report. The Gas System consists of a gas distribution plant, general plant facilities and equipment, and a distribution system of approximately 240 miles of steel, coated, and cathodically-protected mains.

The City purchases all of its natural gas from Florida Gas Utility ("FGU"), a public body and joint action agency formed under Florida law. The City is a member of FGU and entered into an agreement with FGU on October 1, 2000 for firm and interruptible gas supply and other gas services. The agreement has an unspecified term and can be terminated by either FGU or the City upon 180 days written notice subject to certain provisions.

Pursuant to an agreement between the City and Florida Gas Transmission Company ("FGT") dated June 11, 2001, the Gas System receives gas supply through two delivery points with FGT, the Leesburg gate station located on Highway 44 east of 441 and the Leesburg Haines Creek gate station located northeast of the City. Gas supply is measured, odorized and pressure regulated at each of the delivery points. The flow of gas supply from the delivery points into the high pressure distribution system is monitored and controlled by the Gas System from the City's operations center.

The Gas System purchases firm transportation service from FGT pursuant to two contracts. The first contract dated February 1, 2007 provides for a maximum annual contract quantity of 1,614,435 dekatherms to be delivered under FGT's rate schedule FTS-1. This contract terminates on January 31, 2017. The second contract, which terminates on May 31, 2023, provides for a maximum annual contract quantity of 182,500 dekatherms to be delivered under FGT's rate schedule FTS-2.

During the Fiscal Year 2012 (the most recently completed Fiscal Year whereby the Fiscal Year encompasses the twelve-month period October 1st through September 30th), the City provided service to approximately 10,735 average gas accounts. The customer base consists primarily of single-family and multifamily (condominium, mobile home or manufactured housing, etc.) residential customers.

For additional information on the Gas System, reference the Official Statement for the Series 2013 Bonds.

## **WATER SYSTEM OVERVIEW**

The Water System service area of the City is approximately 26 square miles as shown on Figure 3 at the end of this report. To provide water supply, the City has permits for 23 deep water wells, 3 of which have not been drilled and two are fire emergency only and are not connected to the system. The total production capacity is approximately 29 million gallons per day ("MGD").

The water distribution system consists of approximately 375 miles of pipe primarily in the 2-inch to 16-inch range.

The City's wells vary in depth from approximately 250 feet to 1,000 feet and extend into the upper and lower Floridan Aquifer. The Floridan Aquifer is a series of consolidated water-bearing strata which underlie the State of Florida and portions of the States of Georgia, Alabama and South Carolina. The quantity of raw water drawn from the Floridan Aquifer by the City is regulated by the St. Johns River Water Management District (the "SJRWMD"). The City's wells are governed by water use permits issued by the SJRWMD which stipulate, among other things, the maximum annual and daily withdrawal from the wells. The City currently has three consumptive use permits from the SJRWMD. Consumptive Use Permit Number 94 allows groundwater withdrawals of 9.13 MGD on an annual average daily flow ("AADF") basis, and such permit expires on November 9, 2030. Consumptive Use Permit Number 2718, which expires on August 13, 2022, allows groundwater withdrawals of 0.98 MGD-AADF. Consumptive Use Permit Number 87418 allows groundwater withdrawals of 0.12 MGD-AADF, and such permit expires on March 24, 2023. Permitted groundwater withdrawals total 10.23 MGD-AADF.

During the Fiscal Year 2012, the City provided service to approximately 20,092 average water accounts and 1,082 reuse water accounts. The City considers its reclaimed or reuse water system (the "Reuse Water System") to be part of the Water System. The customer base consists primarily of single-family and multifamily residential customers.

For additional information on the Water System, reference the Official Statement for the Series 2013 Bonds.

## **WASTEWATER SYSTEM OVERVIEW**

The wastewater system (the "Wastewater System," which is referred to as the Sewer System in the Bond Resolution) service area of the City is approximately 26 square miles as shown on Figure 3 at the end of this report. The Wastewater System consists of collection mains, lift stations, pump stations, force mains, wastewater treatment plants ("WWTPs"), and disposal facilities. Treated effluent disposal is accomplished through wastewater reservoirs, spray fields, a reclaimed water system and the land application of biosolids. Wastewater flows are diverted to either one of two WWTPs: the Canal Street (North) Wastewater Treatment Plant (the "Canal Street WWTP") or the Turnpike (South) Wastewater Treatment Plant (the "Turnpike WWTP"). The Canal Street WWTP has a permitted capacity of 3.5 MGD-AADF, while the Turnpike WWTP has a permitted capacity of 4.5 MGD-AADF (Total Permitted Capacity = 8.0 MGD-AADF).

The sewer collection system consists of 169 miles of gravity collection mains, 81 miles of force mains and 174 lift/pump stations. During the Fiscal Year 2012, the City provided service to approximately 17,609 average wastewater accounts. The customer base consists primarily of single-family and multifamily residential customers.

For additional information on the Wastewater System, reference the Official Statement for the Series 2013 Bonds.

The remainder of this report provides a summary of the existing rates, fees and charges for utility service rendered by the City, a discussion of the recent historical and projected customer statistics, a presentation of the capital improvement plan identified by City management, and a discussion of the historical and projected financial operating results of the City.

## **RATES, FEES, AND CHARGES**

### **Rate Covenant**

As previously mentioned, the Series 2013 Bonds will be issued pursuant to the Bond Resolution. Section 11.05 of the Bond Resolution identifies the debt service coverage requirements (Rate Covenant), which follow:

- (a) The amount of Gross Revenues to be received in such Bond Year shall not be less than the sum of one hundred percent (100%) of the Cost of Operation and Maintenance for such Bond Year, plus one hundred fifteen percent (115%) of the Bond Service Requirement for such Bond Year, plus one hundred percent (100%) of the amounts required to be deposited in such Bond Year into the Reserve Fund (including the various accounts therein); or*
- (b) (i) The amount of Gross Revenues to be received in such Bond Year, shall not be less than the sum of one hundred percent (100%) of the Cost of Operation and Maintenance in such Bond Year, plus one hundred percent (100%) of the Bond Service Requirement for such Bond Year; and (ii) the sum of the Gross Revenues and the Available Capacity Charges, to be received in such Bond Year, shall not be less than the sum of one hundred percent (100%) of the Cost of Operation and Maintenance in such Bond Year, plus one hundred twenty-five percent (125%) of the Bond Service Requirement for such Bond Year, plus one hundred percent (100%) of the amounts required to be deposited in such Bond Year into the Reserve Fund (including the various accounts therein).*

### **Gas Rates**

The monthly user rates for natural gas service are set by the Commission; the establishment of rates is not under the jurisdiction of the Florida Public Service Commission ("FPSC"). The existing rates and charges for the gas system were adopted by the Commission pursuant to Ordinance No. 07-40 in Fiscal Year 2007, as amended and supplemented (collectively, the "Gas Rate Ordinance"). The current rates became effective on October 1, 2012 and represent the application of annual index rate adjustments since Fiscal Year 2007 based on the percentage increase or decrease in the gross domestic product implicit price deflator index as allowed by Section 22-166 of the City Code of Ordinances. A 1% adjustment to the Gas System user rates in addition to the indexed adjustment was implemented pursuant to Ordinance No. 12-65 adopted by the Commission on October 22, 2012. In addition to the annual rate index adjustments, the gas rates include a purchased gas adjustment clause ("PGA") to ensure full recovery of such

costs. The monthly user rates consist of: i) a monthly availability or customer charge per account that is applied based on the customer class; ii) a volumetric charge based on metered usage that is measured in therms; and iii) for customers located outside the municipal boundaries of the City, a 10% outside-City surcharge is applied to the rates for service as allowed by Section 180.191, Florida Statutes. The usage charge per therm consists of a delivery charge and a purchased gas adjustment charge that is adjusted on a periodic basis. The PGA recovers the wholesale cost of gas purchased from FGU, which is a major component of the Gas System's Cost of Operation and Maintenance (approximately 48% in Fiscal Year 2013). The annual inflationary index adjustments are applied to the customer charge and the delivery charge. The PGA is applied on a monthly basis to reflect increases or decreases in the wholesale cost of purchased gas.

The 10% outside-City surcharge for natural gas service was adopted on December 13, 1999 pursuant to Ordinance No. 99-84, and the authorizing language is set forth in Section 20-3 of the City Code of Ordinances. Government entities and political subdivisions, agencies, boards, commissions and instrumentalities thereof, as well as bona fide churches and religious organizations, are exempt from the outside-City surcharge.

The Gas Rate Ordinance also authorizes an energy conservation adjustment (ECA), which is a volumetric rate per therm to recover the cost of energy conservation programs undertaken by the Gas System. With approval of the City Manager, the ECA may be adjusted upward or downward based on projected program costs. As of the date of this report, the City is not currently charging the ECA.

The following table summarizes the existing monthly user rates for gas service:

| <b>Summary of Existing Monthly Gas System User Rates [1] [2]</b> |   |
|--|---|
|  | Effective<br>October 1, 2012                          |
| <u>Monthly Availability Charge (per account)</u>                 |   |
| Residential Standard (Year-Round) Service                        | \$7.64  |
| Residential Heat-Only Service                                    | 11.47   |
| Public Building, Commercial and Small Industrial Service         | 11.47   |
| <u>Delivery Charge (per therm)</u>                               |   |
| All Services   | \$0.523984  |
| <u>Purchased Gas Adjustment Charge (per therm)</u>               |   |
| All Services   | Varies by Month;<br>\$0.655040 as of<br>February 2013 |

Source: Information provided by City.

[1] Section 22-166 of the City Code of Ordinances authorizes the rates for gas service associated with the monthly availability charge and the delivery charge to be automatically adjusted annually on October 1st according to the percentage increase in the gross domestic product implicit price deflator index. The purchased gas adjustment charge is applied monthly to pass-through the cost of purchased gas.

[2] Rates as shown do not include the outside-City surcharge of 10%.

## **Water and Wastewater Rates**

The monthly user rates for the Water System were adopted by the Commission pursuant to Ordinance No. 11-58 on July 25, 2011, as amended and supplemented (collectively, the "Water Rate Ordinance"). The monthly user rates for the Wastewater System were adopted by the Commission pursuant to Ordinance No. 08-14 on February 11, 2008, as amended and supplemented (collectively, the "Wastewater Rate Ordinance"). The current rates for both water and wastewater service became effective on October 1, 2012 and represent the application of annual inflationary index rate adjustments as allowed by Section 22-166 of the City Code of Ordinances. A 1% adjustment to the water and wastewater user rates in addition to the indexed adjustment was implemented pursuant to Ordinance No. 12-65 adopted by the Commission on October 22, 2012.

The rates charged to the City's utility customers for water and wastewater service are similar in structure (i.e., rate application) to each other and include: i) a minimum monthly charge per account that is applied based on customer class; ii) for the Water System, a usage charge that is based on metered water consumption whereby the usage charge increases at certain intervals (blocks) for residential and irrigation customers to promote water conservation; iii) for commercial accounts of the Water System, a constant usage charge based on one hundred percent (100%) of the metered water consumption; iv) for the Wastewater System a usage charge based on metered water consumption for individually metered residential customers with a billing maximum of 15 hundred-cubic-feet (ccf) per month per account; v) for commercial accounts, a constant usage charge based on one hundred percent (100%) of the metered water consumption; and vi) for customers located outside the municipal boundaries of the City, a 25% outside-City surcharge is applied to the rates for service as allowed by Section 180.191, Florida Statutes.

Outside-City residential customers served by the City's Royal Highlands Water Treatment Plant have an enhanced water conservation rate structure compared with that for other Outside-City residential customers. The City has historically exceeded the maximum annual groundwater withdrawals from the Royal Highlands Wellfield, the source of supply for the Royal Highlands Water Treatment Plant, as allowed by its consumptive use permit (CUP) #94 issued by the St. Johns River Water Management District on November 16, 2010. To remedy this situation, the City has implemented a rate structure to encourage customers served by the Royal Highlands Water Treatment Plant to use less water.

Section 22-166 of the City Code of Ordinances authorizes the rates for water and wastewater service to be adjusted for inflation annually on October 1st according to the percentage increase or decrease in the gross domestic product implicit price deflator index.

The following is a summary of the existing monthly water user rates of the City.

**(Remainder of page intentionally left blank)**

**Summary of Existing Monthly Water System User Rates [1]**

|  | Effective October 1, 2012 |                  |
|--|---------------------------|------------------|
|  | Inside-City               | Outside-City [2] |
| <b>Monthly Customer Charge (per account)</b>   |                           |                  |
| Residential, Master-Meter, Commercial and Sprinkler Services                                       | \$8.25                    | \$10.32          |
| Irrigation Service   | 4.53                      | 5.67             |
| <b>Consumption Charge (per ccf)</b>  |                           |                  |
| Residential Service:   |                           |                  |
| 0 to 6 ccf   | \$0.683515                | \$0.854394       |
| 7 to 12 ccf  | 0.862280                  | 1.077851         |
| 13 to 21 ccf   | 1.198780                  | 1.498475         |
| 22 to 45 ccf   | 1.629920                  | 2.037400         |
| Over 45 ccf  | 2.986435                  | 3.733043         |
| Residential Service to Customers Supplied By Royal Highlands Water Treatment Plant: [3]            |                           |                  |
| 0 to 6 ccf   | N/A                       | \$0.854394       |
| 7 to 12 ccf  | N/A                       | 1.077851         |
| 13 to 21 ccf   | N/A                       | 1.498475         |
| 22 to 45 ccf   | N/A                       | 3.880000         |
| Over 45 ccf  | N/A                       | 10.650000        |
| Commercial Service:  |                           |                  |
| All ccf  | \$1.156718                | \$1.455897       |
| Residential Irrigation Service:  |                           |                  |
| 0 to 9 ccf   | \$1.198780                | \$1.498475       |
| 10 to 33 ccf   | 1.629920                  | 2.037400         |
| Over 33 ccf  | 2.986435                  | 3.733043         |
| Residential Irrigation Service to Customers Supplied By Royal Highlands Water Treatment Plant: [3] |                           |                  |
| 0 to 9 ccf   | N/A                       | \$1.498475       |
| 10 to 33 ccf   | N/A                       | 3.880000         |
| Over 33 ccf  | N/A                       | 10.650000        |
| Commercial and Common Area Irrigation Service:   |                           |                  |
| 0 to 33 ccf  | \$1.198780                | \$1.498475       |
| Over 33 ccf  | 1.629920                  | 2.037400         |

Source: Information provided by City.

1 ccf = 100 Cubic Feet = 748 Gallons

- [1] Section 22-166 of the City Code of Ordinances authorizes the rates for water service to be automatically adjusted annually on October 1st according to the percentage increase in the gross domestic product implicit price deflator index.
- [2] For customers located outside the City, a 25% outside-City surcharge is applied to the rates for service as allowed by Section 180.191, Florida Statutes.
- [3] Due to restrictions in groundwater withdrawals from the Royal Highlands Wellfield that are mandated by the City's consumptive use permit issued by the St. Johns River Water Management District, the City has applied an enhanced conservation rate structure to customers supplied by the Royal Highlands Water Treatment Plant.

As stated previously, the City considers the Reuse Water System to be part of the Water System. The monthly user rates for the Reuse Water System were adopted by the Commission pursuant to Ordinance No. 08-15 on February 11, 2008, as amended and supplemented (collectively, the

"Reuse Water Rate Ordinance"). The current rates for reuse water service became effective on October 1, 2012 and represent the application of annual index rate adjustments as allowed by Section 22-166 of the City Code of Ordinances. The following is a summary of the current adopted reuse or reclaimed water rates of the City. The rates charged to the City's utility customers for reuse water service include: i) a minimum monthly charge per account; ii) a usage charge that is based on metered reuse water consumption whereby the flow charge increases at certain intervals (blocks); and iii) for customers located outside the municipal boundaries of the City, a 25% outside-City surcharge is applied to the rates for service as allowed by Section 180.191, Florida Statutes.

**Summary of Existing Monthly Reuse Water System User Rates [1]**

|  | Effective October 1, 2012 |                  |
|--|---------------------------|------------------|
|  | Inside-City               | Outside-City [2] |
| <u>Monthly Customer Charge (per account)</u> |                           |                  |
| All Services                                 | \$4.03                    | \$5.04           |
| <u>Consumption Charge (per kgal)</u>         |                           |                  |
| Residential Service:                         |                           |                  |
| 0 to 7 kgal                                  | \$1.405902                | \$1.757378       |
| 8 to 25 kgal                                 | 1.856229                  | 2.320286         |
| Over 25 kgal                                 | 3.306064                  | 4.132580         |
| Commercial Service:                          |                           |                  |
| 0 to 25 kgal                                 | \$1.405902                | \$1.757378       |
| Over 25 kgal                                 | 1.856229                  | 2.320286         |

Source: Information provided by City.

kgal = 1,000 gallons

- [1] Section 22-166 of the City Code of Ordinances authorizes the rates for water and wastewater service to be automatically adjusted annually on October 1st according to the percentage increase in the gross domestic product implicit price deflator index.
- [2] For customers located outside the City, a 25% outside-City surcharge is applied to the rates for service as allowed by Section 180.191, Florida Statutes.

The following is a summary of the existing monthly wastewater rates of the City.

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**Summary of Existing Monthly Wastewater System Rates [1]**

|  | Effective October 1, 2012 |                  |
|--|---------------------------|------------------|
|  | Inside-City               | Outside-City [2] |
| <u>Monthly Customer Charge (per account)</u> |                           |                  |
| Residential Service                          | \$21.86                   | \$27.33          |
| Commercial I Service                         | 22.74                     | 28.42            |
| Commercial II Service                        | 38.70                     | 48.37            |
| Commercial III Service                       | 95.08                     | 118.85           |
| Commercial IV Service                        | 21.86                     | 27.33            |
| <u>Consumption Charge (per ccf)</u>          |                           |                  |
| Residential Service: [3]                     |                           |                  |
| 0 to 21 ccf                                  | \$1.144491                | \$1.430614       |
| Over 21 ccf                                  | 0.000                     | 0.000            |
| Commercial Service:                          |                           |                  |
| Commercial I - All ccf                       | \$1.888080                | \$2.360100       |
| Commercial II - All ccf                      | 2.346097                  | 2.932621         |
| Commercial III - All ccf                     | 2.918344                  | 3.647930         |
| Commercial IV - All ccf                      | 1.144491                  | 1.430614         |

Source: Information provided by City.

1 ccf = 100 Cubic Feet = 748 Gallons

- [1] Section 22-166 of the City Code of Ordinances authorizes the rates for wastewater service to be automatically adjusted annually on October 1st according to the percentage increase in the gross domestic product implicit price deflator index.
- [2] For customers located outside the City, a 25% outside-City surcharge is applied to the rates for service as allowed by Section 180.191, Florida Statutes.
- [3] Residential billing is capped at 21 ccf.

**Water and Wastewater Capacity Charges**

The City currently charges water and wastewater capacity charges ("Water Capacity Charges" and "Wastewater Capacity Charges;" referred to in the Bond Resolution as the Water Capacity Charges and Sewer Capacity Charges, respectively) based upon the equitable and proportionate share of the cost for the: i) water production and transmission capacity; and ii) wastewater transmission, treatment and effluent disposal capacity of the Water System and Wastewater System. Capacity Charges are also known as "impact fees" under Florida law. The purpose of the Capacity Charges is to pay the equitable share of the capital costs relating to the construction, expansion, or equipping of excess or unused capacity of the System in order to serve new users. If an existing customer requests an increase in water or wastewater capacity due to increased development, an additional Capacity Charge will be collected prior to the development consistent with the net increase in demand. The following table summarizes the existing Water and Wastewater Capacity Charges:

**(Remainder of page intentionally left blank)**

|                                       | Existing<br>Charge per ERU [1][2] |
|---------------------------------------|-----------------------------------|
| Water Capacity Charge per ERU         | \$1,006.00                        |
| Wastewater Capacity Charge per ERU    | <u>2,379.00</u>                   |
| <b>Total Capacity Charges per ERU</b> | <b><u>\$3,385.00</u></b>          |

Source: Rate Ordinance.

[1] ERU = Equivalent Residential Unit which equates the average capacity reserved for an individually metered residential dwelling unit to 300 gallons per day of average water use for the Water System and 250 gallons per day of average wastewater flow for the Wastewater System.

[2] The City has waived Capacity Charges through May 10, 2013 for up to \$100,000 per project.

On May 10, 2010, the City adopted Ordinance No. 10-42, which waived Capacity Charges for a period of one year for up to \$100,000 per project, and the waiver was extended to May 10, 2013 pursuant to Ordinance No. 12-38 adopted on May 29, 2012. If the total Capacity Charges due on a single project are in excess of \$100,000 then the developer of the project is required to pay the amount of Capacity Charges which exceeds \$100,000.

### **Miscellaneous Service Charges**

In addition to charging monthly user fees for gas, water and wastewater service, the City also charges fees for certain specifically requested miscellaneous services. Examples of these fees include connection charges and service call fees. Revenues from miscellaneous charges reduce the level of expenditures funded from user fees. Generally, these fees are based on the specific cost of the services requested. The City's current miscellaneous service charges include the following:

**(Remainder of page intentionally left blank)**

| <b>Miscellaneous Fees and Charges</b>   |  |
|---|--|
|   | <u>Current Fee</u>                       |
| Customer Deposit  | \$30.00                                  |
| Initial Connection / Reconnection Fee   | 25.00                                    |
| Connection / Reconnection Fee – After Normal Business Hours   | 55.00                                    |
| Reconnection Fee After Meter Tampering or Investigation   | 100.00                                   |
| Transfer Fee  | 25.00                                    |
| Turn-On/Off Fees – Customer Requested   |  |
| Cut-Off   | No Charge                                |
| Cut-On During Normal Business Hours Without Concurrent Cut-Off Elsewhere in City System                                   | 25.00                                    |
| Cut-On During Normal Business Hours When Cut-Off at Different Location in City System                                     | 10.00                                    |
| Cut-On After Normal Business Hours  | 55.00                                    |
| Service Calls   |  |
| Normal Business Hours   | \$35.00                                  |
| After Hours   | 55.00                                    |
| Customer Not Available to Provide Access to Property; Charge for Each Additional Call Made Beyond Three (3) Service Calls |  |
| During Normal Working Hours   | 35.00                                    |
| Increase Meter Size at Established Service  | 130.00                                   |
|   | \$35.00 If Meter Is Found to Be Accurate |
| Meter Testing Fee   | Actual Cost of Labor and Materials       |
| Water Meter Installation Charge (All Meter Sizes)   |  |

### **Rate Comparisons**

Tables 1 through 8 at the end of this report provide comparisons of the typical monthly cost of providing gas, water and wastewater service. Also included on the comparison are bills calculated under the rates of other Florida utilities as of the billing month of February 2013. The monthly bills for the various Florida utilities used for the comparison are exclusive of local taxes or franchise fees. Additionally, for municipally-owned water and wastewater utility systems, such utilities may apply, to customers located outside the corporate limits of such municipality, a surcharge up to 50% when compared to the rates for service to customers located within the corporate limits as allowed pursuant to Section 180.191, Florida Statutes. The City's rates for gas, water and wastewater service are generally comparable with those of other utilities in Central Florida.

A comparison of gas rates at the monthly consumption level of 14 therms (the approximate average usage of a City residential user) between the City and the utilities surveyed is shown as follows:

**Comparison of Typical Monthly  
Residential Utility Charges for Gas Service [1]**

|   | Monthly Usage of<br>14 Therms [2] |
|---|-----------------------------------|
| <b><u>City of Leesburg</u></b>                          |                                   |
| Existing Rates  | \$24.15                           |
| <b><u>Surveyed Florida Utilities</u></b>                |                                   |
| <b><u>Municipalities</u></b>                            |                                   |
| City of Clearwater                                      | \$31.84                           |
| Gainesville Regional Utility                            | 22.46                             |
| Pensacola Energy [3]                                    | 43.86                             |
| City of Sunrise [3]                                     | 35.85                             |
| City of Tallahassee [3]                                 | 25.79                             |
| <b><u>Regulated Natural Gas Companies</u></b>           |                                   |
| Florida City Gas  | 24.55                             |
| Peoples Gas System (division of Tampa Electric Company) | 26.82                             |
| St. Joe Natural Gas Company                             | 30.56                             |
| Surveyed Florida Utilities Average                      | \$30.22                           |

[1] Amounts based on rate survey of 8 Florida utility systems as shown on Table 1 at the end of this report. Unless otherwise noted, amounts are exclusive of franchise fees or taxes, if applicable.

[2] The average monthly gas consumption of a residential customer in the System is approximately 14 therms.

[3] Utility bills for natural gas on a per hundred-cubic-foot (ccf) basis. For comparison purposes, one (1) therm and one (1) ccf of natural gas were assumed to be equivalent. (This is a common assumption utilized by gas companies.)

Table 2 contains a comparison of gas rates for commercial service. The rate comparison at a monthly consumption level of 577 therms (the approximate average usage of a City commercial user) between the City and the utilities surveyed is shown as follows:

**(Remainder of page intentionally left blank)**

**Comparison of Typical Monthly  
Commercial Utility Charges for Gas Service [1]**

|   | Monthly Usage of<br>577 Therms [2] |
|---|------------------------------------|
| <b><u>City of Leesburg</u></b>                          |                                    |
| Existing Rates  | \$691.77                           |
| <b><u>Surveyed Florida Utilities</u></b>                |                                    |
| <b><u>Municipalities</u></b>                            |                                    |
| Gainesville Regional Utility                            | \$855.88                           |
| Gainesville Regional Utility                            | 492.85                             |
| Pensacola Energy [3]                                    | 1,451.37                           |
| City of Sunrise [3]                                     | 889.06                             |
| City of Tallahassee [3]                                 | 571.47                             |
| <b><u>Regulated Natural Gas Companies</u></b>           |                                    |
| Florida City Gas  | 654.53                             |
| Peoples Gas System (division of Tampa Electric Company) | 676.39                             |
| St. Joe Natural Gas Company                             | 591.12                             |
| Surveyed Florida Utilities Average                      | \$772.83                           |

[1] Amounts based on rate survey of 7 Florida utility systems as shown on Table 2 at the end of this report. Unless otherwise noted, amounts are exclusive of franchise fees or taxes, if applicable.

[2] The average monthly gas consumption of a commercial customer in the System is approximately 577 therms.

[3] Utility bills for natural gas on a per hundred-cubic-foot (ccf) basis. For comparison purposes, one (1) therm and one (1) ccf of natural gas were assumed to be equivalent. (This is a common assumption utilized by gas companies.)

For the Water System and Wastewater System, a 5/8 x 3/4 inch meter or smaller comparison was prepared for residential service since this represents the majority of the System's water and wastewater residential customers. For commercial service, a 2-inch meter comparison was prepared since this meter size is typically the predominant size for this customer class.

A comparison of water and wastewater rates for a 5/8-inch or 3/4-inch individually-metered residential service at the monthly consumption level of 6,000 gallons (which is approximately equal to 8 ccf, the average usage of a City residential user) between the City and the utilities surveyed is shown as follows:

**(Remainder of page intentionally left blank)**

**Comparison of Typical Monthly Residential Utility Charges for Water and Wastewater Service [1]**

|   | 5/8-inch or 3/4-inch Meter<br>@ 6,000 Gallons [2] |                | Total          |
|---|---|----------------|----------------|
|   | Water   | Wastewater     |                |
| <b><u>City of Leesburg</u></b>            |   |                |                |
| Existing Rates                            | \$14.09   | \$31.04        | \$45.13        |
| <b><u>Surveyed Florida Utilities</u></b>  |   |                |                |
| City of Altamonte Springs                 | \$18.97   | \$27.34        | \$46.31        |
| City of Casselberry                       | 16.53   | 45.15          | 61.68          |
| City of Clermont                          | 12.08   | 26.11          | 38.19          |
| City of Eustis                            | 20.74   | 38.85          | 59.59          |
| City of Inverness                         | 20.15   | 39.62          | 59.77          |
| City of Lake Mary                         | 9.90  | 29.84          | 39.74          |
| City of Longwood                          | 14.70   | 24.83          | 39.53          |
| City of Maitland                          | 13.39   | 38.14          | 51.53          |
| City of Mount Dora                        | 11.89   | 41.49          | 53.38          |
| City of Ocala                             | 14.98   | 39.81          | 54.78          |
| City of Ocoee                             | 16.70   | 33.78          | 50.48          |
| Orange County                             | 13.93   | 36.07          | 50.00          |
| City of Orlando / O.U.C.                  | 12.63   | 41.59          | 54.22          |
| City of Oviedo [3]                        | 18.55   | 44.68          | 63.23          |
| Polk County [3]                           | 20.46   | 68.06          | 88.52          |
| City of St. Cloud                         | 19.79   | 40.69          | 60.48          |
| City of Sanford [3]                       | 19.01   | 41.10          | 60.11          |
| Seminole County                           | 17.80   | 44.31          | 62.11          |
| Toho Water Authority (Kissimmee System)   | 12.59   | 34.31          | 46.90          |
| Volusia County – Softened [3]             | 34.28   | 43.25          | 77.53          |
| Volusia County – Unsoftened [3]           | 24.04   | 43.25          | 67.29          |
| <b>Surveyed Florida Utilities Average</b> | <b>\$17.29</b>                                    | <b>\$39.16</b> | <b>\$56.45</b> |

[1] Amounts based on rate survey of 21 neighboring utility systems as shown on Tables 3, 5 and 7 at the end of this report. Unless otherwise noted, amounts are exclusive of outside-municipality surcharges, water restriction surcharges, franchise fees, or taxes, if applicable.

[2] The average monthly consumption of a residential customer in the System is approximately 8 ccf or 6,000 gallons.

[3] Utility is currently involved in a rate study, is planning to conduct a rate study, or expects to implement a rate revision within the next twelve months.

A comparison of water and wastewater rates for a 2-inch individually-metered commercial service at the monthly consumption level of 20,000 gallons (which is approximately equal to 27 ccf, the average usage of a City commercial user) between the City and the utilities surveyed is shown as follows:

**(Remainder of page intentionally left blank)**

**Comparison of Typical Monthly Commercial  
Utility Charges for Water and Wastewater Service [1]**

|  | 2-inch Meter<br>@ 20,000 Gallons [2] |              | Total        |
|--|--------------------------------------|--------------|--------------|
|  | Water                                | Wastewater   |              |
| <b><u>City of Leesburg</u></b>           |                                      |              |              |
| Existing Rates                           | \$39.17                              | \$173.11     | \$212.27     |
| <b><u>Surveyed Florida Utilities</u></b> |                                      |              |              |
| City of Altamonte Springs                | \$61.94                              | \$97.89      | \$159.83     |
| City of Casselberry                      | 71.07                                | 190.35       | 261.42       |
| City of Clermont                         | 30.78                                | 155.18       | 185.96       |
| City of Eustis                           | 56.84                                | 102.20       | 159.04       |
| City of Inverness                        | 105.82                               | 222.12       | 327.94       |
| City of Lake Mary                        | 54.50                                | 123.50       | 178.00       |
| City of Longwood                         | 80.50                                | 394.60       | 475.10       |
| City of Maitland                         | 57.64                                | 187.49       | 245.13       |
| City of Mount Dora                       | 36.80                                | 90.98        | 127.78       |
| City of Ocala                            | 141.39                               | 426.66       | 568.05       |
| City of Ocoee                            | 111.02                               | 197.67       | 308.69       |
| Orange County                            | 58.78                                | 171.84       | 230.62       |
| City of Orlando / O.U.C.                 | 52.57                                | 130.54       | 183.11       |
| City of Oviedo [3]                       | 133.83                               | 248.24       | 382.07       |
| Polk County [3]                          | 114.70                               | 379.80       | 494.50       |
| City of St. Cloud                        | 112.58                               | 170.86       | 283.44       |
| City of Sanford [3]                      | 93.82                                | 191.37       | 285.19       |
| Seminole County                          | 114.40                               | 235.20       | 349.60       |
| Toho Water Authority (Kissimmee System)  | 53.16                                | 178.10       | 231.26       |
| Volusia County – Softened [3]            | 185.91                               | 233.37       | 419.28       |
| Volusia County – Unsoftened [3]          | 146.11                               | 233.37       | 379.48       |
| <br>Surveyed Florida Utilities Average   | <br>\$89.25                          | <br>\$207.68 | <br>\$296.93 |

[1] Amounts based on rate survey of 21 neighboring utility systems as shown on Tables 4, 6 and 8 at the end of this report. Unless otherwise noted, amounts are exclusive of outside-municipality surcharges, water restriction surcharges, franchise fees, or taxes, if applicable.

[2] The average monthly consumption of a commercial customer in the System is approximately 27 ccf or 20,000 gallons.

[3] Utility is currently involved in a rate study, is planning to conduct a rate study, or expects to implement a rate revision within the next twelve months.

As discussed previously, the City charges Capacity Charges to new customers requesting water and wastewater capacity from the System in an effort to fund the capital cost of providing such capacity and to assign such costs to those users which are imposing the need for the capital facilities. The application of a Capacity Charge is commonly used by Florida utilities to fund growth-related capital requirements. Table 9 at the end of this report provides a comparison of the Capacity Charges charged by the City to those charged by neighboring utilities. The charges shown are based on an equivalent residential unit (ERU) basis. An ERU is representative of the capacity of a single-family residential unit.

(Remainder of page intentionally left blank)

|                                     | <b>Capacity Charges per ERU</b> |                |                |
|-------------------------------------|---------------------------------|----------------|----------------|
|                                     | Water                           | Wastewater     | Combined       |
| City of Leesburg - Existing Charges | \$1,006                         | \$2,379        | \$3,385        |
| Other Utilities Surveyed [1]        | <u>\$1,580</u>                  | <u>\$3,096</u> | <u>\$4,676</u> |

[1] Amount reflects the average fees of 21 utilities surveyed, as shown on Table 9 at the end of this report.

Currently, the City has waived Capacity Charges through May 10, 2013 for up to \$100,000 per project. As of the date of this report, it is not known whether such fees will be reinstated after May 10, 2013 or whether the waiver will be extended.

## **FUND BALANCE POLICY**

To facilitate cash management, to provide a basis for cash reserves, and to provide for the use of surplus funds, the City Commission adopted three policies that address: (i) transfers from its enterprise funds including the Gas System, Water System and Wastewater System enterprise funds; (ii) the establishment of a retained earnings policy; and (iii) transfers from the enterprise funds for the purpose of financing general government special projects. The fund balance policies are internal policies of the City adopted by ordinance and may be waived or amended in the sole discretion of the City Commission of the City.

The first policy limits the amount of the annual operating transfer from the various enterprise funds to the City's General Fund to an amount not to exceed 10% of the estimated operating revenues included in the budget for each enterprise fund. The policy also provides that such an operating transfer may not be made if such transfer is projected to result in a net loss after the making of such operating transfer. In addition to the forgoing limitations, the operating transfers appropriated from all of the various enterprise funds to the General Fund in any Fiscal Year is limited to the amount necessary to balance the general fund budget, including the replenishment of the minimum balance of cash reserves in the general fund as required elsewhere. Based on discussions with City staff, the base transfers from the System to the General Fund are currently equal to 10.00% of projected Gas System operating revenues, 8.75% of Water System operating revenues and 8.25% of Wastewater System operating revenues.

The second policy (the "Reserve Policy") was adopted to increase the City's financial stability by establishing cash balance ranges for selected funds. The Reserve Policy provides that this will ensure that the City maintains a prudent level of financial resources to protect against reducing service levels or raising rates and fees because of temporary shortfalls or unexpected one-time expenditures. The City has created minimum acceptable levels of unrestricted operating cash specifically set aside and classified in a separate cash reserve account as defined in the Reserve Policy for each of the System enterprise funds. The policy provides that for the Water System and Wastewater System enterprise funds, there will be created a reservation of cash equal to 25% of the current Fiscal Year budget for that fund. For the Gas System, the minimum cash balance level is determined based on the following formula: total revenues - (cost of purchased gas + operating transfers to the General Fund + cost of surcharge transfers) / 365 days x 90 days. This reserve requirement under the Reserve Policy is in addition to reserves for debt service, and for the renewal and replacement of long lived assets. The Reserve Policy also provides for the

application of funds if it is determined that there is a surplus (which is defined as the amount of cash that exceeds 115% of the minimum acceptable level of Cash Reserve) for the following purposes: i) eliminate shortfalls within any fund of the City; ii) for renewal and replacement; iii) reduction of debt; and iv) one-time capital needs; or v) for deposit to a utilities rate stabilization fund or another respective fund or account to avoid raising taxes, fees or rates related to the fund in subsequent years. If there is a shortfall at any fiscal quarter end (an amount below the minimum level of the fund balance range for any fund), the fund balance reserve deficit is to be rebuilt by: (a) distribution of surplus from other related funds with the General Fund, or respective Utility Enterprise Fund; or (b) an appropriation during the next available budget amendment time period or the annual budget process until the required fund balance has been reached. If the preceding clause (b) is financially infeasible, a written plan must be provided to the City Commission within 90 days following identification of the deficit by the City Manager for approval by the City Commission to restore the fund balance to an amount within the range within a maximum 24-month timeframe. For purposes of this report, the cash balances for the Gas System, Water System and Wastewater System were compared to the target minimum balance equal to 25% of the annual charges for service. Based on the projected operating results set forth herein, all of the projected System operating reserve funds exceed the minimum balance requirement.

The third policy limits the amount of funds that may be used by the City from each of the various enterprise funds for the purpose of making non-reoccurring transfers to fund the costs associated with non enterprise fund expenditures. In general, the policy provides that the amount available within each of the enterprise funds for the purpose of making a transfer to fund the costs associated with non-enterprise expenditures is determined based on (a) the financial impact on the contributing fund, (b) surplus cash as described above reflecting the results of the transfer on the transferring fund for the next five years, taking into account the results of operations, and projected results of operations including cash requirements of the capital improvement plan and all available funding resources, and (c) a contingency for emergencies, amounts not presently established, over and above the current reserve policy.

## **HISTORICAL AND PROJECTED SYSTEM SALES AND CUSTOMER USAGE STATISTICS**

Historical customer statistics were compiled for the Gas System, Water System and Wastewater System for the Fiscal Years 2008 through 2012 (the "Historical Period"), while projections of customer statistics were prepared for the Fiscal Years 2013 through 2018 (previously defined as the "Forecast Period").

### **Historical and Projected Gas System Customer Statistics**

During the Fiscal Year 2012 (whereby the Fiscal Year is defined as the twelve months ended September 30th), the City provided service to an average of 10,735 gas customers. Based on customer billing data provided by the City, the average number of customers served by customer classification during the Fiscal Year 2012 for the Gas System is shown below:

**(Remainder of page intentionally left blank)**

**Fiscal Year 2012  
Gas System  
Estimated Average Monthly Billed Accounts**

| Customer Class                    | Accounts      |                |
|-----------------------------------|---------------|----------------|
|                                   | Amount        | Percent        |
| Residential Standard (Year-Round) | 9,748         | 90.81%         |
| Residential Heat-Only             | 537           | 5.00%          |
| Commercial Standard (Year-Round)  | 354           | 3.30%          |
| Commercial Heat-Only              | 55            | 0.51%          |
| Industrial                        | 1             | 0.01%          |
| Municipal                         | 38            | 0.35%          |
| DAB Constructors                  | 1             | 0.01%          |
| Cutrale                           | <u>1</u>      | <u>0.01%</u>   |
| Total                             | <u>10,735</u> | <u>100.00%</u> |

As can be seen above, the residential class represents approximately 96% of the total Gas System accounts served.

The Gas System provides service to customers located within the corporate limits of the City of Fruitland Park ("Fruitland Park"). Pursuant to a franchise agreement between Fruitland Park and the City dated October 10, 1983 that continues to be extended on a year-to-year basis, Fruitland Park has the right to purchase the City's Gas System facilities located in Fruitland Park after giving the City nine months notice of its intent to exercise this option and after the City agrees on a purchase price based on system appraisals. As of the date of this report, Fruitland Park has not expressed an interest in purchasing the Gas System facilities located in Fruitland Park. Under the terms of the franchise agreement, the City charges the same rates for service that are charged to other customers for similar service and imposes a franchise fee equal to eight-percent of gross receipts that is paid to Fruitland Park. Revenues received for municipal services are exempt from the franchise fee.

The Gas System experienced minimal growth in customers during the Historical Period. Table 10 at the end of this report summarizes the historical and projected customer accounts in service, gas sales, and average customer usage statistics for the Gas System. The billing determinants for the Gas System for the Historical Period are summarized as follows:

**(Remainder of page intentionally left blank)**

**Historical Customer Statistics – Gas System [1]**

| Fiscal Year<br>Ending September 30,<br>(Historical) | Average Annual<br>Accounts | Gas Sales<br>(therms) | Average Monthly<br>Billed Usage<br>per Account<br>(therms) |
|---|----------------------------|-----------------------|--|
| 2008  | 10,707                     | 5,524,277             | 42.996   |
| 2009  | 10,812                     | 5,882,523             | 45.338   |
| 2010  | 10,831                     | 6,454,973             | 49.665   |
| 2011  | 10,787                     | 5,958,426             | 46.029   |
| 2012  | 10,735                     | 5,188,607             | 40.277   |
| <b>Average Annual<br/>Compound Growth Rate:</b>     |                            |                       |  |
| 2008 to 2012  | <u>0.07%</u>               | <u>(1.55%)</u>        | <u>(1.62%)</u>   |
| 2010 to 2012  | <u>(0.44%)</u>             | <u>(10.34%)</u>       | <u>(9.95%)</u>   |

[1] Amounts shown derived from Table 10.

As can be seen above, the Gas System has experienced minimal customer growth during the Historical Period and decreased gross sales.

Based on a review of available development information for anticipated new building construction for the City, discussions with City staff, and recognition of recent trends in the growth of the Gas System, it has been assumed that the gas customer base for the City would increase by an average of approximately 1.4% annually during the Forecast Period. Although no significant development activity is anticipated during the Forecast Period, the City has experienced an increase in gas customers within the existing Gas System service area when compared with recent history. As indicated in the population projections for the City that were discussed previously in this report, there is significant growth potential in the Gas System service area. Based on data provided by the City, growth is expected to continue to be primarily residential in nature consistent with the land use requirements of the service area.

Ordinance No. 06-108 adopted by the City Commission on November 13, 2006 amended Section 25-501 of the City Code of Ordinances to require all new residential developments of more than five (5) units to install natural gas lines. This amendment also requires developers to ensure that not less than 80% of all units in the development be equipped with a natural gas water heater and natural gas furnace. Where the natural gas line distribution system is to be installed by the City, the cost of all natural gas lines and appurtenances must be borne by the developer. When the installation of natural gas distribution lines is performed by the developer, or by a firm contracted by the developer, the improvements are done at the developer's expense and become the property of the City after completion. Per Section 25-502 of the City Code of Ordinances, gas main and service installations are required when the City determines at its discretion that a connection to the City's existing natural gas system is reasonably available.

Gas sales were projected based on usage trends experienced by each class of customers and service area during the Historical Period and discussions with City staff on current trends, with a significant amount of reliance being placed on the gas use relationships experienced during

Fiscal Year 2012. The projection in Gas System customer statistics is shown on Table 10 at the end of this report and summarized as follows:

| <b>Projected Customer Statistics – Gas System [1]</b> |                                    |                               |  |
|---|------------------------------------|-------------------------------|--|
| <u>Fiscal Year<br/>Ending September 30,</u>           | <u>Average Annual<br/>Accounts</u> | <u>Gas Sales<br/>(therms)</u> | <u>Average Monthly<br/>Billed Usage<br/>per Account<br/>(therms)</u> |
| 2012 (Actual)   | 10,735                             | 5,188,607                     | 40.277   |
| 2013  | 10,840                             | 5,239,275                     | 40.276   |
| 2014  | 10,990                             | 5,297,188                     | 40.166   |
| 2015  | 11,140                             | 5,355,101                     | 40.058   |
| 2016  | 11,290                             | 5,413,013                     | 39.953   |
| 2017  | 11,445                             | 5,471,731                     | 39.840   |
| 2018  | 11,650                             | 5,538,499                     | 39.616   |
| <b>Average Annual<br/>Compound Growth Rate:</b>       |                                    |                               |  |
| 2012 to 2018  | <u>1.37%</u>                       | <u>1.09%</u>                  | <u>(0.28%)</u>   |

[1] Amounts shown derived from Table 10.

### **Historical and Projected Water System Customer Statistics**

During the Fiscal Year 2012, the City provided service to an average of 20,092 water customers. Based on customer billing data provided by the City, the average number of customers served by customer classification during the Fiscal Year 2012 for the Water System is shown below:

| <b>Fiscal Year 2012<br/>Water System<br/>Estimated Average Monthly Billed Accounts</b> |                 |                |
|--|-----------------|----------------|
| <u>Customer Class</u>  | <u>Accounts</u> |                |
|  | <u>Amount</u>   | <u>Percent</u> |
| <u>Inside-City</u>   |                 |                |
| Residential  | 9,098           | 45.28%         |
| Commercial   | 1,729           | 8.61%          |
| Municipal  | 136             | 0.68%          |
| Irrigation   | <u>473</u>      | <u>2.35%</u>   |
| Subtotal – Inside-City   | 11,435          | 56.91%         |
| <u>Outside-City</u>  |                 |                |
| Residential  | 7,850           | 39.07%         |
| Commercial   | 135             | 0.67%          |
| Municipal  | 51              | 0.25%          |
| Irrigation   | <u>620</u>      | <u>3.09%</u>   |
| Subtotal – Outside-City  | 8,657           | 43.09%         |
| <b>Total</b>   | <u>20,092</u>   | <u>100.00%</u> |

As can be seen above, the residential class represents approximately 84% of the total Water System accounts served. Table 11 at the end of this report summarizes the historical and

projected customer accounts in service, water sales, and average customer usage statistics for the Water System. The billing determinants for the Water System for the Historical Period are summarized as follows:

| <b>Historical Customer Statistics – Water System [1]</b>     |                                    |                              |   |
|--|------------------------------------|------------------------------|---|
| <u>Fiscal Year<br/>Ending September 30,<br/>(Historical)</u> | <u>Average Annual<br/>Accounts</u> | <u>Water Sales<br/>(ccf)</u> | <u>Average Monthly<br/>Billed Usage<br/>per Account (ccf)</u> |
| 2008   | 20,020                             | 3,701,563                    | 15.408  |
| 2009   | 20,032                             | 3,625,374                    | 15.082  |
| 2010   | 20,061                             | 3,243,820                    | 13.475  |
| 2011   | 20,166                             | 3,577,141                    | 14.782  |
| 2012   | 20,092                             | 3,210,031                    | 13.314  |
| <br><u>Average Annual<br/>Compound Growth Rate:</u>          |                                    |                              |   |
| 2008 to 2012   | <u>0.09%</u>                       | <u>(3.50%)</u>               | <u>(3.59%)</u>  |
| 2010 to 2012   | <u>0.08%</u>                       | <u>(0.52%)</u>               | <u>(0.60%)</u>  |

[1] Amounts shown derived from Table 11.

As can be seen above, the Water System has experienced negligible growth in customers during the Historical Period. Moreover, water sales have declined during the same time period primarily due to the implementation of water conservation rates in Fiscal Year 2007 as well as economic conditions.

Based on a review of available development information for anticipated new building construction for the City, discussions with City staff, and recognition of recent trends in the growth of the Water System, it has been assumed that the water customer base for the City would increase by an average of approximately 0.25% annually during the Forecast Period. Under current economic conditions, the City staff does not expect significant development activity for the Water System during the Forecast Period. However, as indicated in the population projections for the City that were discussed previously in this report, there is significant growth potential in the Water System service area when the economy improves. Based on data provided by the City, growth is expected to continue to be primarily residential in nature consistent with the land use requirements of the service area.

Water sales were projected based on usage trends experienced by each class of customers and service area during the Historical Period with a significant amount of reliance being placed on the water use relationships and growth experienced during the Fiscal Year 2012. The projection in Water System customer statistics is shown on Table 11 at the end of this report and summarized as follows:

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**Projected Customer Statistics – Water System [1]**

| Fiscal Year<br>Ending September 30,     | Average Annual<br>Accounts | Water Sales<br>(ccf) | Average Monthly<br>Billed Usage<br>per Account (ccf) |
|---|----------------------------|----------------------|--|
| 2012 (Actual)                           | 20,092                     | 3,210,031            | 13.314   |
| 2013                                    | 20,142                     | 3,214,835            | 13.301   |
| 2014                                    | 20,192                     | 3,219,639            | 13.288   |
| 2015                                    | 20,242                     | 3,224,443            | 13.275   |
| 2016                                    | 20,292                     | 3,229,247            | 13.262   |
| 2017                                    | 20,342                     | 3,234,051            | 13.249   |
| 2018                                    | 20,392                     | 3,238,855            | 13.236   |
| Average Annual<br>Compound Growth Rate: |                            |                      |  |
| 2012 to 2018                            | <u>0.25%</u>               | <u>0.15%</u>         | <u>(0.10%)</u>                                       |

[1] Amounts shown derived from Table 11.

For the Historical Period as shown on Table 11 at the end of this report, the Water System has experienced unaccounted for or unbilled water of less than 5.00% over the past few years. Unbilled or unaccounted for water represents the difference between the finished water entering the water distribution system and the sales as metered at the customer’s premise. Unbilled water is due to a variety of factors, including water used for line flushing, hydrant testing, fire fighting, construction water use, slow registering meters that understate use, and water losses (Water System leakage). For the Forecast Period, unbilled water was assumed to be approximately 5.00% of the water production/purchases based on the recent historical water production and sales (usage) relationships. The unbilled water allowance is generally consistent with the percentage of unbilled water experienced by other Florida utilities.

The City also has reuse water customers that are considered by the City to be part of the Water System. Based on customer billing data provided by the City, the average number of customers served by customer classification during the Fiscal Year 2012 for the Reuse Water System is shown below:

| Fiscal Year 2012<br>Reuse Water System<br>Estimated Average Monthly Billed Accounts |              |                |
|---|--------------|----------------|
| Customer Class  | Accounts     |                |
|   | Amount       | Percent        |
| Residential   | 1,016        | 93.90%         |
| Commercial  | 64           | 5.91%          |
| Municipal   | <u>2</u>     | <u>0.18%</u>   |
| Total   | <u>1,082</u> | <u>100.00%</u> |

As can be seen above, the residential class represents approximately 94% of the total Reuse Water System accounts served. The Reuse Water System has experienced a modest increase in customers over the past several years due to the continued development and redevelopment occurring within the City’s service area. Table 12 at the end of this report summarizes the

historical and projected customer accounts in service, water sales, and average customer usage statistics for the Reuse Water System. The billing determinants for the Reuse Water System for the Historical Period are summarized as follows:

| <b>Historical Customer Statistics – Reuse Water System [1]</b> |                                    |                                    |   |
|--|------------------------------------|------------------------------------|---|
| <u>Fiscal Year<br/>Ending September 30,<br/>(Historical)</u>   | <u>Average Annual<br/>Accounts</u> | <u>Reuse Water<br/>Sales (ccf)</u> | <u>Average Monthly<br/>Billed Usage<br/>per Account (ccf)</u> |
| 2008   | 982                                | 340,130                            | 28.878  |
| 2009   | 1,028                              | 319,662                            | 25.913  |
| 2010   | 1,018                              | 320,830                            | 26.263  |
| 2011   | 1,043                              | 345,805                            | 27.636  |
| 2012   | 1,082                              | 299,197                            | 23.044  |
| <br><u>Average Annual<br/>Compound Growth Rate:</u>            |                                    |                                    |   |
| 2008 to 2012   | <u>2.45%</u>                       | <u>(3.15%)</u>                     | <u>(5.49%)</u>  |
| 2010 to 2012   | <u>3.10%</u>                       | <u>(3.43%)</u>                     | <u>(6.33%)</u>  |

[1] Amounts shown derived from Table 12.

As can be seen above, the Reuse Water System has incurred a historical growth rate in the average number of accounts served of approximately 2.5% per year since Fiscal Year 2008 for the Historical Period. However, the reuse water sales and billed usage per account have declined during the same time period based on customer conservation efforts and recent economic conditions.

Based on a review of available development information for anticipated new building construction for the City, discussions with City staff, and recognition of recent trends in the growth of the Reuse Water System, it has been assumed that the reuse water customer base for the City would increase by an average of approximately 2.6% annually during the Forecast Period, while reuse water sales were assumed to increase by about 1.5% annually as additional customers choose to connect to the existing reuse water system. Under current economic conditions, the City staff does not expect significant development activity for the Reuse Water System during the Forecast Period. However, as indicated in the population projections for the City that were discussed previously in this report, there is significant growth potential in the Reuse Water System service area when the economy improves. Based on data provided by the City, growth is expected to continue to be primarily residential in nature consistent with the land use requirements of the service area.

Reuse water sales were projected based on usage trends experienced by each class of customers and service area during the Historical Period with a significant amount of reliance being placed on the reuse water use relationships and growth experienced during the Fiscal Year 2012. The projection in Reuse System customer statistics is shown on Table 12 at the end of this report and summarized as follows:

**Projected Customer Statistics – Reuse Water System [1]**

| Fiscal Year<br>Ending September 30,     | Average Annual<br>Accounts | Reuse Water<br>Sales (ccf) | Average Monthly<br>Billed Flow<br>per Account (ccf) |
|---|----------------------------|----------------------------|---|
| 2012 (Actual)                           | 1,082                      | 299,197                    | 23.044  |
| 2013                                    | 1,112                      | 303,823                    | 22.768  |
| 2014                                    | 1,142                      | 308,449                    | 22.508  |
| 2015                                    | 1,172                      | 313,074                    | 22.261  |
| 2016                                    | 1,202                      | 317,700                    | 22.026  |
| 2017                                    | 1,232                      | 322,326                    | 21.802  |
| 2018                                    | 1,262                      | 326,952                    | 21.590  |
| Average Annual<br>Compound Growth Rate: |                            |                            |   |
| 2012 to 2018                            | <u>2.60%</u>               | <u>1.49%</u>               | <u>(1.08%)</u>                                      |

[1] Amounts shown derived from Table 12.

**Historical and Projected Wastewater System Customer Statistics**

During the Fiscal Year 2012, the City provided service to an average of 17,609 wastewater customers. Based on customer billing data provided by the City, the average number of customers served by customer classification during the Fiscal Year 2012 for the Wastewater System is shown below:

| Fiscal Year 2012<br>Wastewater System<br>Estimated Average Monthly Billed Accounts |               |                |
|--|---------------|----------------|
| Customer Class   | Accounts      |                |
|  | Amount        | Percent        |
| <u>Inside-City</u>   |               |                |
| Residential  | 9,702         | 65.49%         |
| Commercial – Class I   | 997           | 6.73%          |
| Commercial – Class II  | 156           | 1.05%          |
| Commercial – Class III   | 296           | 2.00%          |
| Commercial – Class IV  | 12            | 0.08%          |
| Industrial   | 1             | 0.01%          |
| Municipal – Class I  | 32            | 0.22%          |
| Municipal – Class II   | 2             | 0.01%          |
| Municipal – Class III  | <u>2</u>      | <u>0.01%</u>   |
| Subtotal – Inside-City   | 11,200        | 75.60%         |
| <u>Outside-City</u>  |               |                |
| Residential  | 6,355         | 24.12%         |
| Commercial – Class I   | 35            | 0.16%          |
| Commercial – Class II  | 2             | 0.01%          |
| Commercial – Class III   | 17            | 0.10%          |
| Commercial – Class IV  | <u>1</u>      | <u>0.01%</u>   |
| Subtotal – Outside-City  | 6,409         | 24.40%         |
| Total  | <u>17,609</u> | <u>100.00%</u> |

As can be seen above, the residential class represents approximately 90% of the total Wastewater System accounts served.

The forecast of billed wastewater usage or "revenue gallons" (i.e., metered water consumption which is charged the wastewater usage charge) was projected in the same manner as it was for the Water System. For the residential class, there currently exists a residential billing maximum per account equal to 21 ccf of metered water service. For other customer classes, all water usage (exclusive of individually metered water-only service such as irrigation) is billed the wastewater usage charge.

The historical and projected customer statistics for the Wastewater System are shown on Table 13 at the end of this report and are summarized as follows:

| <b>Historical and Projected Customer Statistics – Wastewater System [1]</b> |  |                               |   |
|---|--|-------------------------------|---|
| <u>Fiscal Year Ended<br/>September 30, (Historical)</u>                     | <u>Average<br/>Annual Accounts [2]</u> | <u>Billed Sales<br/>(ccf)</u> | <u>Average Monthly<br/>Billed Usage<br/>per Account (ccf)</u> |
| 2008  | 17,398                                 | 2,054,830                     | 9.842   |
| 2009  | 17,503                                 | 2,160,749                     | 10.288  |
| 2010  | 17,605                                 | 2,002,078                     | 9.477   |
| 2011  | 17,723                                 | 2,116,397                     | 9.951   |
| 2012  | 17,609                                 | 1,990,846                     | 9.421   |
| <b>Average Annual<br/>Compound Growth Rate</b>                              |  |                               |   |
| 2008 to 2012  | <u>0.30%</u>                           | <u>(0.79%)</u>                | <u>(1.09%)</u>  |
| 2010 to 2012  | <u>0.01%</u>                           | <u>(0.28%)</u>                | <u>(0.30%)</u>  |
| <b>Fiscal Year Ending<br/>September 30, (Projected)</b>                     |  |                               |   |
| 2013  | 17,659                                 | 1,994,776                     | 9.413   |
| 2014  | 17,709                                 | 1,998,706                     | 9.405   |
| 2015  | 17,759                                 | 2,002,637                     | 9.397   |
| 2016  | 17,809                                 | 2,006,567                     | 9.389   |
| 2017  | 17,859                                 | 2,010,497                     | 9.381   |
| 2018  | 17,909                                 | 2,014,427                     | 9.373   |
| <b>Average Annual<br/>Projected Growth Rate [2]</b>                         |  |                               |   |
|   | <u>0.28%</u>                           | <u>0.20%</u>                  | <u>(0.09%)</u>  |

[1] Amounts shown derived from Table 13.

[2] Compound growth rate calculated from Fiscal Year 2012.

As demonstrated above, the wastewater customers have increased by an average compound historical growth rate of approximately 0.3% annually since Fiscal Year 2008, while wastewater billed usage has declined during the Historical Period. With respect to the development of the projected wastewater customer growth, it was assumed that growth trends would continue to be consistent with the growth trends for the Water System since most of the additional customers requesting wastewater service would also request water service. The increase in average annual customers and wastewater sales (billed usage) has been assumed to increase at an annual compound growth rate of approximately 0.28% and 0.20%, respectively, during the Forecast

Period. As with the Water System, this has been based on data provided by City staff regarding historical trends and building activity anticipated to be experienced in the Wastewater System and is generally consistent with the forecast trends projected for the City's water service area. Under current economic condition, the City staff does not expect significant development activity for the Wastewater System during the Forecast Period. However, as indicated in the population projections for the City that were discussed previously in this report, there is significant growth potential in the Wastewater System service area when the economy improves.

### Ten Largest Customers of the System

In order to provide additional information regarding the System's existing customer base, a summary of certain statistical information for the ten largest gas, water and wastewater customers in Fiscal Year 2012 on the basis of revenue billed has been presented based on information compiled by the City. For the Gas System, the ten largest customers accounted for approximately 49% of the Gas System's total gas sales and approximately 36% of the Gas System's total charges for service, shown as follows:

**Ten Largest Gas Customers for Fiscal Year 2012 (Based on Gas Charges for Service)**

| Gas Customer                                  | Estimated Annual Gas Purchased (therms) | Percentage of Total Gas Sales | Annual Gas Charges for Service [1] | Percent of Total Gas Charges for Service |
|---|---|-------------------------------|------------------------------------|--|
| Federal Correctional Complex                  | 834,204                                 | 16.08%                        | \$831,805                          | 12.32%                                   |
| Leesburg Regional Medical Center              | 783,521                                 | 15.10%                        | 783,948                            | 11.61%                                   |
| Centrale Citrus Juices USA, Inc.              | 139,360                                 | 2.69%                         | 271,934                            | 4.03%                                    |
| D.A.B. Constructors, Inc.                     | 423,685                                 | 8.17%                         | 176,477                            | 2.61%                                    |
| Lake County Board of County Commissioners     | 120,275                                 | 2.32%                         | 119,732                            | 1.77%                                    |
| Lifestream Behavioral Center                  | 74,127                                  | 1.43%                         | 74,636                             | 1.11%                                    |
| Lake Harris Health Systems LLC                | 70,928                                  | 1.37%                         | 71,237                             | 1.05%                                    |
| Lakes at Leesburg                             | 36,478                                  | 0.70%                         | 37,223                             | 0.55%                                    |
| Beyers, Roger A.                              | 32,632                                  | 0.63%                         | 32,712                             | 0.48%                                    |
| Colored Aggregate Systems                     | <u>29,150</u>                           | <u>0.56%</u>                  | <u>28,259</u>                      | <u>0.42%</u>                             |
| Total Ten Largest Users                       | 2,544,360                               | 49.04%                        | \$2,427,964                        | 35.95%                                   |
| All Other Gas System Users                    | <u>2,644,247</u>                        | <u>50.96%</u>                 | <u>\$4,325,314</u>                 | <u>64.05%</u>                            |
| Total Fiscal Year 2012 Gas System – All Users | <u>5,188,607</u>                        | <u>100.00%</u>                | <u>\$6,753,278</u>                 | <u>100.00%</u>                           |

[1] Amounts shown reflect only revenues derived from the monthly user charges for gas service (i.e., does not include miscellaneous revenue such as late payment fees, etc).

The City has individual gas service agreements with the Federal Correctional Complex, Centrale Citrus Juices USA, Inc. (a citrus processor) and D.A.B. Constructors, Inc. (an asphalt plant).

With respect to the Water System, the ten largest customers accounted for approximately 7% of the Water System's total water sales (ccf) and approximately 4% of the Water System's total charges for service, shown as follows:

**Ten Largest Water Customers for Fiscal Year 2012 (Based on Water Charges for Service)**

| Water Customer                                  | Estimated Annual Water Purchased (ccf) | Percentage of Total Water Sales | Annual Water Charges for Service [1] | Percent of Total Water Charges for Service |
|---|--|---------------------------------|--------------------------------------|--|
| Leesburg Regional Medical Center                | 106,621                                | 3.32%                           | \$89,196                             | 1.28%                                      |
| Lake Harris Health Systems LLC                  | 24,290                                 | 0.76%                           | 64,870                               | 0.93%                                      |
| Coachwood Colony MHP LLC                        | 16,818                                 | 0.52%                           | 18,909                               | 0.27%                                      |
| Community Housing Partners                      | 15,550                                 | 0.48%                           | 17,678                               | 0.25%                                      |
| Kurtell Growth Industries LTD                   | 15,486                                 | 0.48%                           | 16,806                               | 0.24%                                      |
| Macerich EQ LTD Partnership                     | 12,669                                 | 0.39%                           | 14,409                               | 0.21%                                      |
| Range Properties LLC                            | 7,448                                  | 0.23%                           | 14,287                               | 0.20%                                      |
| Maronda Homes, Inc.                             | 10,743                                 | 0.33%                           | 12,271                               | 0.18%                                      |
| Sleepy Hollow Phase II                          | 6,930                                  | 0.22%                           | 11,654                               | 0.17%                                      |
| City of Leesburg                                | <u>9,208</u>                           | <u>0.29%</u>                    | <u>10,588</u>                        | <u>0.15%</u>                               |
| Total Ten Largest Users                         | 225,763                                | 7.03%                           | \$270,668                            | 3.87%                                      |
| All Other Water System Users                    | <u>2,984,268</u>                       | <u>92.97%</u>                   | <u>\$6,718,400</u>                   | <u>96.13%</u>                              |
| Total Fiscal Year 2012 Water System – All Users | <u>3,210,031</u>                       | <u>100.00%</u>                  | <u>\$6,989,068</u>                   | <u>100.00%</u>                             |

[1] Amounts shown reflect only revenues derived from the monthly user charges for water service (i.e., does not include miscellaneous revenue such as meter installation fees, late payment fees, etc).

For the Wastewater System, the ten largest customers accounted for approximately 9% of the Wastewater System's total billed flow (ccf) and approximately 5% of the Wastewater System's total charges for service, shown as follows:

**Ten Largest Wastewater Customers for Fiscal Year 2012 (Based on Wastewater Charges for Service)**

| Water Customer                                       | Estimated Annual Billed Wastewater Usage (ccf) | Percentage of Total Billed Wastewater Usage | Annual Wastewater Charges for Service [1] | Percent of Total Wastewater Charges for Service |
|--|--|---|---|---|
| Leesburg Regional Medical Center                     | 106,621  | 5.36%                                       | \$179,169                                 | 1.90%   |
| Lake Harris Health Systems LLC                       | 24,290   | 1.22%                                       | 143,998                                   | 1.52%   |
| Beacon College                                       | 5,759  | 0.29%                                       | 27,498                                    | 0.29%   |
| Cutrale Citrus Juices USA, Inc.                      | 5,347  | 0.27%                                       | 24,441                                    | 0.26%   |
| Community Housing Partners                           | 5,328  | 0.27%                                       | 24,351                                    | 0.26%   |
| Lifestream Behavioral Center                         | 6,172  | 0.31%                                       | 22,766                                    | 0.24%   |
| Coachwood Colony MHP LLC                             | 16,818   | 0.84%                                       | 21,559                                    | 0.23%   |
| Blueberry Hill Apartments LTD                        | 5,812  | 0.29%                                       | 21,445                                    | 0.23%   |
| Lake Sumter Community College                        | 5,719  | 0.29%                                       | 21,051                                    | 0.22%   |
| Sun Management 2011 LLC                              | <u>5,001</u>                                   | <u>0.25%</u>                                | <u>20,705</u>                             | <u>0.22%</u>                                    |
| Total Ten Largest Users                              | 186,867  | 9.39%                                       | \$506,983                                 | 5.36%   |
| All Other Wastewater System Users                    | <u>1,803,979</u>                               | <u>90.61%</u>                               | <u>\$8,943,673</u>                        | <u>94.64%</u>                                   |
| Total Fiscal Year 2012 Wastewater System – All Users | <u>1,990,846</u>                               | <u>100.00%</u>                              | <u>\$9,450,656</u>                        | <u>100.00%</u>                                  |

[1] Amounts shown reflect only revenues derived from the monthly user charges for wastewater service (i.e., does not include miscellaneous revenue such as late payment fees, etc).

## WATER AND WASTEWATER SYSTEM CAPACITY UTILIZATION

Based on: i) the forecast of water sales as summarized on Table 11; ii) an analysis of unbilled or unaccounted for water (based on historical data provided by the City); and iii) the estimated capital improvement program for the Water System, it has been estimated that the utility will have sufficient water production and treatment capacity to serve the future water customer demands assumed for the Forecast Period. The estimated capacity utilization for the Water System is summarized as follows:

| <b>Projected Water Production (Finished Water)</b> |                              |                               |                              |
|--|------------------------------|-------------------------------|------------------------------|
| Fiscal Year  | Average Daily Flow (MGD) [1] | Available Capacity (MGD-AADF) | Percent of Capacity Utilized |
| 2012 (Actual)                                      | 6.79                         | 10.23 [2]                     | 66.4%                        |
| 2013   | 6.93                         | 10.23                         | 67.7%                        |
| 2014   | 6.95                         | 10.23                         | 67.9%                        |
| 2015   | 6.96                         | 10.23                         | 68.0%                        |
| 2016   | 6.97                         | 10.23                         | 68.1%                        |
| 2017   | 6.98                         | 10.23                         | 68.2%                        |
| 2018   | 6.99                         | 10.23                         | 68.3%                        |

MGD = Million Gallons per Day  
 AADF = Annual Average Daily Flow

[1] Amounts derived from Table 11 at the end of this report.

[2] Reflects 9.13 MGD-AADF of groundwater withdrawals as allowed per Consumptive Use Permit Number 94, 0.98 MGD-AADF of groundwater withdrawals as allowed per Consumptive Use Permit Number 2718, and 0.12 MGD-AADF of groundwater withdrawals as allowed per Consumptive Use Permit Number 87418. The consumptive use permits were issued by the SJRWMD. The City reports that minimal water is lost during the treatment process after withdrawal from the source of supply.

With respect to the Wastewater System, based on: i) the forecast of customer growth and wastewater flow as summarized on Table 13; and ii) the estimated capital improvement program allocable to the Wastewater System, it has been estimated that the utility will have sufficient wastewater treatment capacity to serve the future wastewater customer demands assumed for the Forecast Period. The utilization of the wastewater treatment capacity for the wastewater service area for the Forecast Period was estimated as follows:

**(Remainder of page intentionally left blank)**

| <b>Projected Wastewater Treated</b> |                                     |                                      |                                     |
|-------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| <b>Fiscal Year</b>                  | <b>Average Daily Flow (MGD) [1]</b> | <b>Available Capacity (MGD-AADF)</b> | <b>Percent of Capacity Utilized</b> |
| 2012 (Actual)                       | 2.52                                | 8.00 [2]                             | 31.5%                               |
| 2013                                | 2.52                                | 8.00                                 | 31.5%                               |
| 2014                                | 2.53                                | 8.00                                 | 31.6%                               |
| 2015                                | 2.53                                | 8.00                                 | 31.6%                               |
| 2016                                | 2.54                                | 8.00                                 | 31.8%                               |
| 2017                                | 2.54                                | 8.00                                 | 31.8%                               |
| 2018                                | 2.55                                | 8.00                                 | 31.9%                               |

MGD = Million Gallons per Day  
AADF = Annual Average Daily Flow

[1] Amounts derived from Table 13 at the end of this report.

[2] Reflects 3.5 MGD-AADF capacity of the Canal Street WWTP and 4.5 MGD-AADF capacity of the Turnpike WWTP.

## **CAPITAL IMPROVEMENT PROGRAM**

### **Capital Project Summary**

The City has planned improvements to the System to meet current service area needs. The capital improvement program is summarized on Table 14 at the end of this report. As can be seen on Table 14 and as summarized below, the City has identified \$18,297,995 in capital expenditures that are planned during the Forecast Period.

**(Remainder of page intentionally left blank)**

**Six-Year Estimated Capital Improvements Program [1]**

| Projects   | Total Fiscal Years 2013 - 2018 |
|--|--------------------------------|
| <b>Gas System</b>  |                                |
| Mains  | \$2,187,541                    |
| Meters   | 1,085,190                      |
| Services   | 260,999                        |
| Regulators   | 178,662                        |
| Tools and Equipment                                      | 100,000                        |
| General Plant  | 50,000                         |
| Farm Taps / Industrial                                   | 35,071                         |
| Gate Stations  | <u>25,000</u>                  |
| Total Gas Projects                                       | \$3,922,463                    |
| <b>Water System</b>                                      |                                |
| Plantation Upgrade                                       | \$3,246,638                    |
| Mains  | 1,989,069                      |
| Sodium Hypochlorite Improvements                         | 1,500,000                      |
| System-Wide Improvements                                 | 533,000                        |
| Well Rehabilitation                                      | 443,017                        |
| Reuse Mains  | 440,000                        |
| Potable Water Plants, Pumping and Storage Rehabilitation | 390,000                        |
| Elevated Tank Inspection and Rehabilitation              | 225,250                        |
| Reuse Plant Rehabilitation                               | 150,000                        |
| Tools and Equipment                                      | 131,450                        |
| Plantation Feasibility Study                             | 50,000                         |
| SCADA – PSI Monitoring                                   | <u>17,500</u>                  |
| Total Water Projects                                     | \$9,115,924                    |
| <b>Wastewater System</b>                                 |                                |
| Treatment Plant Projects                                 | \$738,000                      |
| Lift Station Rehabilitation                              | 514,708                        |
| Inflow and Infiltration                                  | 470,000                        |
| Instrumentation and Control                              | 470,000                        |
| Perkins to Griffin Line Rehabilitation                   | 458,797                        |
| Manhole Rehabilitation / Line Repairs                    | 441,570                        |
| Liners Rehabs  | 331,563                        |
| Disinfection Conversion                                  | 330,000                        |
| Other Equipment  | 310,100                        |
| Lift Station Control Panels                              | 300,000                        |
| Decant Upgrade   | 287,500                        |
| Reuse Pump Station Rehabilitation                        | 275,000                        |
| Emergency Generators                                     | 105,000                        |
| Sampling Equipment / IPP                                 | 100,000                        |
| Bentley Road Force Main                                  | 47,245                         |
| Effluent / TSS Filter / Rehab / Sand                     | 45,000                         |
| Sodium Hypochlorite Tank                                 | <u>35,125</u>                  |
| Total Wastewater Projects                                | \$5,259,608                    |
| <b>TOTAL GAS, WATER AND WASTEWATER PROJECTS</b>          | <b><u>\$18,297,995</u></b>     |

[1] Amounts shown derived from Table 14.

## Funding Sources for Capital Program

Based on an analysis of funds available to the City (e.g., operating reserves, Capacity Charges, etc.), the funding sources for the \$18.3 million multi-year capital improvement program were assumed to be as follows:

### Funding Sources for the Six-Year Capital Improvement Program - Fiscal Years 2013-2018

| Description  | Gas                | Water              | Wastewater         | Total               |
|--|--------------------|--------------------|--------------------|---------------------|
| Total Capital Costs  | \$3,922,463        | \$9,115,924        | \$5,259,608        | \$18,297,955        |
| Funding Sources:   |                    |                    |                    |                     |
| Rate Revenue   | \$0                | \$0                | \$310,100          | \$310,100           |
| Renewal and Replacement Fund                                 |                    |                    |                    |                     |
| Deposits (Rate Revenue)                                      | 1,441,241          | 5,808,017          | 4,949,508          | 12,198,766          |
| Customer Contributions [2]                                   | 654,580            | 0                  | 0                  | 654,580             |
| Utility System Revenue Bonds,<br>Series 2007A Bonds Proceeds | 1,826,642          | 3,707,907          | 0                  | 5,134,549           |
| Total Funding Sources  | <u>\$3,922,463</u> | <u>\$9,115,924</u> | <u>\$5,259,608</u> | <u>\$18,297,955</u> |

[1] Amounts derived from Table 14.

[2] Customer contributions in aid of construction are anticipated to fund a portion of the cost of new meters, gas mains, regulators and services.

## HISTORICAL OPERATING RESULTS

### General

The historical operating results for the combined System are presented for the Fiscal Years ended September 30, 2008 through 2012 (previously defined as the "Historical Period"), and are shown in detail on Table 15 at the end of this report. The historical operating results for Fiscal Years 2008 through 2012 were prepared based on financial information compiled and provided by the City and information included in the Comprehensive Annual Financial Report (Annual Audit) of the City for the respective Fiscal Years shown. In general, the historical operating results have been presented in a manner consistent with the requirements of the Bond Resolution relative to the determination of Net Revenues of the System. Therefore, the amounts shown reflect certain differences in the presentation of the financial results when compared to the Comprehensive Annual Financial Reports of the City. Specifically, these differences relate to: i) the determination of the Cost of Operation and Maintenance (i.e., depreciation, interest and amortization expenses not recognized); and ii) the development of interest earnings (e.g., does not include earnings from the Rebate Fund or from the Construction Fund, which are restricted to such Funds or fair market value adjustments as required by GASB 31).

For purposes of presenting the historical operating results and debt service coverage, the Plantation subdivision utility system's revenues, expenditures and debt service are combined with the System's for all years of the Historical Period. The City's Separate Utility System Revenue Bond Anticipation Note (Plantation Acquisition Project), Series 2006 (the "Series 2006 Note") funded the acquisition of the Plantation at Leesburg Limited Partnership (the "Plantation System") on July 31, 2006. During the Fiscal Years 2008 and 2009, the Plantation System was a Separately Financed Project under the Bond Resolution and, therefore, only net revenues of the Plantation System (and not the System) were pledged to the payment of principal and interest on

the Series 2006 Note which was issued to finance the acquisition of the Plantation System. After the Series 2006 Note was refinanced by the issuance by the City of its Series Utility System Refunding Revenue Note, Series 2010, the Plantation System became part of the System and, thereafter, the revenues and costs of operation and maintenance of the Plantation System became Gross Revenues and Costs of Operation and Maintenance of the System.

As set forth below and as shown on Table 15, the debt service coverage calculations for the Historical Period are based on the rate covenant as described in the Bond Resolution and in the “Rate Covenant” section of this report.

## Summary of Historical Operating Results

The historical operating results for the combined System are shown on Table 15 at the end of this Report and are summarized below:

|  | Summary of Historical System Operating Results and Debt Service Coverage [1] |                     |                     |                     |                     |
|--|--|---------------------|---------------------|---------------------|---------------------|
|  | Historical Fiscal Year Ended September 30,                                   |                     |                     |                     |                     |
|  | 2008   | 2009                | 2010                | 2011                | 2012                |
| Gross Revenues:  |  |                     |                     |                     |                     |
| Charges for Service [2]  | \$26,154,903   | \$24,066,482        | \$25,174,210        | \$25,032,631        | \$23,193,001        |
| Other Operating Revenues [3]                                   | 542,010  | 488,526             | 478,701             | 500,488             | 464,662             |
| Unrestricted Interest Income [4]                               | 249,581  | 130,133             | (41,177)            | 122,386             | 15,795              |
| Total Gross Revenues   | <u>\$26,946,494</u>  | <u>\$24,685,141</u> | <u>\$25,611,734</u> | <u>\$25,655,504</u> | <u>\$23,673,458</u> |
| Cost of Operation and Maintenance [5]                          | \$19,022,708   | \$16,634,389        | \$16,585,850        | \$15,651,085        | \$14,382,429        |
| Net Revenues Available for Debt Service                        | <u>\$7,923,786</u>   | <u>\$8,050,752</u>  | <u>\$9,025,884</u>  | <u>\$10,004,419</u> | <u>\$9,291,029</u>  |
| Available Capacity Charges [6]                                 | \$623,754  | \$588,259           | \$440,533           | \$118,323           | \$55,023            |
| Net Revenues and Available Capacity Charges (Pledged Revenues) | \$8,547,540  | \$8,639,011         | \$9,466,417         | \$10,122,743        | \$9,346,052         |
| <b>TEST A [7]</b>  |  |                     |                     |                     |                     |
| Net Revenues Available for Debt Service                        | \$7,923,786  | \$8,050,752         | \$9,025,884         | \$10,004,419        | \$9,291,029         |
| Total Bond Service Requirement on Outstanding Bonds [8]        | \$2,330,882  | \$3,196,288         | \$3,338,614         | \$3,314,378         | \$3,319,493         |
| <b>Calculated Coverage (115% Required)</b>                     | <b>340%</b>  | <b>252%</b>         | <b>270%</b>         | <b>302%</b>         | <b>280%</b>         |
| -OR-   |  |                     |                     |                     |                     |
| <b>TEST B [7]</b>  |  |                     |                     |                     |                     |
| <u>Debt Service Coverage – Test (B)(i) [7]</u>                 |  |                     |                     |                     |                     |
| Net Revenues Available for Debt Service                        | \$7,923,786  | \$8,050,752         | \$9,025,884         | \$10,004,419        | \$9,291,029         |
| Total Bond Service Requirement on Outstanding Bonds [8]        | \$2,330,882  | \$3,196,288         | \$3,338,614         | \$3,314,378         | \$3,319,493         |
| <b>Calculated Coverage (100% Required)</b>                     | <b>340%</b>  | <b>252%</b>         | <b>270%</b>         | <b>302%</b>         | <b>280%</b>         |
| -AND-  |  |                     |                     |                     |                     |
| <u>Debt Service Coverage – Test (B)(ii) [7]</u>                |  |                     |                     |                     |                     |
| Net Revenues and Available Capacity Charges (Pledged Revenues) | \$8,547,540  | \$8,639,011         | \$9,466,417         | \$10,122,743        | \$9,346,052         |
| Total Bond Service Requirement on Outstanding Bonds [8]        | \$2,330,882  | \$3,196,288         | \$3,338,614         | \$3,314,378         | \$3,319,493         |
| <b>Calculated Coverage (125% Required)</b>                     | <b>367%</b>  | <b>270%</b>         | <b>284%</b>         | <b>305%</b>         | <b>282%</b>         |
| Required Transfers [9]   | \$0  | \$0                 | \$0                 | \$0                 | \$0                 |
| Other Transfers [10]   | \$2,908,549  | \$2,835,908         | \$2,571,628         | \$3,066,299         | \$2,700,078         |

Table continues on following page.

| Amounts Available for Other System Purposes After<br>Payment of Bond Service Requirement and Transfers [11] |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
| Available Revenues Only   | \$2,684,355      | \$2,018,556      | \$3,115,642      | \$3,623,743      | \$3,271,459      |
| Available Revenues and Capacity Charges   | <u>3,308,109</u> | <u>2,606,816</u> | <u>3,556,175</u> | <u>3,742,066</u> | <u>3,326,482</u> |

- [1] Amounts shown are derived from Table 15 at the end of this Report and are based on information in the CAFR for each respective Fiscal Year and other financial information provided by the City. Numbers may not add due to rounding.
- [2] Amounts shown include rate revenues derived from the historical application of an annual inflationary index and, with respect to rates for the Gas System, periodic purchased gas adjustments.
- [3] Amounts shown include late payment fees and other miscellaneous revenues.
- [4] Amounts shown include all interest income reported in the CAFR for each respective Fiscal Year that is considered to be component of Gross Revenues in accordance with the Bond Resolution.
- [5] Amounts shown do not include depreciation or amortization expenses pursuant to the Bond Resolution.
- [6] Generally, under Florida law, Capacity Charges may be validly imposed against new construction or development in order to fund capital improvements or capacity that are necessitated by such new construction or development to satisfy debt service for the bonds or other obligations issued for such purposes. Proceeds of such Capacity Charges, and the interest earned thereon, may be used only for the capital improvements or capacity attributable to the new construction or development or to pay associated debt service. Where applicable, the amounts shown include the application of an expansion factor to adjust the Capacity Charges collected to reflect the portion of the debt service associated with expansion-related projects that can be legally paid from Capacity Charges.
- [7] Reference the Bond Resolution for a description of the debt service coverage tests.
- [8] The Outstanding Bonds include all Bonds issued pursuant to the Bond Resolution (on parity) that were outstanding during each respective Fiscal Year. Reference is made to the rate covenant as more fully described in Section 11.05 of the Bond Resolution (referred to as the "Rate Covenant"). For the Fiscal Years 2008 through 2010, payments on the Series 2006 Note that funded the acquisition of the Plantation System are included.
- [9] No deposits were required to be made to the Reserve Fund since such fund is either fully funded from the proceeds of such bonds or secured by a Reserve Product and therefore no additional transfers would be required.
- [10] Amounts reflect transfers to City's General Fund.
- [11] Represents amounts available for other System purposes including the funding of capital improvements and working capital.

In the development of the historical operating results and review of the debt service coverage test as shown above and in more detail on Table 15, several observations and information sources were recognized. The following is a summary of such observations and information sources.

1. For the Fiscal Years 2008 through 2012, the City implemented annual inflationary index adjustments and purchased gas adjustments as allowed by the City Code of Ordinances. However, revenues generally declined as a result of the economic downturn and lower sales. The System Cost of Operation and Maintenance has also decreased over time due to lower sales as well as cost reduction efforts by the City.
2. Capacity Charge collections have also decreased over time due to slowdowns in growth within the water and wastewater service area and the City's waiver of such charges beginning May 10, 2010 up to \$100,000 per project. For the Fiscal Year 2008, the total Water System Capacity Charges collected (\$485,957) exceeded the Available Water System Capacity Charges (\$283,029) based on expansion percentages for the Outstanding Bonds that were provided by the City. With respect to the Wastewater System, the total Wastewater System Capacity Charges collected for the Fiscal Years 2008 through 2010 (\$1,118,709 in Fiscal Year 2008, \$544,130 in Fiscal Year 2009 and \$377,286 in Fiscal Year 2010) exceeded the Available Wastewater System Capacity Charges (\$340,725 in Fiscal Year 2008, \$353,601 in Fiscal Year 2009 and \$353,518 in Fiscal Year 2010). In all other Fiscal Years during the Historical Period, the Available Capacity Charges were equal to the total Capacity Charges collected.
3. For the Fiscal Years 2008 and 2009, the System indebtedness consisted of the Series 2004 Bonds; the Utility System Revenue Bonds, Series 2007A (the "Series 2007A Bonds"); and the Taxable Utility System Revenue Bonds, Series 2007B (the "Series 2007B Bonds"). As

previously mentioned, for purposes of presenting the historical operating results and debt service coverage, the Plantation System's revenues, expenditures and debt service are combined with the System's for all years of the Historical Period. The Series 2006 Note that funded the acquisition of the Plantation System is included in the Bond Service Requirement amounts for Fiscal Years 2008 through 2010. During the Fiscal Years 2008 and 2009, the Plantation System was a Separately Financed Project under the Bond Resolution and, therefore, only net revenues of the Plantation System (and not the System) were pledged to the payment of principal and interest on the obligations issued to finance the Plantation System. After the Series 2006 Note was refinanced by the Series Utility System Refunding Revenue Note, Series 2010 (the "Series 2010 Bonds"), the Plantation System became part of the System and, thereafter, the revenues and costs of operation and maintenance of the Plantation System became Gross Revenues and Costs of Operation and Maintenance of the System.

## **PROJECTED OPERATING RESULTS**

### **General**

The projected operating results of the System for the six Fiscal Years October 1 through September 30, 2013 through 2018 (previously defined as the "Forecast Period") are summarized on Table 16. The projections were based on: i) the latest Fiscal Year 2013 adopted Operating Budget associated with the operations of the System as provided by City staff; ii) discussions with City staff regarding current and future utility needs associated with capital improvements to the System and the capital funding plan; and iii) other information provided by the City and its consultants.

Table 16 summarizes annual projections of revenue, operation and maintenance expenses, annual debt service on debt being repaid through System revenues, and balances available for capital outlay and other purposes. Projected revenue includes sales revenue, interest income on certain fund balances, and other miscellaneous revenues derived from operations.

Projected customers and usage are shown on Tables 10 through 13 at the end of this report for the Gas System, Water System, Reuse Water System (part of the Water System) and Wastewater System, respectively. These projections were based on historical growth and usage trends and information provided by the City relating to projected service area development. Interest income has been estimated on unrestricted cash balances determined to be available to the City during the Forecast Period. The projected Cost of Operation and Maintenance is based on various factors such as projected expense increases due to inflation and projected changes in expenses due to anticipated changes in operations.

### **Principal Considerations and Assumptions**

In the preparation of this report and the conclusions that follow, we have made certain assumptions with respect to conditions that may occur in the future. While we believe the assumptions are reasonable for the purpose of this report, they are dependent upon future events, and actual conditions may differ from those assumed. In addition, for our projections, estimates and studies, we have used and relied upon certain information and assumptions provided to us or prepared by others, including: i) information and assumptions provided to us by the City

regarding historical financial information and historical customer and sales statistics; ii) information contained in the City's Comprehensive Annual Financial Reports; iii) information provided by the City's Financial Advisor with respect to assumptions regarding the issuance of the Series 2013 Bonds; and iv) information provided by the City with respect to the capital improvement program for the System. While we believe use thereof to be reasonable for the purpose of this report, we offer no further assurances with respect thereto. To the extent that actual conditions differ from those assumed by us herein or from information or assumptions provided to us, or prepared by others, the actual results will vary from those estimated and projected herein.

In making the projections and estimates summarized in this report, the principal considerations and assumptions made by us, and the principal information and assumptions provided to us, or prepared by others, include the following:

1. The Fiscal Year 2013 Operating Budget associated with the operations of the gas, water and wastewater systems as provided by City staff served as a basis for the expenditure projections and was assumed to be reasonable and to reflect anticipated operations. Such budgetary amounts were incorporated into the projected financial operating results, except for any adjustments and assumptions as noted hereunder.
2. Projected revenues from current rates and charges for the System have been based on the schedule of rates and charges in effect as of the date of this report, which were adopted pursuant to the gas, water and wastewater rate ordinances. The current rates as adjusted for projected inflation pursuant to the annual rate index adopted by the City and, with respect to rates for the Gas System, periodic purchased gas adjustments, were applied to the customer and sales or usage forecast discussed previously in the report to develop estimates of projected revenues.
3. The City has waived Capacity Charges through May 10, 2013 for up to \$100,000 per project. As of the date of this report, it is not known whether such fees will be reinstated after May 10, 2013 or whether the waiver will be extended. Given that the City's economic situation has not significantly improved since the imposition of the Capacity Charge waiver, it was assumed that the waiver would be applied for the duration of the Forecast Period. This assumption for purposes of developing the financial projections is conservative. To the extent that the Capacity Charges are reinstated during the Forecast Period, the System will have additional funds above what is projected for the purpose of paying for expansion-related capital projects and/or debt service related to such expansion-related capital projects.
4. The operations and maintenance expenses of the gas, water and wastewater systems budgeted for Fiscal Year 2013 were projected for the remaining five (5) years of the Forecast Period (through Fiscal Year 2018). These projections are illustrated on Tables 17 through 19 for the gas system, water system and wastewater system, respectively. The escalation factors used to develop the projected operations and maintenance expenses as referenced in Tables 17 through 19 are shown in Table 20. The projected Cost of Operation and Maintenance was developed for the Forecast Period as follows:

- a. Budgeted Fiscal Year 2013 operating expenses such as professional engineering and legal services, other contractual services, materials/supplies, and certain other operating expenses have been projected to increase at an annual rate of inflation ranging from 1.7% to 2.3% through Fiscal Year 2018. The forecast of inflation was based upon the Consumer Price Index (CPI) forecast prepared by the Congressional Budget Office as contained in "The Budget and Economic Outlook: Fiscal Years 2013 to 2023" report published in February 2013 and recent expense trends.
- b. Based on information provided by City staff, System salaries and wages were increased above Fiscal Year 2013 budgeted amounts by 5.0% annually for the Gas System and 3.0% annually for the Water and Wastewater Systems to reflect allowances for future salary adjustments (cost of living and merit adjustments) for the remainder of the Forecast Period.
- c. Personnel benefits (i.e., contributions toward retirement, FICA, health insurance, etc.) were generally projected to remain at the same percentage relationship to total salaries as assumed for the Fiscal Year 2013 Budget with the exception of health insurance, which was assumed to increase by 5% per year.
- d. No additional personnel are anticipated by the City to meet the System service requirements during the Forecast Period.
- e. As previously discussed in this report, the City purchases all of its natural gas from FGU. Based on information provided by the City, the historical and projected purchased gas expenses of the City are as follows:

| <b>Projected Purchased Gas Expense</b>      |                    |                               |                          |
|---|--------------------|-------------------------------|--------------------------|
| Fiscal Year Ending<br>September 30,         | Cost Per Dekatherm | Purchases<br>(Dekatherms) [1] | Purchased Gas<br>Expense |
| <u>Historical</u>                           |                    |                               |                          |
| 2008  | \$9.6630           | 541,290                       | \$5,230,494              |
| 2009  | 5.4615             | 571,226                       | 3,119,732                |
| 2010  | 5.9130             | 628,501                       | 3,716,333                |
| 2011  | 5.2345             | 576,175                       | 3,016,010                |
| 2012  | 4.0265             | 492,862                       | 1,984,513                |
| <u>Projected</u>                            |                    |                               |                          |
| 2013  | \$5.0697           | 508,210                       | \$2,576,462              |
| 2014  | 5.2978             | 513,827                       | 2,722,164                |
| 2015  | 5.5362             | 519,445                       | 2,875,761                |
| 2016  | 5.7854             | 525,062                       | 3,037,670                |
| 2017  | 6.0457             | 530,758                       | 3,208,799                |
| 2018  | 6.3177             | 537,234                       | 3,394,112                |
| Average Annual<br>Projected Growth Rate [2] | <u>7.80%</u>       | <u>1.45%</u>                  | <u>9.36%</u>             |

[1] Amounts shown derived from Table 10.

[2] Compound growth rate calculated from Fiscal Year 2012.

Included in the purchased gas expense is an assumed commodity escalation rate of 4.5% per year above Fiscal Year 2013 levels based on long-term projections in the "Annual Energy Outlook Report" published by the U.S. Department of Energy in June 2012. These costs are a component of the Cost of Operation and Maintenance for the System. Based on the City's purchased gas adjustment rate (PGA), it is assumed that 100% of the projected purchased gas cost will be passed-through to Gas System customers.

- f. The projection of variable costs for water and wastewater operations, including utility services and operating supplies (such as treatment chemicals and electricity for pumping), reflects the projected growth in water production and wastewater treatment requirements plus an allowance for inflationary unit price increases for such services and supplies. The inflationary allowance for electric costs is projected to be 4.0% annually and the allowance for price increases in fuel, oil, and lubricants is projected to be 7.0% per year beyond Fiscal Year 2013.
  - g. Based on discussions with the City, no increase in the Cost of Operation and Maintenance is anticipated due to the implementation of the System's capital program.
  - h. An annual allowance for bad debt expense has been made to recognize that a certain amount of revenues will be uncollectible and written off throughout the year. This expense item reflects an incremental adjustment to the Fiscal Year 2013 Budget and was projected based on trends incurred by utilities statewide and discussions with City staff. An uncollectible debt expense ratio of 0.1% of sales revenues was applied to the projected sales revenues during the Forecast Period. The increase in Forecast Period Operating Expenses recognizing this adjustment for the System averaged approximately \$26,000 annually.
  - i. A contingency allowance, of approximately 1.0% of the Cost of Operation and Maintenance is included in the projected gas, water and wastewater Cost of Operation and Maintenance. The allowance has been included to allow for unknown or unplanned operating expenditures.
5. For the purposes of this study, amounts associated with depreciation and amortization expenses have not been recognized in this analysis. These expenditures are non-cash in nature and are also not considered as a component of the Cost of Operation and Maintenance for purposes of calculating compliance with the Rate Covenant of the Bond Resolution.
6. As of October 1, 2012, the City reports that \$50,055,000 of utility revenue bonds was outstanding (the "Outstanding Bonds"). The annual debt service requirements included in this report for the Outstanding Bonds were based on the actual debt service schedules for each issue and are presented on a "gross" basis (i.e., not net of interest earnings on any debt service related funds or accounts). Furthermore, the amounts shown are based on the monthly funding requirements (on an accrual basis) of the various sinking funds as

required by the Bond Resolution, which authorized the issuance of the Outstanding Bonds as opposed to when the debt service requirements are actually paid.

The Outstanding Bonds are allocable entirely to the System and only the revenues derived from gas, water and wastewater operations are pledged towards the payment of this debt. A summary of the remaining principal for each series of Outstanding Bonds (before the issuance of the Series 2013 Bonds and as of October 1, 2012), is as follows:

| Bond Issue   | Principal<br>Outstanding as<br>of October 1,<br>2012 [1] |
|--|--|
| Utility System Revenue Bonds, Series 2004 [2]      | \$20,090,000   |
| Utility System Revenue Bonds, Series 2007A         | 21,085,000   |
| Taxable Utility System Revenue Bonds, Series 2007B | 995,000  |
| Utility System Refunding Revenue Note, Series 2010 | <u>7,885,000</u>   |
| Total Outstanding Bonds                            | <u>\$50,055,000</u>                                      |

[1] Amount outstanding as of October 1, 2012.

[2] The Series 2004 Bonds are anticipated to be refunded in connection with the issuance of the Series 2013 Bonds.

Annual debt service payments for the Outstanding Bonds including the Series 2013 Bonds for the Forecast Period, as well as for the Historical Period, are shown on Table 21 at the end of this Report and approximate \$3.66 million for Fiscal Year 2014 (first Fiscal Year of complete amortization of the Series 2013 Bonds).

Based on estimates provided by the City staff, the Water Expansion Project Percentage and wastewater expansion project percentage (the "Wastewater Expansion Project Percentage;" referred to as the "Sewer Expansion Project Percentage" in the Bond Resolution) for each of the bond issues are summarized below:

| Bond Issue            | Water<br>Expansion<br>Project<br>Percentage | Wastewater<br>Expansion<br>Project<br>Percentage |
|-----------------------|---|--|
| Series 2004 Bonds [1] | 36.08%                                      | 45.16%   |
| Series 2007A Bonds    | 26.30%                                      | 6.47%  |
| Series 2007B Bonds    | 0.00%                                       | 0.00%  |
| Series 2010 Bonds     | 0.00%                                       | 0.00%  |
| Series 2013 Bonds [1] | 36.08%                                      | 45.16%   |

[1] The Series 2004 Bonds are anticipated to be refunded in connection with the issuance of the Series 2013 Bonds. Therefore, the Water Expansion Project Percentage and Wastewater Expansion Project Percentage are the same for both bond issues.

7. The proceeds of the Series 2013 Bonds are anticipated to be used to refinance all of the System's outstanding Series 2004 Bonds. The assumptions provided by the Financial Advisor and Senior Managing Underwriter with respect to the issuance of the Series 2013 Bonds include: i) total aggregate principal amount of bonds estimated to be \$20,910,000; ii) an assumed average coupon rate of approximately 3.40%; iii) a term through the Fiscal Year 2035; iv) annual principal and interest payments through September 30, 2035 of approximately \$1.35 million to \$1.39 million; and v) the payment of issuance expenses associated with the Series 2013 Bonds. It is assumed that the Series 2013 Bonds would be dated on or about April 1, 2013.
8. The capital expenditures for the Gas System, Water System, and Wastewater System are based on data derived from the most recent Capital Improvements Program provided by the City. A summary of the gas, water and wastewater capital needs identified by the City for the Forecast Period was shown in greater detail previously in this report under the heading "Capital Improvement Program. Table 14 at the end of this report provides a detailed listing of the capital projects and funding sources for the System for each year of the Forecast Period.
9. Existing reserve funds were used to fund certain capital projects during the Forecast Period. The use of cash reserves and projected cash reserve balances are summarized below:

**Projected System Fund Balances for the Forecast Period**

| Description                     | Available Balance<br>9/30/2012 | Projected Six-Year Total<br>Additions [1] | Projected Six-Year Total<br>Uses | Projected<br>Available Balance<br>9/30/2018 |
|---------------------------------|--------------------------------|---|----------------------------------|---|
| <b>Unrestricted</b>             |                                |   |                                  |   |
| Revenue and Operating Funds     | \$15,565,178                   | \$5,231,829                               | \$1,925,000                      | \$18,872,007                                |
| Renewal and Replacement Funds   | <u>5,800,131</u>               | <u>8,845,652</u>                          | <u>12,198,766</u>                | <u>2,447,017</u>                            |
| Total Unrestricted              | \$21,365,309                   | \$14,077,481                              | \$14,123,766                     | \$21,319,024                                |
| <b>Restricted</b>               |                                |   |                                  |   |
| Customer Deposits               | \$1,156,766                    | \$0                                       | \$0                              | \$1,156,766                                 |
| Construction Fund               | 5,148,529                      | 0   | 5,134,549                        | 13,980                                      |
| Water Capacity Charge Fund      | 45,450                         | 1,310                                     | 0                                | 46,760                                      |
| Wastewater Capacity Charge Fund | <u>216,442</u>                 | <u>6,239</u>                              | <u>0</u>                         | <u>222,681</u>                              |
| Total Restricted                | \$6,567,187                    | \$7,549                                   | \$5,134,549                      | \$1,440,187                                 |
| Total Funds Available           | <u>\$27,932,496</u>            | <u>\$14,085,030</u>                       | <u>\$19,258,315</u>              | <u>\$22,759,211</u>                         |

[1] The additions to the restricted funds include interest earnings on account balances.

As shown above, cash reserve balances are projected to decrease from \$27.9 million to \$22.8 million by the end of Fiscal Year 2018. This decrease in cash reserve balances is mainly due to the funding of certain capital improvements related to System from available reserve fund balances. The projected ending balance for Fiscal Year 2018 of the Revenue and Operating Funds is \$18.9 million, representing approximately 68% of the combined charges for gas, water and wastewater service, which is higher than the 25% target recognized per the City's financial policy.

10. Although no deposits to the renewal and replacement funds of the System are required by the Bond Resolution, an annual deposit to such funds equal to at least five percent (5%) of the Gross Revenues has been assumed. As shown in the prior tabulation summarizing the

cash reserve balances, the renewal and replacement funds are projected to have a combined balance of \$2,447,017 as of September 30, 2018.

11. In accordance with the flow of funds and as defined in the Bond Resolution, certain interest income has been recognized as revenue available to fund the expenditure needs of the System for purposes of calculating compliance with the Rate Covenant of the Bond Resolution. For purposes of calculating Gross Revenues, interest income from funds and accounts established by the City that are considered unrestricted (earnings not required to be retained in such funds and accounts and are available as a component of Gross Revenues) have been recognized. Interest income from the Water Capacity Charge Fund, Wastewater Capacity Charge Fund and Construction Fund established for any bond proceeds are considered as being restricted to such accounts and, therefore, are not considered a component of Gross Revenues.

In the development of the estimated Investment Earnings, an average annual interest rate ranging from 0.10% to 0.75% was assumed to be earned on the estimated average fund balances during the Forecast Period. This interest rate range is based on recent earning performance results of the System, current State Board of Administration (SBA) investment earnings rates, discussions with the City, and a review of earnings performance of available investment options related to the City.

12. The City also receives other operating revenues from miscellaneous fees and charges for specific customer service requests or needs that serve to reduce user rate revenue requirements, and that have been incorporated in this analysis (component of Gross Revenues). Examples of other operating revenues include, among other charges, penalties, miscellaneous service revenue, etc. Such revenues have been assumed to generally remain constant during the Forecast Period.
13. The City has a policy of making annual transfers from the System enterprise funds to the City's General Fund. Based on discussions with City staff, the assumed transfers to the General Fund during the Forecast Period include the following:
  - a. A base transfer amount equal to 10.00% of projected Gas System operating revenues, 8.75% of Water System operating revenues and 8.25% of Wastewater System operating revenues.
  - b. 100% of the public service tax charged to outside-City customers.
  - c. An amount used to pay debt service associated with the purchase of Magnolia Townhomes / Kristen Court Apartments, a high crime and blighted area.
  - d. Certain General Fund capital projects.

A summary of the transfers to the General Fund assumed for the Forecast Period is shown in the following table:

**Summary of Projected Transfers to General Fund [1]**

| Projected Fiscal Year | Base Transfer Amount [2] | Public Service Tax Charged to Outside-City Customers | Magnolia Townhomes Debt Service | General Fund Capital Projects | Total Transfers to General Fund | Percent of Operating Revenues |
|-----------------------|--------------------------|--|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| 2013                  | \$2,219,145              | \$426,397  | \$966,820                       | \$478,800                     | \$4,091,162                     | 16.8%                         |
| 2014                  | 2,272,454                | 435,591  | 966,820                         | 0                             | 3,674,865                       | 14.7%                         |
| 2015                  | 2,332,199                | 446,253  | 966,820                         | 0                             | 3,745,272                       | 14.6%                         |
| 2016                  | 2,395,574                | 457,579  | 966,820                         | 0                             | 3,819,973                       | 14.5%                         |
| 2017                  | 2,461,271                | 469,297  | 966,820                         | 0                             | 3,897,388                       | 14.4%                         |
| 2018                  | 2,530,519                | 481,586  | 0                               | 0                             | 3,012,104                       | 10.8%                         |

[1] Amounts shown derived from Table 16.

[2] Amounts represent sum of 10.00% of projected Gas System operating revenues, 8.75% of Water System operating revenues and 8.25% of Wastewater System operating revenues.

These transfers are not required but were authorized by the City pursuant to its Fund Balance Policy which determined that surplus cash funds are available for such purposes.

**Summary of Projected Operating Results**

As shown in Table 16 and summarized as follows, projections have been prepared of the operating results for the System. Such projections were prepared in accordance with the flow of funds prescribed by the Bond Resolution and the various assumptions and considerations used in the projections as described above.

**Summary of Projected System Operating Results and Debt Service Coverage [1]**

|  | Projected Fiscal Year Ending September 30, |              |              |              |              |              |
|--|--|--------------|--------------|--------------|--------------|--------------|
|  | 2013                                       | 2014         | 2015         | 2016         | 2017         | 2018         |
| Gross Revenues:  |  |              |              |              |              |              |
| Charges for Service [2]  | \$24,395,567                               | \$24,979,487 | \$25,634,391 | \$26,329,280 | \$27,049,046 | \$27,805,724 |
| Other Operating Revenues [3]                                   | 439,704                                    | 439,704      | 439,704      | 439,704      | 439,704      | 439,704      |
| Unrestricted Interest Income [4]                               | 21,449                                     | 55,271       | 110,175      | 107,042      | 159,760      | 160,668      |
| Total Gross Revenues   | \$25,317,874                               | \$25,969,437 | \$26,734,149 | \$27,422,773 | \$28,247,974 | \$29,006,467 |
| Cost of Operation and Maintenance [5]                          | \$15,673,258                               | \$16,296,344 | \$16,952,693 | \$17,635,389 | \$18,350,243 | \$19,109,730 |
| Net Revenues Available for Debt Service                        | \$9,644,616                                | \$9,673,092  | \$9,781,456  | \$9,787,385  | \$9,897,731  | \$9,896,738  |
| Available Capacity Charges [6]                                 | \$262                                      | \$655        | \$1,314      | \$1,321      | \$1,991      | \$2,006      |
| Net Revenues and Available Capacity Charges (Pledged Revenues) | \$9,644,878                                | \$9,673,748  | \$9,782,770  | \$9,788,705  | \$9,899,722  | \$9,898,743  |
| <b>TEST A [7]</b>  |  |              |              |              |              |              |
| Net Revenues Available for Debt Service                        | \$9,644,616                                | \$9,673,092  | \$9,781,456  | \$9,787,385  | \$9,897,731  | \$9,896,738  |
| Total Bond Service Requirement on Outstanding Bonds [8]        | \$2,442,703                                | \$3,653,491  | \$3,652,604  | \$3,657,751  | \$3,660,579  | \$3,657,956  |
| <b>Calculated Coverage (115% Required)</b>                     | <b>395%</b>                                | <b>265%</b>  | <b>268%</b>  | <b>268%</b>  | <b>270%</b>  | <b>271%</b>  |
| -OR-   |  |              |              |              |              |              |
| <b>TEST B [7]</b>  |  |              |              |              |              |              |
| <u>Debt Service Coverage – Test (B)(i) [7]</u>                 |  |              |              |              |              |              |
| Net Revenues Available for Debt Service                        | \$9,644,616                                | \$9,673,092  | \$9,781,456  | \$9,787,385  | \$9,897,731  | \$9,896,738  |
| Total Bond Service Requirement on Outstanding Bonds [8]        | \$2,442,703                                | \$3,653,491  | \$3,652,604  | \$3,657,751  | \$3,660,579  | \$3,657,956  |
| <b>Calculated Coverage (100% Required)</b>                     | <b>395%</b>                                | <b>265%</b>  | <b>268%</b>  | <b>268%</b>  | <b>270%</b>  | <b>271%</b>  |

Table continues on following page.

-AND-

Debt Service Coverage – Test (B)(ii) [7]

|   |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Net Revenues and Available Capacity   |                  |                  |                  |                  |                  |                  |
| Charges (Pledged Revenues)  | \$9,644,878      | \$9,673,748      | \$9,782,770      | \$9,788,705      | \$9,899,722      | \$9,898,743      |
| Total Bond Service Requirement on Outstanding Bonds [8]   | \$2,442,703      | \$3,653,491      | \$3,652,604      | \$3,657,751      | \$3,660,579      | \$3,657,956      |
| <b>Calculated Coverage (125% Required)</b>  | <b>395%</b>      | <b>265%</b>      | <b>268%</b>      | <b>268%</b>      | <b>270%</b>      | <b>271%</b>      |
| Required Transfers [9]  | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              |
| Other Transfers [10]  | \$4,091,162      | \$3,674,865      | \$3,745,272      | \$3,819,973      | \$3,897,388      | \$3,012,104      |
| Amounts Available for Other City Purposes After Payment of Bond Service Requirement and Required Transfers [11] |                  |                  |                  |                  |                  |                  |
| Available Revenues Only   | \$3,110,751      | \$2,344,736      | \$2,383,580      | \$2,309,660      | \$2,339,764      | \$3,226,677      |
| Available Revenues and Capacity Charges   | <u>3,111,013</u> | <u>2,345,391</u> | <u>2,384,894</u> | <u>2,310,981</u> | <u>2,341,755</u> | <u>3,228,683</u> |

- [1] Amounts shown are derived from Table 16 at the end of this Report. Numbers may not add due to rounding.
- [2] Amounts shown include additional rate revenues derived from the application of an annual inflationary index and, with respect to rates for the Gas System, periodic purchased gas adjustments.
- [3] Amounts shown include late payment fees and other miscellaneous revenues.
- [4] Amounts shown do not include interest income earned on balances in the Construction Funds related to the Bonds and Capacity Charge funds, if any, which are restricted to such accounts pursuant to the Bond Resolution.
- [5] Amounts shown do not include depreciation or amortization expenses pursuant to the Bond Resolution.
- [6] Generally, under Florida law, Capacity Charges may be validly imposed against new construction or development in order to fund capital improvements or capacity that are necessitated by such new construction or development to satisfy debt service for the bonds or other obligations issued for such purposes. Proceeds of such Capacity Charges, and the interest earned thereon, may be used only for the capital improvements or capacity attributable to the new construction or development or to pay associated debt service. For purposes of developing the financial forecast, it was assumed that the existing Capacity Charge waiver would remain in effect for the duration of the Forecast Period. Amounts shown reflect interest income projected to be earned on Capacity Charge fund balances.
- [7] Reference the Bond Resolution for a description of the debt service coverage tests.
- [8] The Outstanding Bonds include all Bonds issued pursuant to the Bond Resolution (on parity) that were outstanding during each respective Fiscal Year. Reference is made to the rate covenant as more fully described in Section 11.05 of the Bond Resolution (referred to as the "Rate Covenant").
- [9] No deposits are required to be made to the Reserve Fund since such fund is either fully funded from the proceeds of such bonds or secured by a Reserve Product and therefore no additional transfers would be required.
- [10] Represents transfers to the City's General Fund that are policy decisions of the City.
- [11] Represents amounts available for other System purposes including the funding of capital improvements and working capital.

**CONCLUSIONS**

Based upon the principal considerations and assumptions and the results of our studies and analyses, as summarized in this report, which should be read in its entirety in conjunction with the following, we are of the opinion that:

1. The projected growth in customers and usage of the System and the corresponding revenues derived from the application of the existing rates and the annual rate index adjustments applied to such customers and usage represent reasonable and attainable projections for the purposes of this report.
2. The projections of the Cost of Operation and Maintenance represent reasonable projections for the purposes of this report. Such projections were based on historical trends in costs, discussions with the City staff, and our understanding of the capital program and additional expenses to be incurred.
3. The existing rates for gas, water and wastewater service are competitive when compared to charges for similar services provided by other Florida utilities. The anticipated rate

adjustments as represented in this report, which are based on the application of an inflationary index and, with respect to rates for the Gas System, periodic purchased gas adjustments, are not expected by the City to negatively affect the customer growth or sales (billed gas, water and wastewater use or flow) assumed for the Forecast Period.

4. The existing Water and Wastewater Capacity Charges are competitive with those charged by other Florida utilities. As discussed in this report, these charges have been currently waived by the City subject to certain limitations.
5. The System Gross Revenues for the Forecast Period, assuming implementation of the recognized rate adjustments, should be sufficient to pay all projected Costs of Operations and Maintenance of the System, pay the estimated Bond Service Requirement on all Outstanding Bonds, and make all additional deposits as required by the Bond Resolution.
6. The projected debt service coverage relating to the System debt as presented in this report is projected to be in compliance with the Rate Covenant contained in the Bond Resolution.

The financial projections in this report, associated with the issuance of the Series 2013 Bonds, were based on discussions with and information provided by the City, the City's Financial Advisor, and the Senior Managing Underwriter, as well as certain assumptions and analyses made by us with respect to such financial projections. The ability of the System to meet the debt service requirements and comply with the Rate Covenant of the Bond Resolution is subject to the assumptions and considerations identified in the report and information obtained during preparation of the report regarding the System and the financial projections reflected therein. As such, the report should be read in its entirety with respect to such projections.

This report summarizes the results of our studies and analyses up to the date of this report. Prospective purchasers of the Series 2013 Bonds should not rely upon the information contained in this report for a current description of any matters set forth herein as of any date subsequent to the date of this report. Changed conditions occurring or becoming known after such date could affect the material presented herein to the extent of such changes. PRMG did not perform an audit of the financial books and records of the System but relied upon information, assumptions, and projections provided by the City staff and others.

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Figure 2

City of Leesburg, Florida  
Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Map of City of Leesburg Natural Gas Service Area

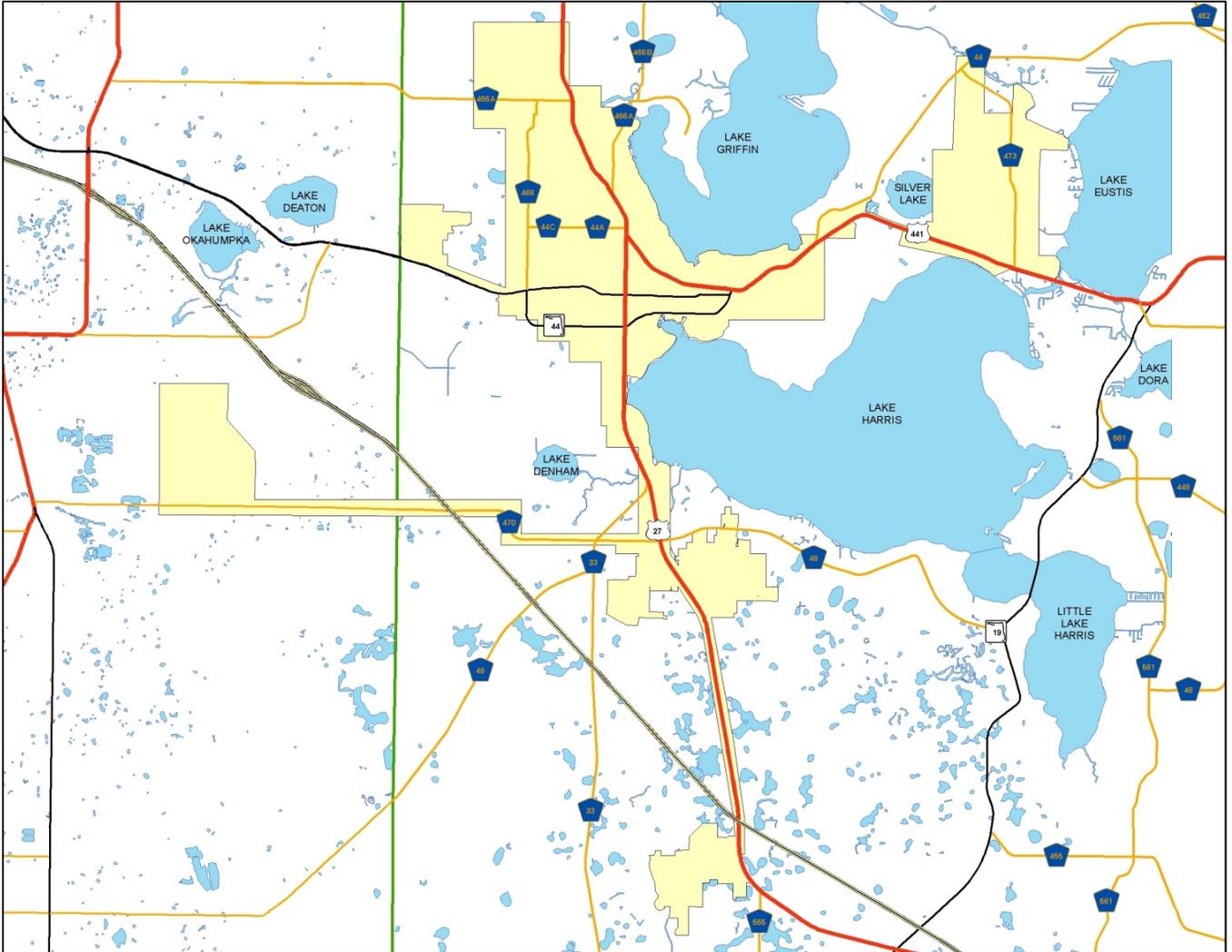
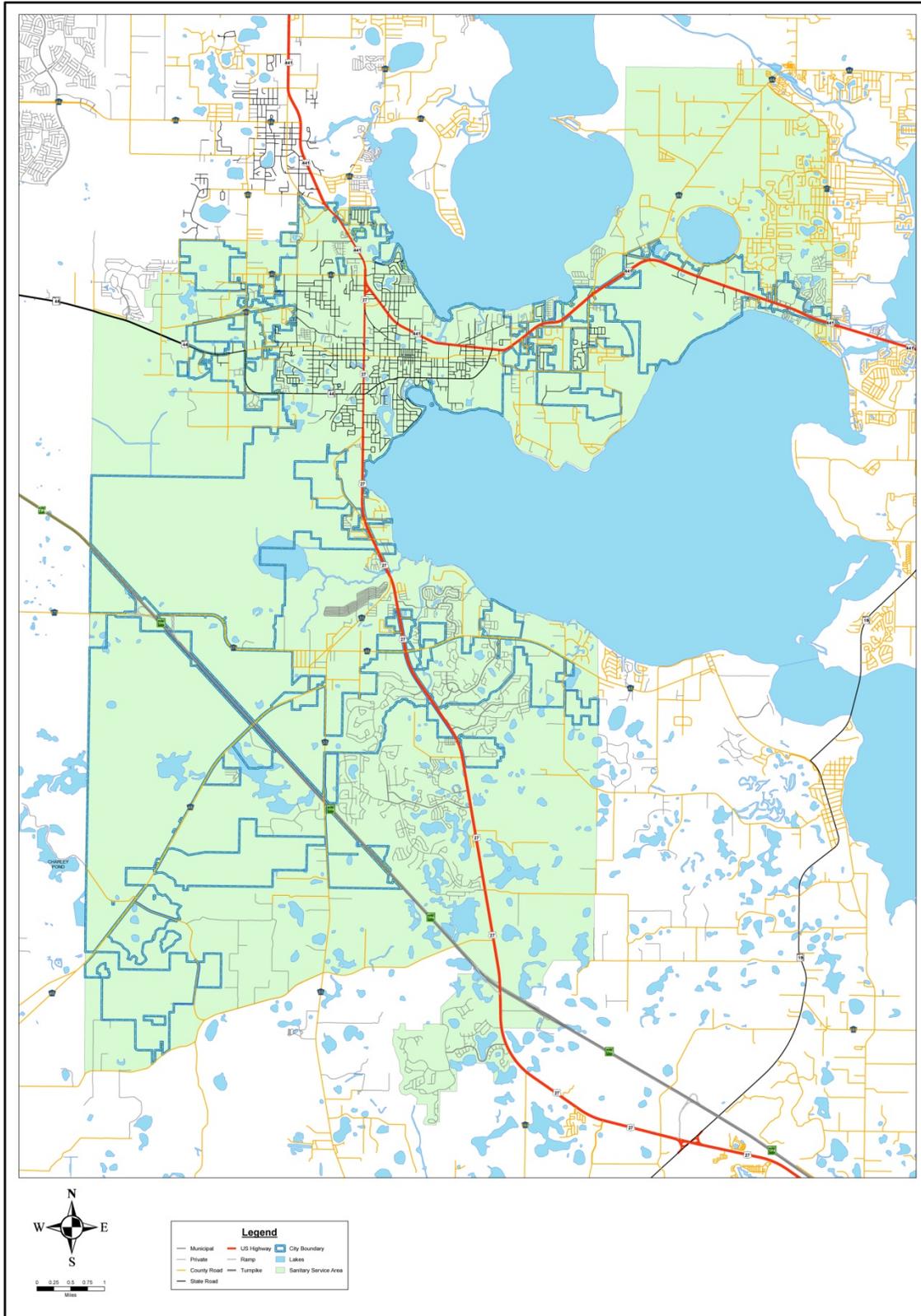


Figure 3

**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Map of City of Leesburg Water and Wastewater Service Area**



**Table 1**  
**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Comparison of Typical Monthly Residential Bills for Natural Gas Service [1]**

| Line No.                               | Description  | Residential Service                 |              |                  |              |              |              |              |              |               |
|--|--|-------------------------------------|--------------|------------------|--------------|--------------|--------------|--------------|--------------|---------------|
|  |  | NATURAL GAS USAGE (Monthly Average) |              |                  |              |              |              |              |              |               |
|  |  | 0<br>Therms                         | 10<br>Therms | 14<br>Therms [2] | 20<br>Therms | 30<br>Therms | 50<br>Therms | 70<br>Therms | 90<br>Therms | 100<br>Therms |
| <b>City of Leesburg</b>                |  |                                     |              |                  |              |              |              |              |              |               |
| 1                                      | Existing Gas Rates - Effective February 1, 2013 [4]          | \$7.64                              | \$19.43      | \$24.15          | \$31.22      | \$43.01      | \$66.59      | \$90.17      | \$113.75     | \$125.54      |
| <b>Other Florida Utilities:</b>        |  |                                     |              |                  |              |              |              |              |              |               |
| <u>Municipalities</u>                  |  |                                     |              |                  |              |              |              |              |              |               |
| 2                                      | City of Clearwater [7]                                       | \$10.00                             | \$25.60      | \$31.84          | \$41.20      | \$56.80      | \$88.00      | \$119.20     | \$150.40     | \$166.00      |
| 3                                      | Gainesville Regional Utility [5]                             | 9.52                                | 18.76        | 22.46            | 28.00        | 37.25        | 55.73        | 74.21        | 92.70        | 101.94        |
| 4                                      | Pensacola Energy [3] [6]                                     | 8.95                                | 33.89        | 43.86            | 58.83        | 83.77        | 133.65       | 183.52       | 233.40       | 258.34        |
| 5                                      | City of Sunrise [3] [8]                                      | 11.95                               | 29.02        | 35.85            | 46.10        | 63.17        | 97.32        | 131.46       | 162.03       | 176.71        |
| 6                                      | City of Tallahassee [3] [9]                                  | 10.13                               | 21.32        | 25.79            | 32.50        | 43.69        | 66.07        | 88.44        | 110.81       | 122.00        |
| <u>Regulated Natural Gas Companies</u> |  |                                     |              |                  |              |              |              |              |              |               |
| 7                                      | Florida City Gas [10]  | 8.00                                | 19.82        | 24.55            | 31.64        | 43.46        | 67.11        | 90.75        | 114.39       | 123.75        |
| 8                                      | Peoples Gas System (division of Tampa Electric Company) [11] | 12.00                               | 22.59        | 26.82            | 33.18        | 43.77        | 64.94        | 86.12        | 107.30       | 120.89        |
| 9                                      | St. Joe Natural Gas Company [12]                             | 13.00                               | 25.54        | 30.56            | 38.09        | 50.63        | 75.72        | 100.81       | 125.90       | 138.44        |
| 10                                     | <b>Other Florida Utilities' Average</b>                      | \$10.44                             | \$24.57      | \$30.22          | \$38.69      | \$52.82      | \$81.07      | \$109.31     | \$137.12     | \$151.01      |
| 11                                     | Minimum  | 8.00                                | 18.76        | 22.46            | 28.00        | 37.25        | 55.73        | 74.21        | 92.70        | 101.94        |
| 12                                     | Maximum  | 13.00                               | 33.89        | 43.86            | 58.83        | 83.77        | 133.65       | 183.52       | 233.40       | 258.34        |

**Footnotes:**

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect February 2013 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the municipality/county service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] Reflects average monthly gas usage of a residential customer within the service area of the City of Leesburg's utility system.
- [3] Utility bills for natural gas on a per hundred-cubic-foot (ccf) basis. For comparison purposes, one (1) therm and one (1) ccf were assumed to be equivalent. (This is a common assumption utilized by gas companies.)
- [4] Includes a fuel adjustment rate that is set periodically and is currently at \$0.460737 per therm.
- [5] Includes a Manufactured Gas Plant Cost Recovery Fee of \$.0505 per therm and a fuel adjustment of \$0.40 per therm.
- [6] Includes a fuel adjustment rate that is set periodically and is currently at \$1.6872 per ccf for residential accounts and \$1.6842 per ccf for commercial accounts.
- [7] Includes a Purchased Gas Adjustment of \$0.71 per therm for residential and commercial accounts.
- [8] Includes a fuel adjustment rate of \$0.483748 per ccf. For commercial gas service, a 400 cfh meter is assumed.
- [9] Includes a fuel adjustment rate of \$0.39489 per ccf.
- [10] Includes a Purchased Gas Adjustment of \$0.62 per therm.
- [11] Includes a Purchased Gas Adjustment of \$0.79106 per therm for residential accounts and \$0.78999 per therm for commercial accounts.
- [12] Includes a Purchased Gas Adjustment of \$0.55 per therm.

Table 2

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Comparison of Typical Monthly Commercial Bills for Natural Gas Service [1]

| Line No.                               | Description  | Commercial Service                  |               |               |               |                   |               |                 |                 |                 |
|--|--|-------------------------------------|---------------|---------------|---------------|-------------------|---------------|-----------------|-----------------|-----------------|
|  |  | NATURAL GAS USAGE (Monthly Average) |               |               |               |                   |               |                 |                 |                 |
|  |  | 0<br>Therms                         | 100<br>Therms | 200<br>Therms | 300<br>Therms | 577<br>Therms [2] | 700<br>Therms | 1,000<br>Therms | 1,500<br>Therms | 2,000<br>Therms |
| <b>City of Leesburg</b>                |  |                                     |               |               |               |                   |               |                 |                 |                 |
| 1                                      | Existing Gas Rates - Effective February 1, 2013 [4]          | \$11.47                             | \$129.37      | \$247.27      | \$365.18      | \$691.77          | \$836.79      | \$1,190.49      | \$1,780.01      | \$2,369.52      |
| <b>Other Florida Utilities:</b>        |  |                                     |               |               |               |                   |               |                 |                 |                 |
| <u>Municipalities</u>                  |  |                                     |               |               |               |                   |               |                 |                 |                 |
| 2                                      | City of Clearwater [7]                                       | \$25.00                             | \$169.00      | \$313.00      | \$457.00      | \$855.88          | \$1,033.00    | \$1,465.00      | \$2,185.00      | \$2,905.00      |
| 3                                      | Gainesville Regional Utility [5]                             | 35.00                               | 114.35        | 193.70        | 273.05        | 492.85            | 590.45        | 828.50          | 1,225.25        | 1,622.00        |
| 4                                      | Pensacola Energy [3] [6]                                     | 15.85                               | 264.64        | 513.43        | 762.22        | 1,451.37          | 1,757.38      | 2,503.75        | 3,747.70        | 4,991.65        |
| 5                                      | City of Sunrise [3] [8]                                      | 23.89                               | 188.65        | 335.49        | 482.32        | 889.06            | 1,069.67      | 1,476.99        | 2,144.79        | 2,812.59        |
| 6                                      | City of Tallahassee [3] [9]                                  | 18.14                               | 114.04        | 209.94        | 305.83        | 571.47            | 689.43        | 977.12          | 1,456.61        | 1,936.10        |
| <u>Regulated Natural Gas Companies</u> |  |                                     |               |               |               |                   |               |                 |                 |                 |
| 7                                      | Florida City Gas [10]  | 8.00                                | 123.75        | 238.00        | 345.59        | 654.53            | 751.64        | 1,068.63        | 1,420.73        | 1,889.30        |
| 8                                      | Peoples Gas System (division of Tampa Electric Company) [11] | 25.00                               | 137.89        | 250.79        | 363.68        | 676.39            | 815.25        | 1,153.93        | 1,718.40        | 2,150.98        |
| 9                                      | St. Joe Natural Gas Company [12]                             | 20.00                               | 118.98        | 217.96        | 316.94        | 591.12            | 712.87        | 1,009.81        | 1,504.72        | 1,806.02        |
| 10                                     | <b>Other Florida Utilities' Average</b>                      | \$21.36                             | \$153.91      | \$284.04      | \$413.33      | \$772.83          | \$927.46      | \$1,310.47      | \$1,925.40      | \$2,514.21      |
| 11                                     | Minimum  | 8.00                                | 114.04        | 193.70        | 273.05        | 492.85            | 590.45        | 828.50          | 1,225.25        | 1,622.00        |
| 12                                     | Maximum  | 35.00                               | 264.64        | 513.43        | 762.22        | 1,451.37          | 1,757.38      | 2,503.75        | 3,747.70        | 4,991.65        |

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect February 2013 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the municipality/county service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] Reflects average monthly gas usage of a commercial customer within the service area of the City of Leesburg's utility system.
- [3] Utility bills for natural gas on a per hundred-cubic-foot (ccf) basis. For comparison purposes, one (1) therm and one (1) ccf were assumed to be equivalent. (This is a common assumption utilized by gas companies.)
- [4] Includes a fuel adjustment rate that is set periodically and is currently at \$0.460737 per therm.
- [5] Includes a Manufactured Gas Plant Cost Recovery Fee of \$.0505 per therm and a fuel adjustment of \$0.40 per therm.
- [6] Includes a fuel adjustment rate that is set periodically and is currently at \$1.6872 per ccf for residential accounts and \$1.6842 per ccf for commercial accounts.
- [7] Includes a Purchased Gas Adjustment of \$0.71 per therm for residential and commercial accounts.
- [8] Includes a fuel adjustment rate of \$0.483748 per ccf. For commercial gas service, a 400 cfh meter is assumed.
- [9] Includes a fuel adjustment rate of \$0.39489 per ccf.
- [10] Includes a Purchased Gas Adjustment of \$0.62 per therm.
- [11] Includes a Purchased Gas Adjustment of \$0.79106 per therm for residential accounts and \$0.78999 per therm for commercial accounts.
- [12] Includes a Purchased Gas Adjustment of \$0.55 per therm.

Table 3

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

**Comparison of Typical Monthly Residential Bills for Water Service [1]**

|                                 |  | Residential Service for a 5/8" or 3/4" Meter |               |               |               |                   |                |                |                |                |
|---------------------------------|--|--|---------------|---------------|---------------|-------------------|----------------|----------------|----------------|----------------|
|                                 |  | WATER USAGE                                  |               |               |               |                   |                |                |                |                |
| Line No.                        | Description                                      | 0 Gallons                                    | 2,000 Gallons | 4,000 Gallons | 5,000 Gallons | 6,000 Gallons [2] | 10,000 Gallons | 15,000 Gallons | 20,000 Gallons | 50,000 Gallons |
| <b>City of Leesburg</b>         |  |  |               |               |               |                   |                |                |                |                |
| 1                               | Existing Water Rates - Effective October 1, 2012 | \$8.25                                       | \$10.08       | \$11.91       | \$12.94       | \$14.09           | \$19.17        | \$27.18        | \$37.67        | \$132.67       |
| <b>Other Florida Utilities:</b> |  |  |               |               |               |                   |                |                |                |                |
| 2                               | City of Altamonte Springs                        | \$8.11                                       | \$10.57       | \$14.19       | \$16.58       | \$18.97           | \$30.33        | \$45.28        | \$60.23        | \$165.13       |
| 3                               | City of Casselberry                              | 6.99   | 9.59          | 12.19         | 14.36         | 16.53             | 28.25          | 46.70          | 65.15          | 242.15         |
| 4                               | City of Clermont                                 | 5.48   | 7.68          | 9.88          | 10.98         | 12.08             | 16.48          | 23.63          | 30.78          | 112.78         |
| 5                               | City of Eustis                                   | 9.22   | 13.06         | 16.90         | 18.82         | 20.74             | 29.38          | 41.38          | 53.38          | 240.78         |
| 6                               | City of Inverness                                | 7.25   | 11.55         | 15.85         | 18.00         | 20.15             | 28.75          | 40.25          | 51.75          | 136.75         |
| 7                               | City of Lake Mary                                | 6.45   | 6.45          | 7.60          | 8.75          | 9.90              | 14.50          | 22.25          | 30.00          | 124.50         |
| 8                               | City of Longwood                                 | 6.30   | 9.10          | 11.90         | 13.30         | 14.70             | 20.30          | 28.35          | 36.40          | 97.30          |
| 9                               | City of Maitland                                 | 7.51   | 8.85          | 10.81         | 12.10         | 13.39             | 18.55          | 25.00          | 31.45          | 70.15          |
| 10                              | City of Mount Dora                               | 5.79   | 7.82          | 9.85          | 10.87         | 11.89             | 15.95          | 24.52          | 36.80          | 121.42         |
| 11                              | City of Ocala                                    | 9.20   | 11.13         | 13.05         | 14.01         | 14.98             | 18.83          | 26.10          | 38.20          | 141.45         |
| 12                              | City of Ocoee                                    | 10.10  | 12.30         | 14.50         | 15.60         | 16.70             | 22.22          | 30.17          | 44.02          | 258.02         |
| 13                              | Orange County                                    | 6.52   | 8.60          | 11.07         | 12.50         | 13.93             | 19.65          | 33.85          | 48.05          | 331.85         |
| 14                              | City of Orlando / O.U.C.                         | 7.50   | 8.77          | 10.48         | 11.56         | 12.63             | 18.48          | 26.42          | 35.61          | 169.93         |
| 15                              | City of Oviedo [3]                               | 10.30  | 12.00         | 14.75         | 16.65         | 18.55             | 26.15          | 44.05          | 69.50          | 240.00         |
| 16                              | Polk County [3]                                  | 8.79   | 12.13         | 16.02         | 18.24         | 20.46             | 29.34          | 51.39          | 73.44          | 382.74         |
| 17                              | City of St. Cloud [3]                            | 11.90  | 13.66         | 16.29         | 18.04         | 19.79             | 28.55          | 41.51          | 58.19          | 210.69         |
| 18                              | City of Sanford                                  | 10.69  | 10.69         | 14.85         | 16.93         | 19.01             | 29.89          | 45.92          | 63.57          | 213.15         |
| 19                              | Seminole County                                  | 11.80  | 13.80         | 15.80         | 16.80         | 17.80             | 21.80          | 30.05          | 45.00          | 231.90         |
| 20                              | Toho Water Authority (Kissimmee System)          | 4.62   | 5.48          | 8.44          | 9.92          | 12.59             | 23.27          | 44.57          | 65.87          | 257.87         |
| 21                              | Volusia County - Softened [3]                    | 12.41  | 19.43         | 26.45         | 29.96         | 34.28             | 51.56          | 73.91          | 98.56          | 417.76         |
| 22                              | Volusia County - Unsoftened [3]                  | 12.41  | 16.13         | 19.85         | 21.71         | 24.04             | 33.36          | 47.31          | 63.56          | 382.76         |
| 23                              | <b>Other Florida Utilities' Average</b>          | \$8.54                                       | \$10.89       | \$13.84       | \$15.51       | \$17.29           | \$25.03        | \$37.74        | \$52.36        | \$216.62       |
| 24                              | Minimum  | 4.62   | 5.48          | 7.60          | 8.75          | 9.90              | 14.50          | 22.25          | 30.00          | 70.15          |
| 25                              | Maximum  | 12.41  | 19.43         | 26.45         | 29.96         | 34.28             | 51.56          | 73.91          | 98.56          | 417.76         |

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect February 2013 and are exclusive of taxes, franchise fees or water restriction surcharges, if any, and reflect rates charged for inside the municipality/county service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] Reflects average monthly usage of a typical single family residential customer with both water and wastewater service within the service area of the City of Leesburg's utility system. This average monthly usage is approximately 8 ccf, which is about 6,000 gallons.
- [3] Utility is currently involved in a rate study, is planning to conduct a rate study, or will implement a rate revision or pass-through index adjustment within the next twelve months.

Table 4

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

**Comparison of Typical Monthly Commercial Bills for Water Service [1]**

|                                 |  | Commercial Service for a 2" Meter |                    |                |                |                |                 |                 |                 |                 |
|---------------------------------|--|-----------------------------------|--------------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
|                                 |  | WATER USAGE                       |                    |                |                |                |                 |                 |                 |                 |
| Line No.                        | Description                                      | 0 Gallons                         | 20,000 Gallons [2] | 25,000 Gallons | 50,000 Gallons | 75,000 Gallons | 100,000 Gallons | 150,000 Gallons | 200,000 Gallons | 500,000 Gallons |
| <b>City of Leesburg</b>         |  |                                   |                    |                |                |                |                 |                 |                 |                 |
| 1                               | Existing Water Rates - Effective October 1, 2012 | \$8.25                            | \$39.17            | \$46.89        | \$85.54        | \$124.18       | \$162.83        | \$240.12        | \$317.41        | \$781.15        |
| <b>Other Florida Utilities:</b> |  |                                   |                    |                |                |                |                 |                 |                 |                 |
| 2                               | City of Altamonte Springs                        | \$8.21                            | \$61.94            | \$77.39        | \$154.64       | \$231.89       | \$309.14        | \$463.64        | \$618.14        | \$1,545.14      |
| 3                               | City of Casselberry                              | 45.07                             | 71.07              | 77.57          | 125.73         | 196.70         | 288.95          | 473.45          | 746.35          | 2,516.35        |
| 4                               | City of Clermont                                 | 5.48                              | 30.78              | 41.78          | 112.78         | 187.78         | 262.78          | 412.78          | 562.78          | 1,462.78        |
| 5                               | City of Eustis                                   | 18.44                             | 56.84              | 66.44          | 124.04         | 184.04         | 244.04          | 364.04          | 484.04          | 1,204.04        |
| 6                               | City of Inverness                                | 61.32                             | 105.82             | 118.32         | 180.82         | 243.32         | 305.82          | 430.82          | 555.82          | 1,305.82        |
| 7                               | City of Lake Mary                                | 30.95                             | 54.50              | 65.25          | 149.00         | 255.25         | 361.50          | 574.00          | 786.50          | 2,061.50        |
| 8                               | City of Longwood                                 | 50.40                             | 80.50              | 89.60          | 141.40         | 203.70         | 270.20          | 403.20          | 536.20          | 1,334.20        |
| 9                               | City of Maitland                                 | 31.84                             | 57.64              | 64.09          | 96.34          | 128.59         | 160.84          | 225.34          | 289.84          | 676.84          |
| 10                              | City of Mount Dora                               | 5.79                              | 36.80              | 50.90          | 121.42         | 191.94         | 262.47          | 403.51          | 544.55          | 1,390.81        |
| 11                              | City of Ocala                                    | 116.79                            | 141.39             | 147.54         | 178.29         | 209.04         | 239.79          | 301.29          | 362.79          | 731.79          |
| 12                              | City of Ocoee                                    | 80.58                             | 111.02             | 121.38         | 121.38         | 121.38         | 121.38          | 121.38          | 121.38          | 121.38          |
| 13                              | Orange County                                    | 30.18                             | 58.78              | 65.93          | 101.68         | 137.43         | 173.18          | 244.68          | 316.18          | 745.18          |
| 14                              | City of Orlando / O.U.C.                         | 21.75                             | 52.57              | 60.28          | 98.80          | 137.33         | 175.85          | 252.90          | 329.95          | 792.25          |
| 15                              | City of Oviedo [3]                               | 82.43                             | 133.83             | 146.68         | 210.93         | 275.18         | 339.43          | 467.93          | 596.43          | 1,367.43        |
| 16                              | Polk County [3]                                  | 70.30                             | 114.70             | 125.80         | 181.30         | 236.80         | 336.10          | 556.60          | 953.90          | 4,798.10        |
| 17                              | City of St. Cloud [3]                            | 66.58                             | 112.58             | 124.08         | 181.58         | 239.08         | 296.58          | 411.58          | 526.58          | 1,216.58        |
| 18                              | City of Sanford                                  | 52.22                             | 93.82              | 104.22         | 157.50         | 225.50         | 296.74          | 473.24          | 663.18          | 2,226.18        |
| 19                              | Seminole County                                  | 94.40                             | 114.40             | 119.40         | 144.40         | 169.40         | 207.40          | 330.10          | 553.20          | 2,794.20        |
| 20                              | Toho Water Authority (Kissimmee System)          | 23.56                             | 53.16              | 60.56          | 97.56          | 134.56         | 171.56          | 245.56          | 319.56          | 763.56          |
| 21                              | Volusia County - Softened [3]                    | 99.51                             | 185.91             | 207.51         | 315.51         | 423.51         | 534.51          | 771.81          | 1,049.11        | 2,759.11        |
| 22                              | Volusia County - Unsoftened [3]                  | 99.51                             | 146.11             | 157.76         | 216.01         | 274.26         | 341.71          | 495.01          | 755.51          | 2,465.51        |
| 23                              | <b>Other Florida Utilities' Average</b>          | \$52.16                           | \$89.25            | \$99.64        | \$152.91       | \$209.84       | \$271.43        | \$401.09        | \$555.81        | \$1,632.32      |
| 24                              | Minimum  | 5.48                              | 30.78              | 41.78          | 96.34          | 121.38         | 121.38          | 121.38          | 121.38          | 121.38          |
| 25                              | Maximum  | 116.79                            | 185.91             | 207.51         | 315.51         | 423.51         | 534.51          | 771.81          | 1,049.11        | 4,798.10        |

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect February 2013 and are exclusive of taxes, franchise fees or water restriction surcharges, if any, and reflect rates charged for inside the municipality/county service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] Reflects average monthly usage of a typical commercial customer with both water and wastewater service within the service area of the City of Leesburg's utility system. This average monthly usage is approximately 27 ccf, which is about 20,000 gallons.
- [3] Utility is currently involved in a rate study, is planning to conduct a rate study, or will implement a rate revision or pass-through index adjustment within the next twelve months.

Table 5

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Comparison of Typical Monthly Residential Bills for Wastewater Service [1]

|                                 |   | Residential Service for a 5/8" or 3/4" Meter |               |               |               |                   |                |                |                |                |
|---------------------------------|---|--|---------------|---------------|---------------|-------------------|----------------|----------------|----------------|----------------|
|                                 |   | WASTEWATER FLOW                              |               |               |               |                   |                |                |                |                |
| Line No.                        | Description   | 0 Gallons                                    | 2,000 Gallons | 4,000 Gallons | 5,000 Gallons | 6,000 Gallons [2] | 10,000 Gallons | 15,000 Gallons | 20,000 Gallons | 50,000 Gallons |
| <b>City of Leesburg</b>         |   |  |               |               |               |                   |                |                |                |                |
| 1                               | Existing Wastewater Rates - Effective October 1, 2012 | \$21.86                                      | \$24.92       | \$27.98       | \$29.51       | \$31.04           | \$37.16        | \$44.81        | \$45.89        | \$45.89        |
| <b>Other Florida Utilities:</b> |   |  |               |               |               |                   |                |                |                |                |
| 2                               | City of Altamonte Springs                             | \$6.91                                       | \$11.41       | \$18.22       | \$22.78       | \$27.34           | \$46.15        | \$50.90        | \$50.90        | \$50.90        |
| 3                               | City of Casselberry                                   | 12.65  | 22.65         | 32.65         | 38.90         | 45.15             | 70.15          | 101.40         | 132.65         | 320.15         |
| 4                               | City of Clermont                                      | 14.59  | 18.43         | 22.27         | 24.19         | 26.11             | 33.79          | 43.39          | 45.31          | 45.31          |
| 5                               | City of Eustis  | 23.43  | 28.57         | 33.71         | 36.28         | 38.85             | 49.13          | 49.13          | 49.13          | 49.13          |
| 6                               | City of Inverness                                     | 12.50  | 21.54         | 30.58         | 35.10         | 39.62             | 57.70          | 80.30          | 80.30          | 80.30          |
| 7                               | City of Lake Mary                                     | 6.50   | 14.28         | 22.06         | 25.95         | 29.84             | 45.40          | 45.40          | 45.40          | 45.40          |
| 8                               | City of Longwood                                      | 5.81   | 12.15         | 18.49         | 21.66         | 24.83             | 37.51          | 53.36          | 71.86          | 193.46         |
| 9                               | City of Maitland                                      | 14.44  | 22.34         | 30.24         | 34.19         | 38.14             | 53.94          | 73.69          | 93.44          | 211.94         |
| 10                              | City of Mount Dora                                    | 25.05  | 30.53         | 36.01         | 38.75         | 41.49             | 52.46          | 53.75          | 53.75          | 53.75          |
| 11                              | City of Ocala   | 22.32  | 28.15         | 33.98         | 36.89         | 39.81             | 50.66          | 50.66          | 50.66          | 50.66          |
| 12                              | City of Ocoee   | 18.18  | 23.38         | 28.58         | 31.18         | 33.78             | 44.18          | 49.38          | 49.38          | 49.38          |
| 13                              | Orange County   | 15.25  | 22.19         | 29.13         | 32.60         | 36.07             | 49.95          | 63.83          | 63.83          | 63.83          |
| 14                              | City of Orlando / O.U.C.                              | 16.99  | 25.19         | 33.39         | 37.49         | 41.59             | 57.99          | 74.39          | 74.39          | 74.39          |
| 15                              | City of Oviedo [3]                                    | 21.28  | 29.08         | 36.88         | 40.78         | 44.68             | 60.28          | 60.28          | 60.28          | 60.28          |
| 16                              | Polk County [3]                                       | 32.78  | 44.54         | 56.30         | 62.18         | 68.06             | 73.94          | 73.94          | 73.94          | 73.94          |
| 17                              | City of St. Cloud [3]                                 | 16.21  | 24.37         | 32.53         | 36.61         | 40.69             | 57.01          | 77.41          | 97.81          | 220.21         |
| 18                              | City of Sanford                                       | 19.66  | 19.66         | 30.38         | 35.74         | 41.10             | 62.54          | 73.26          | 73.26          | 73.26          |
| 19                              | Seminole County                                       | 18.75  | 27.27         | 35.79         | 40.05         | 44.31             | 61.35          | 82.65          | 82.65          | 82.65          |
| 20                              | Toho Water Authority (Kissimmee System)               | 11.49  | 14.39         | 24.35         | 29.33         | 34.31             | 54.23          | 79.13          | 104.03         | 253.43         |
| 21                              | Volusia County - Softened [3]                         | 19.07  | 27.13         | 35.19         | 39.22         | 43.25             | 59.37          | 75.49          | 75.49          | 75.49          |
| 22                              | Volusia County - Unsoftened [3]                       | 19.07  | 27.13         | 35.19         | 39.22         | 43.25             | 59.37          | 75.49          | 75.49          | 75.49          |
| 23                              | <b>Other Florida Utilities' Average</b>               | \$16.81                                      | \$23.54       | \$31.23       | \$35.20       | \$39.16           | \$54.15        | \$66.06        | \$71.62        | \$104.92       |
| 24                              | Minimum   | 5.81   | 11.41         | 18.22         | 21.66         | 24.83             | 33.79          | 43.39          | 45.31          | 45.31          |
| 25                              | Maximum   | 32.78  | 44.54         | 56.30         | 62.18         | 68.06             | 73.94          | 101.40         | 132.65         | 320.15         |

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect February 2013 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the municipality/county service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] Reflects average monthly usage of a typical single family residential customer with both water and wastewater service within the service area of the City of Leesburg's utility system. This average monthly usage is approximately 8 ccf, which is about 6,000 gallons.
- [3] Utility is currently involved in a rate study, is planning to conduct a rate study, or will implement a rate revision or pass-through index adjustment within the next twelve months.

Table 6

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Comparison of Typical Monthly Commercial Bills for Wastewater Service [1]

| Line No.                        | Description   | Commercial Service for a 2" Meter |                    |                |                |                |                 |                 |                 |                 |
|---------------------------------|---|-----------------------------------|--------------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
|                                 |   | WASTEWATER FLOW                   |                    |                |                |                |                 |                 |                 |                 |
|                                 |   | 0 Gallons                         | 20,000 Gallons [2] | 25,000 Gallons | 50,000 Gallons | 75,000 Gallons | 100,000 Gallons | 150,000 Gallons | 200,000 Gallons | 500,000 Gallons |
| <b>City of Leesburg</b>         |   |                                   |                    |                |                |                |                 |                 |                 |                 |
| 1                               | Existing Wastewater Rates - Effective October 1, 2012 [3] | \$95.08                           | \$173.11           | \$192.61       | \$290.15       | \$387.68       | \$485.22        | \$680.29        | \$875.36        | \$2,045.77      |
| <b>Other Florida Utilities:</b> |   |                                   |                    |                |                |                |                 |                 |                 |                 |
| 2                               | City of Altamonte Springs                                 | \$7.16                            | \$97.89            | \$122.74       | \$246.99       | \$371.24       | \$495.49        | \$743.99        | \$992.49        | \$2,483.49      |
| 3                               | City of Casselberry                                       | 90.35                             | 190.35             | 215.35         | 362.85         | 519.10         | 675.35          | 987.85          | 1,300.35        | 3,175.35        |
| 4                               | City of Clermont  | 116.78                            | 155.18             | 164.78         | 212.78         | 260.78         | 308.78          | 404.78          | 500.78          | 1,076.78        |
| 5                               | City of Eustis  | 32.80                             | 102.20             | 119.55         | 206.30         | 293.05         | 379.80          | 553.30          | 726.80          | 1,767.80        |
| 6                               | City of Inverness   | 131.72                            | 222.12             | 244.72         | 357.72         | 470.72         | 583.72          | 809.72          | 1,035.72        | 2,391.72        |
| 7                               | City of Lake Mary   | 45.70                             | 123.50             | 142.95         | 240.20         | 337.45         | 434.70          | 629.20          | 823.70          | 1,990.70        |
| 8                               | City of Longwood  | 282.00                            | 394.60             | 422.75         | 581.25         | 766.00         | 950.75          | 1,320.25        | 1,689.75        | 3,906.75        |
| 9                               | City of Maitland  | 108.49                            | 187.49             | 207.24         | 305.99         | 404.74         | 503.49          | 700.99          | 898.49          | 2,083.49        |
| 10                              | City of Mount Dora  | 25.05                             | 90.98              | 107.46         | 189.87         | 272.28         | 354.69          | 519.51          | 684.33          | 1,673.25        |
| 11                              | City of Ocala   | 368.37                            | 426.66             | 441.23         | 514.09         | 586.95         | 659.81          | 805.54          | 951.26          | 1,825.59        |
| 12                              | City of Ocoee   | 145.67                            | 197.67             | 210.67         | 275.67         | 340.67         | 405.67          | 535.67          | 665.67          | 1,445.67        |
| 13                              | Orange County   | 102.44                            | 171.84             | 189.19         | 275.94         | 362.69         | 449.44          | 622.94          | 796.44          | 1,837.44        |
| 14                              | City of Orlando / O.U.C.                                  | 48.54                             | 130.54             | 151.04         | 253.54         | 356.04         | 458.54          | 663.54          | 868.54          | 2,098.54        |
| 15                              | City of Oviedo [4]  | 170.24                            | 248.24             | 267.74         | 365.24         | 462.74         | 560.24          | 755.24          | 950.24          | 2,120.24        |
| 16                              | Polk County [4]   | 262.20                            | 379.80             | 409.20         | 556.20         | 703.20         | 850.20          | 1,144.20        | 1,438.20        | 3,202.20        |
| 17                              | City of St. Cloud [4]                                     | 87.86                             | 170.86             | 191.61         | 295.36         | 399.11         | 502.86          | 710.36          | 917.86          | 2,162.86        |
| 18                              | City of Sanford   | 84.17                             | 191.37             | 218.17         | 352.17         | 486.17         | 620.17          | 888.17          | 1,156.17        | 2,764.17        |
| 19                              | Seminole County   | 150.00                            | 235.20             | 256.50         | 363.00         | 469.50         | 576.00          | 789.00          | 1,002.00        | 2,280.00        |
| 20                              | Toho Water Authority (Kissimmee System)                   | 78.50                             | 178.10             | 203.00         | 327.50         | 452.00         | 576.50          | 825.50          | 1,074.50        | 2,568.50        |
| 21                              | Volusia County - Softened [4]                             | 152.77                            | 233.37             | 253.52         | 354.27         | 455.02         | 555.77          | 757.27          | 958.77          | 2,167.77        |
| 22                              | Volusia County - Unsoftened [4]                           | 152.77                            | 233.37             | 253.52         | 354.27         | 455.02         | 555.77          | 757.27          | 958.77          | 2,167.77        |
| 23                              | <b>Other Florida Utilities' Average</b>                   | \$125.88                          | \$207.68           | \$228.23       | \$332.91       | \$439.26       | \$545.61        | \$758.30        | \$970.99        | \$2,247.15      |
| 24                              | Minimum   | 7.16                              | 90.98              | 107.46         | 189.87         | 260.78         | 308.78          | 404.78          | 500.78          | 1,076.78        |
| 25                              | Maximum   | 368.37                            | 426.66             | 441.23         | 581.25         | 766.00         | 950.75          | 1,320.25        | 1,689.75        | 3,906.75        |

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect February 2013 and are exclusive of taxes, franchise fees or water restriction surcharges, if any, and reflect rates charged for inside the municipality/county service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] Reflects average monthly usage of a typical commercial customer with both water and wastewater service within the service area of the City of Leesburg's utility system. This average monthly usage is approximately 27 ccf, which is about 20,000 gallons.
- [3] Reflects wastewater rates for Commercial Class III service.
- [4] Utility is currently involved in a rate study, is planning to conduct a rate study, or will implement a rate revision or pass-through index adjustment within the next twelve months.

Table 7

**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Comparison of Typical Monthly Residential Bills for Combined Water and Wastewater Service [1]**

|                                 |  | Residential Service for a 5/8" or 3/4" Meter |                  |                  |                  |                      |                   |                   |                   |                   |
|---------------------------------|--|--|------------------|------------------|------------------|----------------------|-------------------|-------------------|-------------------|-------------------|
|                                 |  | <b>COMBINED WATER AND WASTEWATER</b>         |                  |                  |                  |                      |                   |                   |                   |                   |
| Line No.                        | Description                                  | 0<br>Gallons                                 | 2,000<br>Gallons | 4,000<br>Gallons | 5,000<br>Gallons | 6,000<br>Gallons [2] | 10,000<br>Gallons | 15,000<br>Gallons | 20,000<br>Gallons | 50,000<br>Gallons |
| <b>City of Leesburg</b>         |  |  |                  |                  |                  |                      |                   |                   |                   |                   |
| 1                               | Existing Combined Water and Wastewater Rates | \$30.11                                      | \$35.00          | \$39.89          | \$42.45          | \$45.13              | \$56.33           | \$71.99           | \$83.56           | \$178.56          |
| <b>Other Florida Utilities:</b> |  |  |                  |                  |                  |                      |                   |                   |                   |                   |
| 2                               | City of Altamonte Springs                    | \$15.02                                      | \$21.98          | \$32.41          | \$39.36          | \$46.31              | \$76.48           | \$96.18           | \$111.13          | \$216.03          |
| 3                               | City of Casselberry                          | 19.64  | 32.24            | 44.84            | 53.26            | 61.68                | 98.40             | 148.10            | 197.80            | 562.30            |
| 4                               | City of Clermont                             | 20.07  | 26.11            | 32.15            | 35.17            | 38.19                | 50.27             | 67.02             | 76.09             | 158.09            |
| 5                               | City of Eustis                               | 32.65  | 41.63            | 50.61            | 55.10            | 59.59                | 78.51             | 90.51             | 102.51            | 289.91            |
| 6                               | City of Inverness                            | 19.75  | 33.09            | 46.43            | 53.10            | 59.77                | 86.45             | 120.55            | 132.05            | 217.05            |
| 7                               | City of Lake Mary                            | 12.95  | 20.73            | 29.66            | 34.70            | 39.74                | 59.90             | 67.65             | 75.40             | 169.90            |
| 8                               | City of Longwood                             | 12.11  | 21.25            | 30.39            | 34.96            | 39.53                | 57.81             | 81.71             | 108.26            | 290.76            |
| 9                               | City of Maitland                             | 21.95  | 31.19            | 41.05            | 46.29            | 51.53                | 72.49             | 98.69             | 124.89            | 282.09            |
| 10                              | City of Mount Dora                           | 30.84  | 38.35            | 45.87            | 49.62            | 53.38                | 68.41             | 78.27             | 90.55             | 175.17            |
| 11                              | City of Ocala                                | 31.52  | 39.27            | 47.03            | 50.91            | 54.78                | 69.49             | 76.76             | 88.86             | 192.11            |
| 12                              | City of Ocoee                                | 28.28  | 35.68            | 43.08            | 46.78            | 50.48                | 66.40             | 79.55             | 93.40             | 307.40            |
| 13                              | Orange County                                | 21.77  | 30.79            | 40.20            | 45.10            | 50.00                | 69.60             | 97.68             | 111.88            | 395.68            |
| 14                              | City of Orlando / O.U.C.                     | 24.49  | 33.96            | 43.87            | 49.05            | 54.22                | 76.47             | 100.81            | 110.00            | 244.32            |
| 15                              | City of Oviedo [3]                           | 31.58  | 41.08            | 51.63            | 57.43            | 63.23                | 86.43             | 104.33            | 129.78            | 300.28            |
| 16                              | Polk County [3]                              | 41.57  | 56.67            | 72.32            | 80.42            | 88.52                | 103.28            | 125.33            | 147.38            | 456.68            |
| 17                              | City of St. Cloud [3]                        | 28.11  | 38.03            | 48.82            | 54.65            | 60.48                | 85.56             | 118.92            | 156.00            | 430.90            |
| 18                              | City of Sanford                              | 30.35  | 30.35            | 45.23            | 52.67            | 60.11                | 92.43             | 119.18            | 136.83            | 286.41            |
| 19                              | Seminole County                              | 30.55  | 41.07            | 51.59            | 56.85            | 62.11                | 83.15             | 112.70            | 127.65            | 314.55            |
| 20                              | Toho Water Authority (Kissimmee System)      | 16.11  | 19.87            | 32.79            | 39.25            | 46.90                | 77.50             | 123.70            | 169.90            | 511.30            |
| 21                              | Volusia County - Softened [3]                | 31.48  | 46.56            | 61.64            | 69.18            | 77.53                | 110.93            | 149.40            | 174.05            | 493.25            |
| 22                              | Volusia County - Unsoftened [3]              | 31.48  | 43.26            | 55.04            | 60.93            | 67.29                | 92.73             | 122.80            | 139.05            | 458.25            |
| 23                              | <b>Other Florida Utilities' Average</b>      | \$25.35                                      | \$34.44          | \$45.08          | \$50.70          | \$56.45              | \$79.18           | \$103.80          | \$123.97          | \$321.54          |
| 24                              | Minimum                                      | 12.11  | 19.87            | 29.66            | 34.70            | 38.19                | 50.27             | 67.02             | 75.40             | 158.09            |
| 25                              | Maximum                                      | 41.57  | 56.67            | 72.32            | 80.42            | 88.52                | 110.93            | 149.40            | 197.80            | 562.30            |

## Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect February 2013 and are exclusive of taxes, franchise fees or water restriction surcharges, if any, and reflect rates charged for inside the municipality/county service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] Reflects average monthly usage of a typical single family residential customer with both water and wastewater service within the service area of the City of Leesburg's utility system. This average monthly usage is approximately 8 ccf, which is about 6,000 gallons.
- [3] Utility is currently involved in a rate study, is planning to conduct a rate study, or will implement a rate revision or pass-through index adjustment within the next twelve months.

Table 8

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Comparison of Typical Monthly Commercial Bills for Combined Water and Wastewater Service [1]

| Line No.                        | Description                                      | Commercial Service for a 2" Meter |                    |                |                |                |                 |                 |                 |                 |
|---------------------------------|--|-----------------------------------|--------------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
|                                 |  | WASTEWATER FLOW                   |                    |                |                |                |                 |                 |                 |                 |
|                                 |  | 0 Gallons                         | 20,000 Gallons [2] | 25,000 Gallons | 50,000 Gallons | 75,000 Gallons | 100,000 Gallons | 150,000 Gallons | 200,000 Gallons | 500,000 Gallons |
| <b>City of Leesburg</b>         |  |                                   |                    |                |                |                |                 |                 |                 |                 |
| 1                               | Existing Combined Water and Wastewater Rates [3] | \$103.33                          | \$212.27           | \$239.51       | \$375.69       | \$511.87       | \$648.05        | \$920.41        | \$1,192.76      | \$2,826.92      |
| <b>Other Florida Utilities:</b> |  |                                   |                    |                |                |                |                 |                 |                 |                 |
| 2                               | City of Altamonte Springs                        | \$15.37                           | \$159.83           | \$200.13       | \$401.63       | \$603.13       | \$804.63        | \$1,207.63      | \$1,610.63      | \$4,028.63      |
| 3                               | City of Casselberry                              | 135.42                            | 261.42             | 292.92         | 488.58         | 715.80         | 964.30          | 1,461.30        | 2,046.70        | 5,691.70        |
| 4                               | City of Clermont                                 | 122.26                            | 185.96             | 206.56         | 325.56         | 448.56         | 571.56          | 817.56          | 1,063.56        | 2,539.56        |
| 5                               | City of Eustis                                   | 51.24                             | 159.04             | 185.99         | 330.34         | 477.09         | 623.84          | 917.34          | 1,210.84        | 2,971.84        |
| 6                               | City of Inverness                                | 193.04                            | 327.94             | 363.04         | 538.54         | 714.04         | 889.54          | 1,240.54        | 1,591.54        | 3,697.54        |
| 7                               | City of Lake Mary                                | 76.65                             | 178.00             | 208.20         | 389.20         | 592.70         | 796.20          | 1,203.20        | 1,610.20        | 4,052.20        |
| 8                               | City of Longwood                                 | 332.40                            | 475.10             | 512.35         | 722.65         | 969.70         | 1,220.95        | 1,723.45        | 2,225.95        | 5,240.95        |
| 9                               | City of Maitland                                 | 140.33                            | 245.13             | 271.33         | 402.33         | 533.33         | 664.33          | 926.33          | 1,188.33        | 2,760.33        |
| 10                              | City of Mount Dora                               | 30.84                             | 127.78             | 158.36         | 311.29         | 464.22         | 617.16          | 923.02          | 1,228.88        | 3,064.06        |
| 11                              | City of Ocala                                    | 485.16                            | 568.05             | 588.77         | 692.38         | 795.99         | 899.60          | 1,106.83        | 1,314.05        | 2,557.38        |
| 12                              | City of Ocoee                                    | 226.25                            | 308.69             | 332.05         | 397.05         | 462.05         | 527.05          | 657.05          | 787.05          | 1,567.05        |
| 13                              | Orange County                                    | 132.62                            | 230.62             | 255.12         | 377.62         | 500.12         | 622.62          | 867.62          | 1,112.62        | 2,582.62        |
| 14                              | City of Orlando / O.U.C.                         | 70.29                             | 183.11             | 211.32         | 352.34         | 493.37         | 634.39          | 916.44          | 1,198.49        | 2,890.79        |
| 15                              | City of Oviedo [4]                               | 252.67                            | 382.07             | 414.42         | 576.17         | 737.92         | 899.67          | 1,223.17        | 1,546.67        | 3,487.67        |
| 16                              | Polk County [4]                                  | 332.50                            | 494.50             | 535.00         | 737.50         | 940.00         | 1,186.30        | 1,700.80        | 2,392.10        | 8,000.30        |
| 17                              | City of St. Cloud [4]                            | 154.44                            | 283.44             | 315.69         | 476.94         | 638.19         | 799.44          | 1,121.94        | 1,444.44        | 3,379.44        |
| 18                              | City of Sanford                                  | 136.39                            | 285.19             | 322.39         | 509.67         | 711.67         | 916.91          | 1,361.41        | 1,819.35        | 4,990.35        |
| 19                              | Seminole County                                  | 244.40                            | 349.60             | 375.90         | 507.40         | 638.90         | 783.40          | 1,119.10        | 1,555.20        | 5,074.20        |
| 20                              | Toho Water Authority (Kissimmee System)          | 102.06                            | 231.26             | 263.56         | 425.06         | 586.56         | 748.06          | 1,071.06        | 1,394.06        | 3,332.06        |
| 21                              | Volusia County - Softened [4]                    | 252.28                            | 419.28             | 461.03         | 669.78         | 878.53         | 1,090.28        | 1,529.08        | 2,007.88        | 4,926.88        |
| 22                              | Volusia County - Unsoftened [4]                  | 252.28                            | 379.48             | 411.28         | 570.28         | 729.28         | 897.48          | 1,252.28        | 1,714.28        | 4,633.28        |
| 23                              | <b>Other Florida Utilities' Average</b>          | \$178.04                          | \$296.93           | \$327.88       | \$485.82       | \$649.10       | \$817.03        | \$1,159.39      | \$1,526.80      | \$3,879.47      |
| 24                              | Minimum  | 15.37                             | 127.78             | 158.36         | 311.29         | 448.56         | 527.05          | 657.05          | 787.05          | 1,567.05        |
| 25                              | Maximum  | 485.16                            | 568.05             | 588.77         | 737.50         | 969.70         | 1,220.95        | 1,723.45        | 2,392.10        | 8,000.30        |

Footnotes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect February 2013 and are exclusive of taxes, franchise fees or water restriction surcharges, if any, and reflect rates charged for inside the municipality/county service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] Reflects average monthly usage of a typical commercial customer with both water and wastewater service within the service area of the City of Leesburg's utility system. This average monthly usage is approximately 27 ccf, which is about 20,000 gallons.
- [3] Reflects wastewater rates for Commercial Class III service.
- [4] Utility is currently involved in a rate study, is planning to conduct a rate study, or will implement a rate revision or pass-through index adjustment within the next twelve months.

**Table 9**

**City of Leesburg, Florida  
Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Comparison of Capacity Charges Per  
Equivalent Residential Unit (ERU) for Water and Wastewater Service [1]**

| Line No.                        | Description                             | Capacity Charge Per ERU |            |          |
|---------------------------------|---|-------------------------|------------|----------|
|                                 |   | Water                   | Wastewater | Combined |
| <b>City of Leesburg</b>         |   |                         |            |          |
| 1                               | Existing Capacity Charges [2]           | \$1,006                 | \$2,379    | \$3,385  |
| <b>Other Florida Utilities:</b> |   |                         |            |          |
| 2                               | City of Altamonte Springs               | \$600                   | \$1,855    | \$2,455  |
| 3                               | City of Casselberry                     | 1,220                   | 2,076      | 3,296    |
| 4                               | City of Clermont                        | 1,991                   | 3,752      | 5,743    |
| 5                               | City of Eustis                          | 854                     | 2,668      | 3,522    |
| 6                               | City of Inverness                       | 710                     | 2,720      | 3,430    |
| 7                               | City of Lake Mary                       | 1,010                   | 2,664      | 3,674    |
| 8                               | City of Longwood                        | 1,449                   | 4,029      | 5,478    |
| 9                               | City of Maitland                        | 900                     | 2,890      | 3,790    |
| 10                              | City of Mount Dora                      | 2,340                   | 3,522      | 5,862    |
| 11                              | City of Ocala                           | 658                     | 2,518      | 3,176    |
| 12                              | City of Ocoee                           | 1,756                   | 5,213      | 6,969    |
| 13                              | Orange County                           | 1,950                   | 3,668      | 5,618    |
| 14                              | City of Orlando / O.U.C.                | 1,930                   | 2,538      | 4,468    |
| 15                              | City of Oviedo                          | 2,325                   | 3,369      | 5,694    |
| 16                              | Polk County                             | 2,844                   | 4,195      | 7,039    |
| 17                              | City of St. Cloud                       | 2,559                   | 2,885      | 5,444    |
| 18                              | City of Sanford                         | 1,343                   | 3,025      | 4,368    |
| 19                              | Seminole County                         | 1,054                   | 2,229      | 3,283    |
| 20                              | Toho Water Authority (Kissimmee System) | 2,847                   | 3,406      | 6,253    |
| 21                              | Volusia County - Softened               | 1,525                   | 2,896      | 4,421    |
| 22                              | Volusia County - Unsoftened             | 1,316                   | 2,896      | 4,212    |
| 23                              | <b>Other Florida Utilities Average</b>  | \$1,580                 | \$3,096    | \$4,676  |
| 24                              | Minimum                                 | 600                     | 1,855      | 2,455    |
| 25                              | Maximum                                 | 2,847                   | 5,213      | 7,039    |

**Footnotes:**

[1] Unless otherwise noted, amounts shown reflect residential rates in effect February 2013 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.

[2] The City has waived Capacity Charges through May 10, 2013 for up to \$100,000 per project. As of the date of this report, it is not known whether such fees will be reinstated after May 10, 2013 or whether the waiver will be extended.

**Table 10**  
**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Historical and Projected Customer Statistics - Gas System [1]**

| Line No.                                 | Description                              | Historical Fiscal Year Ended September 30, |            |            |            |            | Projected Fiscal Year Ending September 30, |            |            |            |            |            |
|--|--|--|------------|------------|------------|------------|--|------------|------------|------------|------------|------------|
|  |  | 2008                                       | 2009       | 2010       | 2011       | 2012       | 2013                                       | 2014       | 2015       | 2016       | 2017       | 2018       |
| <b>GAS SYSTEM</b>                        |  |  |            |            |            |            |  |            |            |            |            |            |
| <b>Residential</b>                       |  |  |            |            |            |            |  |            |            |            |            |            |
| <u>Residential Standard (Year-Round)</u> |  |  |            |            |            |            |  |            |            |            |            |            |
| 1  | Customer Growth                          |  | 110        | 97         | (11)       | (227)      | 100  | 145        | 145        | 145        | 150        | 200        |
| 2  | No. of Customers                         | 9,779                                      | 9,888      | 9,986      | 9,975      | 9,748      | 9,848                                      | 9,993      | 10,138     | 10,283     | 10,433     | 10,633     |
| <u>Residential Heat-Only</u>             |  |  |            |            |            |            |  |            |            |            |            |            |
| 3  | Customer Growth                          |  | (34)       | (25)       | (6)        | 187        | 0  | 0          | 0          | 0          | 0          | 0          |
| 4  | No. of Customers                         | 415  | 381        | 356        | 350        | 537        | 537  | 537        | 537        | 537        | 537        | 537        |
| <u>Total Residential</u>                 |  |  |            |            |            |            |  |            |            |            |            |            |
| 5  | Customer Growth                          |  | 76         | 73         | (16)       | (41)       | 100  | 145        | 145        | 145        | 150        | 200        |
| 6  | No. of Customers                         | 10,194                                     | 10,269     | 10,342     | 10,325     | 10,285     | 10,385                                     | 10,530     | 10,675     | 10,820     | 10,970     | 11,170     |
| 7  | Annual Billed Sales (therms)             | 1,779,176                                  | 2,133,877  | 2,584,018  | 2,287,144  | 1,655,843  | 1,671,943                                  | 1,695,289  | 1,718,634  | 1,741,979  | 1,766,129  | 1,798,329  |
| 8  | Avg. Monthly Usage Per Customer (therms) | 14.545                                     | 17.316     | 20.822     | 18.459     | 13.417     | 13.417                                     | 13.417     | 13.417     | 13.417     | 13.417     | 13.417     |
| <b>Commercial</b>                        |  |  |            |            |            |            |  |            |            |            |            |            |
| <u>Commercial Standard (Year-Round)</u>  |  |  |            |            |            |            |  |            |            |            |            |            |
| 9  | Customer Growth                          |  | 32         | (51)       | (24)       | (31)       | 5  | 5          | 5          | 5          | 5          | 5          |
| 10                                       | No. of Customers                         | 428  | 460        | 409        | 385        | 354        | 359  | 364        | 369        | 374        | 379        | 384        |
| <u>Commercial Heat-Only</u>              |  |  |            |            |            |            |  |            |            |            |            |            |
| 11                                       | Customer Growth                          |  | (1)        | (3)        | (2)        | 18         | 0  | 0          | 0          | 0          | 0          | 0          |
| 12                                       | No. of Customers                         | 44   | 43         | 40         | 37         | 55         | 55   | 55         | 55         | 55         | 55         | 55         |
| <u>Total Commercial</u>                  |  |  |            |            |            |            |  |            |            |            |            |            |
| 13                                       | Customer Growth                          |  | 31         | (54)       | (26)       | (13)       | 5  | 5          | 5          | 5          | 5          | 5          |
| 14                                       | No. of Customers                         | 472  | 503        | 449        | 423        | 409        | 414  | 419        | 424        | 429        | 434        | 439        |
| 15                                       | Annual Billed Sales (therms)             | 2,942,286                                  | 2,976,720  | 2,833,778  | 2,862,998  | 2,829,365  | 2,863,933                                  | 2,898,501  | 2,933,068  | 2,967,636  | 3,002,204  | 3,036,771  |
| 16                                       | Avg. Monthly Usage Per Customer (therms) | 519.839                                    | 493.599    | 525.943    | 564.582    | 576.128    | 576.128                                    | 576.128    | 576.128    | 576.128    | 576.128    | 576.128    |
| <b>Industrial</b>                        |  |  |            |            |            |            |  |            |            |            |            |            |
| 17                                       | Customer Growth                          |  | 0          | 0          | 0          | 0          | 0  | 0          | 0          | 0          | 0          | 0          |
| 18                                       | No. of Customers                         | 1  | 1          | 1          | 1          | 1          | 1  | 1          | 1          | 1          | 1          | 1          |
| 19                                       | Annual Billed Sales (therms)             | 135,390                                    | 235,122    | 160,896    | 123,792    | 120,275    | 120,275                                    | 120,275    | 120,275    | 120,275    | 120,275    | 120,275    |
| 20                                       | Avg. Monthly Usage Per Customer (therms) | 11,282.526                                 | 19,593.483 | 13,407.992 | 10,315.959 | 10,022.958 | 10,022.958                                 | 10,022.958 | 10,022.958 | 10,022.958 | 10,022.958 | 10,022.958 |

**Table 10**  
**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Historical and Projected Customer Statistics - Gas System [1]**

| Line No.                              | Description                              | Historical Fiscal Year Ended September 30, |            |            |            |            | Projected Fiscal Year Ending September 30, |            |            |            |            |            |
|---------------------------------------|--|--|------------|------------|------------|------------|--|------------|------------|------------|------------|------------|
|                                       |  | 2008                                       | 2009       | 2010       | 2011       | 2012       | 2013                                       | 2014       | 2015       | 2016       | 2017       | 2018       |
| <b>Municipal</b>                      |  |  |            |            |            |            |  |            |            |            |            |            |
| 21                                    | Customer Growth                          |  | (1)        | (0)        | (1)        | 2          | 0  | 0          | 0          | 0          | 0          | 0          |
| 22                                    | No. of Customers                         | 39   | 38         | 37         | 36         | 38         | 38   | 38         | 38         | 38         | 38         | 38         |
| 23                                    | Annual Billed Sales (therms)             | 29,883                                     | 21,017     | 17,974     | 37,783     | 20,078     | 20,078                                     | 20,078     | 20,078     | 20,078     | 20,078     | 20,078     |
| 24                                    | Avg. Monthly Usage Per Customer (therms) | 64.541                                     | 46.704     | 40.390     | 86.658     | 43.553     | 43.553                                     | 43.553     | 43.553     | 43.553     | 43.553     | 43.553     |
| <b>DAB Constructors</b>               |  |  |            |            |            |            |  |            |            |            |            |            |
| 25                                    | Customer Growth                          |  | 0          | 0          | 0          | 0          | 0  | 0          | 0          | 0          | 0          | 0          |
| 26                                    | No. of Customers                         | 1  | 1          | 1          | 1          | 1          | 1  | 1          | 1          | 1          | 1          | 1          |
| 27                                    | Annual Billed Sales (therms)             | 456,662                                    | 432,498    | 416,677    | 444,570    | 423,685    | 423,685                                    | 423,685    | 423,685    | 423,685    | 423,685    | 423,685    |
| 28                                    | Avg. Monthly Usage Per Customer (therms) | 38,055.167                                 | 36,041.500 | 34,723.083 | 37,047.500 | 35,307.083 | 35,307.083                                 | 35,307.083 | 35,307.083 | 35,307.083 | 35,307.083 | 35,307.083 |
| <b>Cutrale</b>                        |  |  |            |            |            |            |  |            |            |            |            |            |
| 29                                    | Customer Growth                          |  | 0          | 0          | 0          | 0          | 0  | 0          | 0          | 0          | 0          | 0          |
| 30                                    | No. of Customers                         | 1  | 1          | 1          | 1          | 1          | 1  | 1          | 1          | 1          | 1          | 1          |
| 31                                    | Annual Billed Sales (therms)             | 180,880                                    | 83,290     | 441,630    | 202,140    | 139,360    | 139,360                                    | 139,360    | 139,360    | 139,360    | 139,360    | 139,360    |
| 32                                    | Avg. Monthly Usage Per Customer (therms) | 15,073.333                                 | 6,940.833  | 36,802.500 | 16,845.000 | 11,613.333 | 11,613.333                                 | 11,613.333 | 11,613.333 | 11,613.333 | 11,613.333 | 11,613.333 |
| <b>TOTAL GAS SYSTEM</b>               |  |  |            |            |            |            |  |            |            |            |            |            |
| 33                                    | Customer Growth                          |  | 105        | 19         | (44)       | (52)       | 105  | 150        | 150        | 150        | 155        | 205        |
| 34                                    | No. of Customers                         | 10,707                                     | 10,812     | 10,831     | 10,787     | 10,735     | 10,840                                     | 10,990     | 11,140     | 11,290     | 11,445     | 11,650     |
| 35                                    | Annual Billed Sales (therms)             | 5,524,277                                  | 5,882,523  | 6,454,973  | 5,958,426  | 5,188,607  | 5,239,275                                  | 5,297,188  | 5,355,101  | 5,413,013  | 5,471,731  | 5,538,499  |
| 36                                    | Avg. Monthly Usage Per Customer (therms) | 42.996                                     | 45.338     | 49.665     | 46.029     | 40.277     | 40.276                                     | 40.166     | 40.058     | 39.953     | 39.840     | 39.616     |
| <b><u>Gas Purchased</u></b>           |  |  |            |            |            |            |  |            |            |            |            |            |
| 37                                    | Total Gas Purchases (therms) [2]         | 5,412,900                                  | 5,712,260  | 6,285,010  | 5,761,750  | 4,928,620  | 5,082,097                                  | 5,138,272  | 5,194,448  | 5,250,623  | 5,307,579  | 5,372,344  |
| <b><u>Transportation (Therms)</u></b> |  |  |            |            |            |            |  |            |            |            |            |            |
| 38                                    | DAB Constructors (therms)                | 480,000                                    | 480,000    | 480,000    | 512,634    | 531,033    | 531,033                                    | 531,033    | 531,033    | 531,033    | 531,033    | 531,033    |
| 39                                    | Cutrale (therms)                         | 8,977,530                                  | 8,234,270  | 8,403,010  | 5,714,450  | 9,634,625  | 9,634,625                                  | 9,634,625  | 9,634,625  | 9,634,625  | 9,634,625  | 9,634,625  |
| 40                                    | Total Transportation (therms)            | 9,457,530                                  | 8,714,270  | 8,883,010  | 6,227,084  | 10,165,658 | 10,165,658                                 | 10,165,658 | 10,165,658 | 10,165,658 | 10,165,658 | 10,165,658 |

**Footnotes:**

ccf = 100 cubic feet  
kgal = 1,000 gallons  
1 ccf = 0.748 kgal  
MGD = million-gallons-per-day

[1] The statistics for each customer class include both inside-City and outside-City customers.

[2] Reflects historical and projected gas purchases from Florida Gas Utility.

Table 11

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Summary of Historical and Projected Customer Statistics - Water System

| Line No.                                     | Description                          | Historical Fiscal Year Ended September 30, |           |           |           |           | Projected Fiscal Year Ending September 30, |           |           |           |           |           |
|--|--------------------------------------|--|-----------|-----------|-----------|-----------|--|-----------|-----------|-----------|-----------|-----------|
|  |                                      | 2008                                       | 2009      | 2010      | 2011      | 2012      | 2013                                       | 2014      | 2015      | 2016      | 2017      | 2018      |
| <b>WATER SYSTEM - INSIDE-CITY</b>            |                                      |  |           |           |           |           |  |           |           |           |           |           |
| <b>Residential</b>                           |                                      |  |           |           |           |           |  |           |           |           |           |           |
| 1  | Customer Growth                      |  | 83        | 44        | 125       | 53        | 50   | 50        | 50        | 50        | 50        | 50        |
| 2  | No. of Customers                     | 8,792                                      | 8,875     | 8,920     | 9,044     | 9,098     | 9,148                                      | 9,198     | 9,248     | 9,298     | 9,348     | 9,398     |
| 3  | Annual Billed Consumption (ccf)      | 974,471                                    | 939,925   | 876,396   | 931,572   | 874,089   | 878,893                                    | 883,697   | 888,501   | 893,305   | 898,109   | 902,913   |
| 4  | Avg. Monthly Use Per Customer (ccf)  | 9.236                                      | 8.825     | 8.188     | 8.583     | 8.007     | 8.007                                      | 8.007     | 8.007     | 8.007     | 8.007     | 8.007     |
| 5  | Annual Billed Consumption (kgal)     | 728,904                                    | 703,064   | 655,544   | 696,816   | 653,819   | 657,412                                    | 661,005   | 664,599   | 668,192   | 671,785   | 675,379   |
| 6  | Avg. Monthly Use Per Customer (kgal) | 6.909                                      | 6.601     | 6.125     | 6.420     | 5.989     | 5.989                                      | 5.989     | 5.989     | 5.989     | 5.989     | 5.989     |
| <b>Commercial</b>                            |                                      |  |           |           |           |           |  |           |           |           |           |           |
| 7  | Customer Growth                      |  | (77)      | (47)      | (29)      | (36)      | 0  | 0         | 0         | 0         | 0         | 0         |
| 8  | No. of Customers                     | 1,917                                      | 1,840     | 1,793     | 1,765     | 1,729     | 1,729                                      | 1,729     | 1,729     | 1,729     | 1,729     | 1,729     |
| 9  | Annual Billed Consumption (ccf)      | 648,224                                    | 602,420   | 562,550   | 562,029   | 531,895   | 531,895                                    | 531,895   | 531,895   | 531,895   | 531,895   | 531,895   |
| 10   | Avg. Monthly Use Per Customer (ccf)  | 28.185                                     | 27.285    | 26.142    | 26.543    | 25.642    | 25.642                                     | 25.642    | 25.642    | 25.642    | 25.642    | 25.642    |
| 11   | Annual Billed Consumption (kgal)     | 484,872                                    | 450,610   | 420,787   | 420,398   | 397,857   | 397,857                                    | 397,857   | 397,857   | 397,857   | 397,857   | 397,857   |
| 12   | Avg. Monthly Use Per Customer (kgal) | 21.082                                     | 20.409    | 19.554    | 19.854    | 19.180    | 19.180                                     | 19.180    | 19.180    | 19.180    | 19.180    | 19.180    |
| <b>Municipal</b>                             |                                      |  |           |           |           |           |  |           |           |           |           |           |
| 13   | Customer Growth                      |  | 0         | 1         | 2         | (1)       | 0  | 0         | 0         | 0         | 0         | 0         |
| 14   | No. of Customers                     | 135  | 135       | 135       | 137       | 136       | 136  | 136       | 136       | 136       | 136       | 136       |
| 15   | Annual Billed Consumption (ccf)      | 31,724                                     | 35,932    | 27,513    | 29,779    | 27,438    | 27,438                                     | 27,438    | 27,438    | 27,438    | 27,438    | 27,438    |
| 16   | Avg. Monthly Use Per Customer (ccf)  | 19.656                                     | 22.221    | 16.931    | 18.114    | 16.813    | 16.813                                     | 16.813    | 16.813    | 16.813    | 16.813    | 16.813    |
| 17   | Annual Billed Consumption (kgal)     | 23,730                                     | 26,877    | 20,580    | 22,275    | 20,524    | 20,524                                     | 20,524    | 20,524    | 20,524    | 20,524    | 20,524    |
| 18   | Avg. Monthly Use Per Customer (kgal) | 14.702                                     | 16.622    | 12.664    | 13.549    | 12.576    | 12.576                                     | 12.576    | 12.576    | 12.576    | 12.576    | 12.576    |
| <b>Irrigation</b>                            |                                      |  |           |           |           |           |  |           |           |           |           |           |
| 19   | Customer Growth                      |  | (2)       | (2)       | 6         | (17)      | 0  | 0         | 0         | 0         | 0         | 0         |
| 20   | No. of Customers                     | 487  | 485       | 483       | 490       | 473       | 473  | 473       | 473       | 473       | 473       | 473       |
| 21   | Annual Billed Consumption (ccf)      | 457,711                                    | 426,021   | 364,541   | 428,199   | 404,532   | 404,532                                    | 404,532   | 404,532   | 404,532   | 404,532   | 404,532   |
| 22   | Avg. Monthly Use Per Customer (ccf)  | 78.308                                     | 73.162    | 62.863    | 72.897    | 71.333    | 71.333                                     | 71.333    | 71.333    | 71.333    | 71.333    | 71.333    |
| 23   | Annual Billed Consumption (kgal)     | 342,368                                    | 318,664   | 272,677   | 320,293   | 302,590   | 302,590                                    | 302,590   | 302,590   | 302,590   | 302,590   | 302,590   |
| 24   | Avg. Monthly Use Per Customer (kgal) | 58.574                                     | 54.725    | 47.021    | 54.527    | 53.357    | 53.357                                     | 53.357    | 53.357    | 53.357    | 53.357    | 53.357    |
| <b>Subtotal - Water System - Inside-City</b> |                                      |  |           |           |           |           |  |           |           |           |           |           |
| 25   | Customer Growth                      |  | 5         | (4)       | 104       | (1)       | 50   | 50        | 50        | 50        | 50        | 50        |
| 26   | No. of Customers                     | 11,330                                     | 11,335    | 11,331    | 11,435    | 11,435    | 11,485                                     | 11,535    | 11,585    | 11,635    | 11,685    | 11,735    |
| 27   | Annual Billed Consumption (ccf)      | 2,112,130                                  | 2,004,298 | 1,831,000 | 1,951,579 | 1,837,954 | 1,842,758                                  | 1,847,562 | 1,852,366 | 1,857,170 | 1,861,974 | 1,866,778 |
| 28   | Avg. Monthly Use Per Customer (ccf)  | 15.534                                     | 14.735    | 13.466    | 14.222    | 13.394    | 13.371                                     | 13.348    | 13.325    | 13.302    | 13.279    | 13.257    |
| 29   | Annual Billed Consumption (kgal)     | 1,579,873                                  | 1,499,215 | 1,369,588 | 1,459,781 | 1,374,790 | 1,378,383                                  | 1,381,976 | 1,385,570 | 1,389,163 | 1,392,756 | 1,396,350 |
| 30   | Avg. Monthly Use Per Customer (kgal) | 11.620                                     | 11.022    | 10.072    | 10.638    | 10.019    | 10.001                                     | 9.984     | 9.967     | 9.950     | 9.933     | 9.916     |

Table 11

**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Historical and Projected Customer Statistics - Water System**

| Line No.                                      | Description                          | Historical Fiscal Year Ended September 30, |           |           |           |           | Projected Fiscal Year Ending September 30, |           |           |           |           |           |
|---|--------------------------------------|--|-----------|-----------|-----------|-----------|--|-----------|-----------|-----------|-----------|-----------|
|   |                                      | 2008                                       | 2009      | 2010      | 2011      | 2012      | 2013                                       | 2014      | 2015      | 2016      | 2017      | 2018      |
| <b>WATER SYSTEM - OUTSIDE-CITY</b>            |                                      |  |           |           |           |           |  |           |           |           |           |           |
| <b>Residential</b>                            |                                      |  |           |           |           |           |  |           |           |           |           |           |
| 31  | Customer Growth                      |  | (12)      | 32        | (0)       | (76)      | 0  | 0         | 0         | 0         | 0         | 0         |
| 32  | No. of Customers                     | 7,906                                      | 7,894     | 7,927     | 7,926     | 7,850     | 7,850                                      | 7,850     | 7,850     | 7,850     | 7,850     | 7,850     |
| 33  | Annual Billed Consumption (ccf)      | 1,366,722                                  | 1,403,235 | 1,241,334 | 1,427,293 | 1,207,160 | 1,207,160                                  | 1,207,160 | 1,207,160 | 1,207,160 | 1,207,160 | 1,207,160 |
| 34  | Avg. Monthly Use Per Customer (ccf)  | 14.405                                     | 14.813    | 13.050    | 15.006    | 12.814    | 12.814                                     | 12.814    | 12.814    | 12.814    | 12.814    | 12.814    |
| 35  | Annual Billed Consumption (kgal)     | 1,022,308                                  | 1,049,620 | 928,518   | 1,067,615 | 902,956   | 902,956                                    | 902,956   | 902,956   | 902,956   | 902,956   | 902,956   |
| 36  | Avg. Monthly Use Per Customer (kgal) | 10.775                                     | 11.080    | 9.762     | 11.224    | 9.585     | 9.585                                      | 9.585     | 9.585     | 9.585     | 9.585     | 9.585     |
| <b>Commercial</b>                             |                                      |  |           |           |           |           |  |           |           |           |           |           |
| 37  | Customer Growth                      |  | (3)       | (10)      | (5)       | (15)      | 0  | 0         | 0         | 0         | 0         | 0         |
| 38  | No. of Customers                     | 168  | 165       | 155       | 150       | 135       | 135  | 135       | 135       | 135       | 135       | 135       |
| 39  | Annual Billed Consumption (ccf)      | 57,820                                     | 51,488    | 44,388    | 45,050    | 36,394    | 36,394                                     | 36,394    | 36,394    | 36,394    | 36,394    | 36,394    |
| 40  | Avg. Monthly Use Per Customer (ccf)  | 28.681                                     | 25.991    | 23.916    | 25.014    | 22.424    | 22.424                                     | 22.424    | 22.424    | 22.424    | 22.424    | 22.424    |
| 41  | Annual Billed Consumption (kgal)     | 43,249                                     | 38,513    | 33,202    | 33,697    | 27,223    | 27,223                                     | 27,223    | 27,223    | 27,223    | 27,223    | 27,223    |
| 42  | Avg. Monthly Use Per Customer (kgal) | 21.453                                     | 19.441    | 17.889    | 18.710    | 16.773    | 16.773                                     | 16.773    | 16.773    | 16.773    | 16.773    | 16.773    |
| <b>Municipal</b>                              |                                      |  |           |           |           |           |  |           |           |           |           |           |
| 43  | Customer Growth                      |  | 2         | 3         | 1         | 5         | 0  | 0         | 0         | 0         | 0         | 0         |
| 44  | No. of Customers                     | 40   | 42        | 45        | 46        | 51        | 51   | 51        | 51        | 51        | 51        | 51        |
| 45  | Annual Billed Consumption (ccf)      | 5,056                                      | 7,379     | 6,575     | 4,948     | 2,343     | 2,343                                      | 2,343     | 2,343     | 2,343     | 2,343     | 2,343     |
| 46  | Avg. Monthly Use Per Customer (ccf)  | 10.511                                     | 14.497    | 12.131    | 9.013     | 3.816     | 3.816                                      | 3.816     | 3.816     | 3.816     | 3.816     | 3.816     |
| 47  | Annual Billed Consumption (kgal)     | 3,782                                      | 5,519     | 4,918     | 3,701     | 1,753     | 1,753                                      | 1,753     | 1,753     | 1,753     | 1,753     | 1,753     |
| 48  | Avg. Monthly Use Per Customer (kgal) | 7.863                                      | 10.844    | 9.074     | 6.742     | 2.854     | 2.854                                      | 2.854     | 2.854     | 2.854     | 2.854     | 2.854     |
| <b>Irrigation</b>                             |                                      |  |           |           |           |           |  |           |           |           |           |           |
| 49  | Customer Growth                      |  | 20        | 8         | 6         | 12        | 0  | 0         | 0         | 0         | 0         | 0         |
| 50  | No. of Customers                     | 575  | 595       | 603       | 609       | 620       | 620  | 620       | 620       | 620       | 620       | 620       |
| 51  | Annual Billed Consumption (ccf)      | 159,835                                    | 158,974   | 120,523   | 148,271   | 126,180   | 126,180                                    | 126,180   | 126,180   | 126,180   | 126,180   | 126,180   |
| 52  | Avg. Monthly Use Per Customer (ccf)  | 23.158                                     | 22.268    | 16.658    | 20.303    | 16.955    | 16.955                                     | 16.955    | 16.955    | 16.955    | 16.955    | 16.955    |
| 53  | Annual Billed Consumption (kgal)     | 119,557                                    | 118,913   | 90,151    | 110,907   | 94,383    | 94,383                                     | 94,383    | 94,383    | 94,383    | 94,383    | 94,383    |
| 54  | Avg. Monthly Use Per Customer (kgal) | 17.322                                     | 16.657    | 12.460    | 15.186    | 12.682    | 12.682                                     | 12.682    | 12.682    | 12.682    | 12.682    | 12.682    |
| <b>Subtotal - Water System - Outside-City</b> |                                      |  |           |           |           |           |  |           |           |           |           |           |
| 55  | Customer Growth                      |  | 7         | 32        | 2         | (74)      | 0  | 0         | 0         | 0         | 0         | 0         |
| 56  | No. of Customers                     | 8,690                                      | 8,697     | 8,729     | 8,731     | 8,657     | 8,657                                      | 8,657     | 8,657     | 8,657     | 8,657     | 8,657     |
| 57  | Annual Billed Consumption (ccf)      | 1,589,433                                  | 1,621,076 | 1,412,820 | 1,625,562 | 1,372,077 | 1,372,077                                  | 1,372,077 | 1,372,077 | 1,372,077 | 1,372,077 | 1,372,077 |
| 58  | Avg. Monthly Use Per Customer (ccf)  | 15.243                                     | 15.533    | 13.487    | 15.516    | 13.208    | 13.208                                     | 13.208    | 13.208    | 13.208    | 13.208    | 13.208    |
| 59  | Annual Billed Consumption (kgal)     | 1,188,896                                  | 1,212,565 | 1,056,789 | 1,215,920 | 1,026,314 | 1,026,314                                  | 1,026,314 | 1,026,314 | 1,026,314 | 1,026,314 | 1,026,314 |
| 60  | Avg. Monthly Use Per Customer (kgal) | 11.402                                     | 11.619    | 10.089    | 11.606    | 9.880     | 9.880                                      | 9.880     | 9.880     | 9.880     | 9.880     | 9.880     |

**Table 11**  
**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Historical and Projected Customer Statistics - Water System**

| Line No.                                | Description                          | Historical Fiscal Year Ended September 30, |              |              |             |             | Projected Fiscal Year Ending September 30, |             |             |             |             |             |
|---|--------------------------------------|--|--------------|--------------|-------------|-------------|--|-------------|-------------|-------------|-------------|-------------|
|   |                                      | 2008                                       | 2009         | 2010         | 2011        | 2012        | 2013                                       | 2014        | 2015        | 2016        | 2017        | 2018        |
| <b>TOTAL WATER SYSTEM</b>               |                                      |  |              |              |             |             |  |             |             |             |             |             |
| 61                                      | Customer Growth                      |  | 12           | 29           | 106         | (74)        | 50   | 50          | 50          | 50          | 50          | 50          |
| 62                                      | No. of Customers                     | 20,020                                     | 20,032       | 20,061       | 20,166      | 20,092      | 20,142                                     | 20,192      | 20,242      | 20,292      | 20,342      | 20,392      |
| 63                                      | Annual Billed Consumption (ccf)      | 3,701,563                                  | 3,625,374    | 3,243,820    | 3,577,141   | 3,210,031   | 3,214,835                                  | 3,219,639   | 3,224,443   | 3,229,247   | 3,234,051   | 3,238,855   |
| 64                                      | Avg. Monthly Use Per Customer (ccf)  | 15.408                                     | 15.082       | 13.475       | 14.782      | 13.314      | 13.301                                     | 13.288      | 13.275      | 13.262      | 13.249      | 13.236      |
| 65                                      | Annual Billed Consumption (kgal)     | 2,768,769                                  | 2,711,780    | 2,426,377    | 2,675,701   | 2,401,103   | 2,404,697                                  | 2,408,290   | 2,411,883   | 2,415,477   | 2,419,070   | 2,422,663   |
| 66                                      | Avg. Monthly Use Per Customer (kgal) | 11.525                                     | 11.281       | 10.079       | 11.057      | 9.959       | 9.949                                      | 9.939       | 9.929       | 9.920       | 9.910       | 9.901       |
| <b><u>Water Production</u></b>          |                                      |  |              |              |             |             |  |             |             |             |             |             |
| 67                                      | Total Water Production (ccf) [1]     | 4,016,861                                  | 4,035,621    | 3,629,332    | 3,757,562   | 3,312,719   | 3,384,037                                  | 3,389,094   | 3,394,150   | 3,399,207   | 3,404,264   | 3,409,321   |
| 68                                      | Total Water Production (kgal) [1]    | 3,004,612                                  | 3,018,644    | 2,714,740    | 2,810,656   | 2,477,914   | 2,531,259                                  | 2,535,042   | 2,538,824   | 2,542,607   | 2,546,389   | 2,550,172   |
| 69                                      | Total Water Production (MGD) [1]     | 8.21                                       | 8.27         | 7.44         | 7.70        | 6.79        | 6.93                                       | 6.95        | 6.96        | 6.97        | 6.98        | 6.99        |
| <b>Unbilled / Unaccounted For Water</b> |                                      |  |              |              |             |             |  |             |             |             |             |             |
| 70                                      | Amount (kgal)                        | 235,843                                    | 306,864      | 288,363      | 134,955     | 76,811      | 688,502                                    | 687,480     | 686,459     | 685,437     | 684,416     | 683,394     |
| 71                                      | Percentage                           | <u>7.8%</u>                                | <u>10.2%</u> | <u>10.6%</u> | <u>4.8%</u> | <u>3.1%</u> | <u>5.0%</u>                                | <u>5.0%</u> | <u>5.0%</u> | <u>5.0%</u> | <u>5.0%</u> | <u>5.0%</u> |

**Footnotes:**

ccf = 100 cubic feet  
kgal = 1,000 gallons  
1 ccf = 0.748 kgal  
MGD = million-gallons-per-day

[1] Reflects historical and projected water flows leaving the treatment facilities to be distributed to the City's customers.

Table 12

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Summary of Historical and Projected Customer Statistics - Reuse System

| Line No.                  | Description                          | Historical Fiscal Year Ended September 30, |         |         |         |         | Projected Fiscal Year Ending September 30, |         |         |         |         |         |
|---------------------------|--------------------------------------|--|---------|---------|---------|---------|--|---------|---------|---------|---------|---------|
|                           |                                      | 2008                                       | 2009    | 2010    | 2011    | 2012    | 2013                                       | 2014    | 2015    | 2016    | 2017    | 2018    |
| <b>REUSE SYSTEM</b>       |                                      |  |         |         |         |         |  |         |         |         |         |         |
| <b>Residential</b>        |                                      |  |         |         |         |         |  |         |         |         |         |         |
| 1                         | Customer Growth                      |  | 68      | 15      | 27      | 40      | 30   | 30      | 30      | 30      | 30      | 30      |
| 2                         | No. of Customers                     | 866  | 934     | 948     | 976     | 1,016   | 1,046                                      | 1,076   | 1,106   | 1,136   | 1,166   | 1,196   |
| 3                         | Annual Billed Consumption (ccf)      | 143,151                                    | 148,606 | 138,137 | 175,763 | 156,673 | 161,299                                    | 165,925 | 170,550 | 175,176 | 179,802 | 184,428 |
| 4                         | Avg. Monthly Use Per Customer (ccf)  | 13.779                                     | 13.261  | 12.138  | 15.010  | 12.849  | 12.849                                     | 12.849  | 12.849  | 12.849  | 12.849  | 12.849  |
| 5                         | Annual Billed Consumption (kgal)     | 107,077                                    | 111,157 | 103,326 | 131,471 | 117,191 | 120,651                                    | 124,112 | 127,572 | 131,032 | 134,492 | 137,952 |
| 6                         | Avg. Monthly Use Per Customer (kgal) | 10.307                                     | 9.919   | 9.079   | 11.227  | 9.611   | 9.611                                      | 9.611   | 9.611   | 9.611   | 9.611   | 9.611   |
| <b>Commercial</b>         |                                      |  |         |         |         |         |  |         |         |         |         |         |
| 7                         | Customer Growth                      |  | (22)    | (25)    | (3)     | (1)     | 0  | 0       | 0       | 0       | 0       | 0       |
| 8                         | No. of Customers                     | 114  | 92      | 68      | 65      | 64      | 64   | 64      | 64      | 64      | 64      | 64      |
| 9                         | Annual Billed Consumption (ccf)      | 196,942                                    | 170,848 | 182,466 | 169,838 | 142,441 | 142,441                                    | 142,441 | 142,441 | 142,441 | 142,441 | 142,441 |
| 10                        | Avg. Monthly Use Per Customer (ccf)  | 143.544                                    | 154.474 | 224.989 | 218.021 | 185.712 | 185.712                                    | 185.712 | 185.712 | 185.712 | 185.712 | 185.712 |
| 11                        | Annual Billed Consumption (kgal)     | 147,313                                    | 127,794 | 136,485 | 127,039 | 106,546 | 106,546                                    | 106,546 | 106,546 | 106,546 | 106,546 | 106,546 |
| 12                        | Avg. Monthly Use Per Customer (kgal) | 107.371                                    | 115.546 | 168.292 | 163.079 | 138.912 | 138.912                                    | 138.912 | 138.912 | 138.912 | 138.912 | 138.912 |
| <b>Municipal</b>          |                                      |  |         |         |         |         |  |         |         |         |         |         |
| 13                        | Customer Growth                      |  | 1       | 0       | 0       | 0       | 0  | 0       | 0       | 0       | 0       | 0       |
| 14                        | No. of Customers                     | 1  | 2       | 2       | 2       | 2       | 2  | 2       | 2       | 2       | 2       | 2       |
| 15                        | Annual Billed Consumption (ccf)      | 37   | 208     | 227     | 204     | 83      | 83   | 83      | 83      | 83      | 83      | 83      |
| 16                        | Avg. Monthly Use Per Customer (ccf)  | 2.176                                      | 8.667   | 9.458   | 8.500   | 3.458   | 3.458                                      | 3.458   | 3.458   | 3.458   | 3.458   | 3.458   |
| 17                        | Annual Billed Consumption (kgal)     | 28   | 156     | 170     | 153     | 62      | 62   | 62      | 62      | 62      | 62      | 62      |
| 18                        | Avg. Monthly Use Per Customer (kgal) | 1.628                                      | 6.483   | 7.075   | 6.358   | 2.587   | 2.587                                      | 2.587   | 2.587   | 2.587   | 2.587   | 2.587   |
| <b>TOTAL REUSE SYSTEM</b> |                                      |  |         |         |         |         |  |         |         |         |         |         |
| 19                        | Customer Growth                      |  | 47      | (10)    | 25      | 39      | 30   | 30      | 30      | 30      | 30      | 30      |
| 20                        | No. of Customers                     | 982  | 1,028   | 1,018   | 1,043   | 1,082   | 1,112                                      | 1,142   | 1,172   | 1,202   | 1,232   | 1,262   |
| 21                        | Annual Billed Consumption (ccf)      | 340,130                                    | 319,662 | 320,830 | 345,805 | 299,197 | 303,823                                    | 308,449 | 313,074 | 317,700 | 322,326 | 326,952 |
| 22                        | Avg. Monthly Use Per Customer (ccf)  | 28.878                                     | 25.913  | 26.263  | 27.636  | 23.044  | 22.768                                     | 22.508  | 22.261  | 22.026  | 21.802  | 21.590  |
| 23                        | Annual Billed Consumption (kgal)     | 254,417                                    | 239,107 | 239,981 | 258,662 | 223,799 | 227,259                                    | 230,720 | 234,180 | 237,640 | 241,100 | 244,560 |
| 24                        | Avg. Monthly Use Per Customer (kgal) | 21.601                                     | 19.383  | 19.645  | 20.671  | 17.237  | 17.031                                     | 16.836  | 16.651  | 16.475  | 16.308  | 16.149  |

Footnotes:

ccf = 100 cubic feet  
 kgal = 1,000 gallons  
 1 ccf = 0.748 kgal  
 MGD = million-gallons-per-day

Table 13

**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Historical and Projected Customer Statistics - Wastewater System**

| Line No.                               | Description                           | Historical Fiscal Year Ended September 30, |         |         |         |         | Projected Fiscal Year Ending September 30, |         |         |         |         |         |
|--|---------------------------------------|--|---------|---------|---------|---------|--|---------|---------|---------|---------|---------|
|  |                                       | 2008                                       | 2009    | 2010    | 2011    | 2012    | 2013                                       | 2014    | 2015    | 2016    | 2017    | 2018    |
| <b>WASTEWATER SYSTEM - INSIDE-CITY</b> |                                       |  |         |         |         |         |  |         |         |         |         |         |
| <b>Residential</b>                     |                                       |  |         |         |         |         |  |         |         |         |         |         |
| 1                                      | Customer Growth                       |  | 143     | 54      | 121     | (18)    | 50   | 50      | 50      | 50      | 50      | 50      |
| 2                                      | No. of Customers                      | 9,403                                      | 9,546   | 9,599   | 9,720   | 9,702   | 9,752                                      | 9,802   | 9,852   | 9,902   | 9,952   | 10,002  |
| 3                                      | Annual Billed Flow (ccf)              | 796,292                                    | 814,210 | 762,968 | 782,515 | 762,626 | 766,556                                    | 770,486 | 774,417 | 778,347 | 782,277 | 786,207 |
| 4                                      | Avg. Monthly Flow Per Customer (ccf)  | 7.057                                      | 7.108   | 6.624   | 6.709   | 6.550   | 6.550                                      | 6.550   | 6.550   | 6.550   | 6.550   | 6.550   |
| 5                                      | Annual Billed Flow (kgal)             | 595,626                                    | 609,029 | 570,700 | 585,321 | 570,444 | 573,384                                    | 576,324 | 579,264 | 582,203 | 585,143 | 588,083 |
| 6                                      | Avg. Monthly Flow Per Customer (kgal) | 5.279                                      | 5.317   | 4.954   | 5.018   | 4.900   | 4.900                                      | 4.900   | 4.900   | 4.900   | 4.900   | 4.900   |
| <b>Commercial - Class I</b>            |                                       |  |         |         |         |         |  |         |         |         |         |         |
| 7                                      | Customer Growth                       |  | (1)     | 15      | (7)     | (29)    | 0  | 0       | 0       | 0       | 0       | 0       |
| 8                                      | No. of Customers                      | 1,018                                      | 1,017   | 1,033   | 1,026   | 997     | 997  | 997     | 997     | 997     | 997     | 997     |
| 9                                      | Annual Billed Flow (ccf)              | 159,342                                    | 157,798 | 156,029 | 161,167 | 148,744 | 148,744                                    | 148,744 | 148,744 | 148,744 | 148,744 | 148,744 |
| 10                                     | Avg. Monthly Flow Per Customer (ccf)  | 13.039                                     | 12.928  | 12.592  | 13.090  | 12.437  | 12.437                                     | 12.437  | 12.437  | 12.437  | 12.437  | 12.437  |
| 11                                     | Annual Billed Flow (kgal)             | 119,188                                    | 118,033 | 116,710 | 120,553 | 111,261 | 111,261                                    | 111,261 | 111,261 | 111,261 | 111,261 | 111,261 |
| 12                                     | Avg. Monthly Flow Per Customer (kgal) | 9.754                                      | 9.670   | 9.419   | 9.791   | 9.303   | 9.303                                      | 9.303   | 9.303   | 9.303   | 9.303   | 9.303   |
| <b>Commercial - Class II</b>           |                                       |  |         |         |         |         |  |         |         |         |         |         |
| 13                                     | Customer Growth                       |  | (6)     | 1       | 6       | 1       | 0  | 0       | 0       | 0       | 0       | 0       |
| 14                                     | No. of Customers                      | 155  | 149     | 150     | 156     | 156     | 156  | 156     | 156     | 156     | 156     | 156     |
| 15                                     | Annual Billed Flow (ccf)              | 30,374                                     | 36,401  | 28,889  | 30,217  | 27,271  | 27,271                                     | 27,271  | 27,271  | 27,271  | 27,271  | 27,271  |
| 16                                     | Avg. Monthly Flow Per Customer (ccf)  | 16.304                                     | 20.359  | 16.058  | 16.185  | 14.545  | 14.545                                     | 14.545  | 14.545  | 14.545  | 14.545  | 14.545  |
| 17                                     | Annual Billed Flow (kgal)             | 22,720                                     | 27,228  | 21,609  | 22,602  | 20,399  | 20,399                                     | 20,399  | 20,399  | 20,399  | 20,399  | 20,399  |
| 18                                     | Avg. Monthly Flow Per Customer (kgal) | 12.195                                     | 15.228  | 12.012  | 12.106  | 10.879  | 10.879                                     | 10.879  | 10.879  | 10.879  | 10.879  | 10.879  |
| <b>Commercial - Class III</b>          |                                       |  |         |         |         |         |  |         |         |         |         |         |
| 19                                     | Customer Growth                       |  | 2       | (4)     | 5       | 2       | 0  | 0       | 0       | 0       | 0       | 0       |
| 20                                     | No. of Customers                      | 290  | 292     | 289     | 294     | 296     | 296  | 296     | 296     | 296     | 296     | 296     |
| 21                                     | Annual Billed Flow (ccf)              | 223,466                                    | 198,122 | 203,090 | 212,872 | 207,852 | 207,852                                    | 207,852 | 207,852 | 207,852 | 207,852 | 207,852 |
| 22                                     | Avg. Monthly Flow Per Customer (ccf)  | 64.141                                     | 56.493  | 58.612  | 60.355  | 58.484  | 58.484                                     | 58.484  | 58.484  | 58.484  | 58.484  | 58.484  |
| 23                                     | Annual Billed Flow (kgal)             | 167,153                                    | 148,195 | 151,911 | 159,228 | 155,473 | 155,473                                    | 155,473 | 155,473 | 155,473 | 155,473 | 155,473 |
| 24                                     | Avg. Monthly Flow Per Customer (kgal) | 47.977                                     | 42.257  | 43.842  | 45.146  | 43.746  | 43.746                                     | 43.746  | 43.746  | 43.746  | 43.746  | 43.746  |
| <b>Commercial - Class IV</b>           |                                       |  |         |         |         |         |  |         |         |         |         |         |
| 25                                     | Customer Growth                       |  | (36)    | 0       | 0       | 1       | 0  | 0       | 0       | 0       | 0       | 0       |
| 26                                     | No. of Customers                      | 47   | 11      | 11      | 11      | 12      | 12   | 12      | 12      | 12      | 12      | 12      |
| 27                                     | Annual Billed Flow (ccf)              | 14,674                                     | 14,134  | 11,651  | 13,216  | 14,615  | 14,615                                     | 14,615  | 14,615  | 14,615  | 14,615  | 14,615  |
| 28                                     | Avg. Monthly Flow Per Customer (ccf)  | 26.110                                     | 107.893 | 88.939  | 100.121 | 101.493 | 101.493                                    | 101.493 | 101.493 | 101.493 | 101.493 | 101.493 |
| 29                                     | Annual Billed Flow (kgal)             | 10,976                                     | 10,572  | 8,715   | 9,886   | 10,932  | 10,932                                     | 10,932  | 10,932  | 10,932  | 10,932  | 10,932  |
| 30                                     | Avg. Monthly Flow Per Customer (kgal) | 19.531                                     | 80.704  | 66.526  | 74.891  | 75.917  | 75.917                                     | 75.917  | 75.917  | 75.917  | 75.917  | 75.917  |

Table 13

**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Historical and Projected Customer Statistics - Wastewater System**

| Line No.  | Description                           | Historical Fiscal Year Ended September 30, |           |           |           |           | Projected Fiscal Year Ending September 30, |           |           |           |           |           |
|---|---------------------------------------|--|-----------|-----------|-----------|-----------|--|-----------|-----------|-----------|-----------|-----------|
|   |                                       | 2008                                       | 2009      | 2010      | 2011      | 2012      | 2013                                       | 2014      | 2015      | 2016      | 2017      | 2018      |
| <b>Industrial</b>                                 |                                       |  |           |           |           |           |  |           |           |           |           |           |
| 31  | Customer Growth                       |  | 0         | 0         | 0         | (0)       | 0  | 0         | 0         | 0         | 0         | 0         |
| 32  | No. of Customers                      | 1  | 1         | 1         | 1         | 1         | 1  | 1         | 1         | 1         | 1         | 1         |
| 33  | Annual Billed Flow (ccf)              | 0  | 0         | 0         | 0         | 0         | 0  | 0         | 0         | 0         | 0         | 0         |
| 34  | Avg. Monthly Flow Per Customer (ccf)  | 0.000                                      | 0.000     | 0.000     | 0.000     | 0.000     | 0.000                                      | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     |
| 35  | Annual Billed Flow (kgal)             | 0  | 0         | 0         | 0         | 0         | 0  | 0         | 0         | 0         | 0         | 0         |
| 36  | Avg. Monthly Flow Per Customer (kgal) | 0.000                                      | 0.000     | 0.000     | 0.000     | 0.000     | 0.000                                      | 0.000     | 0.000     | 0.000     | 0.000     | 0.000     |
| <b>Municipal - Class I</b>                        |                                       |  |           |           |           |           |  |           |           |           |           |           |
| 37  | Customer Growth                       |  | (1)       | 2         | 2         | (0)       | 0  | 0         | 0         | 0         | 0         | 0         |
| 38  | No. of Customers                      | 29   | 28        | 30        | 32        | 32        | 32   | 32        | 32        | 32        | 32        | 32        |
| 39  | Annual Billed Flow (ccf)              | 6,468                                      | 5,944     | 5,448     | 4,971     | 3,453     | 3,453                                      | 3,453     | 3,453     | 3,453     | 3,453     | 3,453     |
| 40  | Avg. Monthly Flow Per Customer (ccf)  | 18.533                                     | 17.690    | 15.218    | 13.013    | 9.063     | 9.063                                      | 9.063     | 9.063     | 9.063     | 9.063     | 9.063     |
| 41  | Annual Billed Flow (kgal)             | 4,838                                      | 4,446     | 4,075     | 3,718     | 2,583     | 2,583                                      | 2,583     | 2,583     | 2,583     | 2,583     | 2,583     |
| 42  | Avg. Monthly Flow Per Customer (kgal) | 13.863                                     | 13.232    | 11.383    | 9.734     | 6.779     | 6.779                                      | 6.779     | 6.779     | 6.779     | 6.779     | 6.779     |
| <b>Municipal - Class II</b>                       |                                       |  |           |           |           |           |  |           |           |           |           |           |
| 43  | Customer Growth                       |  | 0         | 0         | 0         | (0)       | 0  | 0         | 0         | 0         | 0         | 0         |
| 44  | No. of Customers                      | 2  | 2         | 2         | 2         | 2         | 2  | 2         | 2         | 2         | 2         | 2         |
| 45  | Annual Billed Flow (ccf)              | 678  | 604       | 550       | 476       | 404       | 404  | 404       | 404       | 404       | 404       | 404       |
| 46  | Avg. Monthly Flow Per Customer (ccf)  | 28.250                                     | 25.167    | 22.917    | 19.833    | 18.364    | 18.364                                     | 18.364    | 18.364    | 18.364    | 18.364    | 18.364    |
| 47  | Annual Billed Flow (kgal)             | 507  | 452       | 411       | 356       | 302       | 302  | 302       | 302       | 302       | 302       | 302       |
| 48  | Avg. Monthly Flow Per Customer (kgal) | 21.131                                     | 18.825    | 17.142    | 14.835    | 13.736    | 13.736                                     | 13.736    | 13.736    | 13.736    | 13.736    | 13.736    |
| <b>Municipal - Class III</b>                      |                                       |  |           |           |           |           |  |           |           |           |           |           |
| 49  | Customer Growth                       |  | 0         | 0         | 0         | 0         | 0  | 0         | 0         | 0         | 0         | 0         |
| 50  | No. of Customers                      | 2  | 2         | 2         | 2         | 2         | 2  | 2         | 2         | 2         | 2         | 2         |
| 51  | Annual Billed Flow (ccf)              | 603  | 602       | 788       | 915       | 911       | 911  | 911       | 911       | 911       | 911       | 911       |
| 52  | Avg. Monthly Flow Per Customer (ccf)  | 25.125                                     | 25.083    | 32.833    | 38.125    | 37.958    | 37.958                                     | 37.958    | 37.958    | 37.958    | 37.958    | 37.958    |
| 53  | Annual Billed Flow (kgal)             | 451  | 450       | 589       | 684       | 681       | 681  | 681       | 681       | 681       | 681       | 681       |
| 54  | Avg. Monthly Flow Per Customer (kgal) | 18.794                                     | 18.762    | 24.559    | 28.518    | 28.393    | 28.393                                     | 28.393    | 28.393    | 28.393    | 28.393    | 28.393    |
| <b>Subtotal - Wastewater System - Inside-City</b> |                                       |  |           |           |           |           |  |           |           |           |           |           |
| 55  | Customer Growth                       |  | 100       | 68        | 128       | (44)      | 50   | 50        | 50        | 50        | 50        | 50        |
| 56  | No. of Customers                      | 10,948                                     | 11,048    | 11,116    | 11,244    | 11,200    | 11,250                                     | 11,300    | 11,350    | 11,400    | 11,450    | 11,500    |
| 57  | Annual Billed Flow (ccf)              | 1,231,897                                  | 1,227,815 | 1,169,413 | 1,206,349 | 1,165,876 | 1,169,806                                  | 1,173,736 | 1,177,667 | 1,181,597 | 1,185,527 | 1,189,457 |
| 58  | Avg. Monthly Flow Per Customer (ccf)  | 9.377                                      | 9.261     | 8.767     | 8.941     | 8.675     | 8.665                                      | 8.656     | 8.647     | 8.638     | 8.628     | 8.619     |
| 59  | Annual Billed Flow (kgal)             | 921,459                                    | 918,406   | 874,721   | 902,349   | 872,075   | 875,015                                    | 877,955   | 880,895   | 883,834   | 886,774   | 889,714   |
| 60  | Avg. Monthly Flow Per Customer (kgal) | 7.014                                      | 6.927     | 6.557     | 6.688     | 6.489     | 6.482                                      | 6.475     | 6.468     | 6.461     | 6.454     | 6.447     |

Table 13

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Summary of Historical and Projected Customer Statistics - Wastewater System

| Line No.                                | Description                           | Historical Fiscal Year Ended September 30, |         |         |         |         | Projected Fiscal Year Ending September 30, |         |         |         |         |         |
|---|---------------------------------------|--|---------|---------|---------|---------|--|---------|---------|---------|---------|---------|
|   |                                       | 2008                                       | 2009    | 2010    | 2011    | 2012    | 2013                                       | 2014    | 2015    | 2016    | 2017    | 2018    |
| <b>WASTEWATER SYSTEM - OUTSIDE-CITY</b> |                                       |  |         |         |         |         |  |         |         |         |         |         |
| <b>Residential</b>                      |                                       |  |         |         |         |         |  |         |         |         |         |         |
| 61                                      | Customer Growth                       |  | (1)     | 34      | (10)    | (69)    | 0  | 0       | 0       | 0       | 0       | 0       |
| 62                                      | No. of Customers                      | 6,401                                      | 6,400   | 6,434   | 6,424   | 6,355   | 6,355                                      | 6,355   | 6,355   | 6,355   | 6,355   | 6,355   |
| 63                                      | Annual Billed Flow (ccf)              | 804,317                                    | 913,776 | 816,527 | 895,070 | 809,889 | 809,889                                    | 809,889 | 809,889 | 809,889 | 809,889 | 809,889 |
| 64                                      | Avg. Monthly Flow Per Customer (ccf)  | 10.471                                     | 11.898  | 10.575  | 11.611  | 10.621  | 10.621                                     | 10.621  | 10.621  | 10.621  | 10.621  | 10.621  |
| 65                                      | Annual Billed Flow (kgal)             | 601,629                                    | 683,504 | 610,762 | 669,512 | 605,797 | 605,797                                    | 605,797 | 605,797 | 605,797 | 605,797 | 605,797 |
| 66                                      | Avg. Monthly Flow Per Customer (kgal) | 7.832                                      | 8.900   | 7.910   | 8.685   | 7.944   | 7.944                                      | 7.944   | 7.944   | 7.944   | 7.944   | 7.944   |
| <b>Commercial - Class I</b>             |                                       |  |         |         |         |         |  |         |         |         |         |         |
| 67                                      | Customer Growth                       |  | 3       | 0       | 2       | 0       | 0  | 0       | 0       | 0       | 0       | 0       |
| 68                                      | No. of Customers                      | 29   | 32      | 32      | 34      | 35      | 35   | 35      | 35      | 35      | 35      | 35      |
| 69                                      | Annual Billed Flow (ccf)              | 6,967                                      | 8,596   | 5,045   | 6,332   | 7,003   | 7,003                                      | 7,003   | 7,003   | 7,003   | 7,003   | 7,003   |
| 70                                      | Avg. Monthly Flow Per Customer (ccf)  | 20.194                                     | 22.444  | 13.104  | 15.332  | 16.915  | 16.915                                     | 16.915  | 16.915  | 16.915  | 16.915  | 16.915  |
| 71                                      | Annual Billed Flow (kgal)             | 5,211                                      | 6,430   | 3,774   | 4,736   | 5,238   | 5,238                                      | 5,238   | 5,238   | 5,238   | 5,238   | 5,238   |
| 72                                      | Avg. Monthly Flow Per Customer (kgal) | 15.105                                     | 16.788  | 9.802   | 11.468  | 12.653  | 12.653                                     | 12.653  | 12.653  | 12.653  | 12.653  | 12.653  |
| <b>Commercial - Class II</b>            |                                       |  |         |         |         |         |  |         |         |         |         |         |
| 73                                      | Customer Growth                       |  | 0       | 0       | (0)     | 0       | 0  | 0       | 0       | 0       | 0       | 0       |
| 74                                      | No. of Customers                      | 2  | 2       | 2       | 2       | 2       | 2  | 2       | 2       | 2       | 2       | 2       |
| 75                                      | Annual Billed Flow (ccf)              | 227  | 204     | 311     | 179     | 317     | 317  | 317     | 317     | 317     | 317     | 317     |
| 76                                      | Avg. Monthly Flow Per Customer (ccf)  | 9.458                                      | 8.500   | 12.958  | 7.783   | 13.208  | 13.208                                     | 13.208  | 13.208  | 13.208  | 13.208  | 13.208  |
| 77                                      | Annual Billed Flow (kgal)             | 170  | 153     | 233     | 134     | 237     | 237  | 237     | 237     | 237     | 237     | 237     |
| 78                                      | Avg. Monthly Flow Per Customer (kgal) | 7.075                                      | 6.358   | 9.693   | 5.821   | 9.880   | 9.880                                      | 9.880   | 9.880   | 9.880   | 9.880   | 9.880   |
| <b>Commercial - Class III</b>           |                                       |  |         |         |         |         |  |         |         |         |         |         |
| 79                                      | Customer Growth                       |  | 2       | (0)     | (2)     | (1)     | 0  | 0       | 0       | 0       | 0       | 0       |
| 80                                      | No. of Customers                      | 18   | 20      | 20      | 18      | 17      | 17   | 17      | 17      | 17      | 17      | 17      |
| 81                                      | Annual Billed Flow (ccf)              | 10,417                                     | 9,502   | 10,406  | 7,996   | 7,087   | 7,087                                      | 7,087   | 7,087   | 7,087   | 7,087   | 7,087   |
| 82                                      | Avg. Monthly Flow Per Customer (ccf)  | 49.137                                     | 40.263  | 44.281  | 37.019  | 34.072  | 34.072                                     | 34.072  | 34.072  | 34.072  | 34.072  | 34.072  |
| 83                                      | Annual Billed Flow (kgal)             | 7,792                                      | 7,107   | 7,784   | 5,981   | 5,301   | 5,301                                      | 5,301   | 5,301   | 5,301   | 5,301   | 5,301   |
| 84                                      | Avg. Monthly Flow Per Customer (kgal) | 36.754                                     | 30.117  | 33.122  | 27.690  | 25.486  | 25.486                                     | 25.486  | 25.486  | 25.486  | 25.486  | 25.486  |
| <b>Commercial - Class IV</b>            |                                       |  |         |         |         |         |  |         |         |         |         |         |
| 85                                      | Customer Growth                       |  | 0       | 0       | 0       | 0       | 0  | 0       | 0       | 0       | 0       | 0       |
| 86                                      | No. of Customers                      | 1  | 1       | 1       | 1       | 1       | 1  | 1       | 1       | 1       | 1       | 1       |
| 87                                      | Annual Billed Flow (ccf)              | 1,005                                      | 856     | 376     | 471     | 674     | 674  | 674     | 674     | 674     | 674     | 674     |
| 88                                      | Avg. Monthly Flow Per Customer (ccf)  | 83.750                                     | 71.333  | 31.333  | 39.250  | 56.167  | 56.167                                     | 56.167  | 56.167  | 56.167  | 56.167  | 56.167  |
| 89                                      | Annual Billed Flow (kgal)             | 752  | 640     | 281     | 352     | 504     | 504  | 504     | 504     | 504     | 504     | 504     |
| 90                                      | Avg. Monthly Flow Per Customer (kgal) | 62.645                                     | 53.357  | 23.437  | 29.359  | 42.013  | 42.013                                     | 42.013  | 42.013  | 42.013  | 42.013  | 42.013  |

Table 13

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Summary of Historical and Projected Customer Statistics - Wastewater System

| Line No.   | Description                           | Historical Fiscal Year Ended September 30, |           |           |           |           | Projected Fiscal Year Ending September 30, |           |           |           |           |           |
|--|---------------------------------------|--|-----------|-----------|-----------|-----------|--|-----------|-----------|-----------|-----------|-----------|
|  |                                       | 2008                                       | 2009      | 2010      | 2011      | 2012      | 2013                                       | 2014      | 2015      | 2016      | 2017      | 2018      |
| <b>Subtotal - Wastewater System - Outside-City</b> |                                       |  |           |           |           |           |  |           |           |           |           |           |
| 91   | Customer Growth                       |  | 4         | 34        | (10)      | (70)      | 0  | 0         | 0         | 0         | 0         | 0         |
| 92   | No. of Customers                      | 6,450                                      | 6,455     | 6,489     | 6,479     | 6,409     | 6,409                                      | 6,409     | 6,409     | 6,409     | 6,409     | 6,409     |
| 93   | Annual Billed Flow (ccf)              | 822,933                                    | 932,934   | 832,665   | 910,048   | 824,970   | 824,970                                    | 824,970   | 824,970   | 824,970   | 824,970   | 824,970   |
| 94   | Avg. Monthly Flow Per Customer (ccf)  | 10.632                                     | 12.045    | 10.693    | 11.704    | 10.726    | 10.726                                     | 10.726    | 10.726    | 10.726    | 10.726    | 10.726    |
| 95   | Annual Billed Flow (kgal)             | 615,554                                    | 697,835   | 622,833   | 680,716   | 617,078   | 617,078                                    | 617,078   | 617,078   | 617,078   | 617,078   | 617,078   |
| 96   | Avg. Monthly Flow Per Customer (kgal) | 7.952                                      | 9.009     | 7.998     | 8.755     | 8.023     | 8.023                                      | 8.023     | 8.023     | 8.023     | 8.023     | 8.023     |
| <b>TOTAL WASTEWATER SYSTEM</b>                     |                                       |  |           |           |           |           |  |           |           |           |           |           |
| 97   | Customer Growth                       |  | 105       | 103       | 118       | (114)     | 50   | 50        | 50        | 50        | 50        | 50        |
| 98   | No. of Customers                      | 17,398                                     | 17,503    | 17,605    | 17,723    | 17,609    | 17,659                                     | 17,709    | 17,759    | 17,809    | 17,859    | 17,909    |
| 99   | Annual Billed Flow (ccf)              | 2,054,830                                  | 2,160,749 | 2,002,078 | 2,116,397 | 1,990,846 | 1,994,776                                  | 1,998,706 | 2,002,637 | 2,006,567 | 2,010,497 | 2,014,427 |
| 100  | Avg. Monthly Flow Per Customer (ccf)  | 9.842                                      | 10.288    | 9.477     | 9.951     | 9.421     | 9.413                                      | 9.405     | 9.397     | 9.389     | 9.381     | 9.373     |
| 101  | Annual Billed Flow (kgal)             | 1,537,013                                  | 1,616,240 | 1,497,554 | 1,583,065 | 1,489,153 | 1,492,093                                  | 1,495,032 | 1,497,972 | 1,500,912 | 1,503,852 | 1,506,791 |
| 102  | Avg. Monthly Flow Per Customer (kgal) | 7.362                                      | 7.695     | 7.089     | 7.443     | 7.047     | 7.041                                      | 7.035     | 7.029     | 7.023     | 7.017     | 7.011     |
| <b>Wastewater Treated</b>                          |                                       |  |           |           |           |           |  |           |           |           |           |           |
| 103  | Total Wastewater Treated (ccf) [1]    | 1,433,792                                  | 1,281,063 | 1,277,712 | 1,251,099 | 1,228,259 | 1,230,684                                  | 1,233,109 | 1,235,533 | 1,237,958 | 1,240,383 | 1,242,808 |
| 104  | Total Wastewater Treated (kgal) [1]   | 1,072,476                                  | 958,235   | 955,729   | 935,822   | 918,738   | 920,552                                    | 922,365   | 924,179   | 925,993   | 927,806   | 929,620   |
| 105  | Total Wastewater Treated (MGD) [1]    | 2.93                                       | 2.63      | 2.62      | 2.56      | 2.52      | 2.52                                       | 2.53      | 2.53      | 2.54      | 2.54      | 2.55      |

Footnotes:

ccf = 100 cubic feet  
 kgal = 1,000 gallons  
 1 ccf = 0.748 kgal  
 MGD = million-gallons-per-day

[1] Reflects historical and projected wastewater flows entering the treatment facility (i.e., influent).

Table 14

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Six-Year Estimated Capital Improvement Program Summary [1]

| Line No.   | Description   | Funding Source | Fiscal Year Ending September 30, |             |               |           |           |           |           |           | Total       |
|--|---|----------------|----------------------------------|-------------|---------------|-----------|-----------|-----------|-----------|-----------|-------------|
|  |   |                | Budgeted 2013                    | Adjustments | Adjusted 2013 | 2014      | 2015      | 2016      | 2017      | 2018      |             |
| <b>GAS SYSTEM CAPITAL IMPROVEMENT PROGRAM</b>        |   |                |                                  |             |               |           |           |           |           |           |             |
| <b>Capital Projects</b>                              |   |                |                                  |             |               |           |           |           |           |           |             |
| <u>Meters</u>  |   |                |                                  |             |               |           |           |           |           |           |             |
| 1  | Meters  | G-RR           | \$27,082                         | \$0         | \$27,082      | \$27,500  | \$28,600  | \$29,700  | \$30,800  | \$31,900  | \$175,582   |
| 2  | Meters  | G-CustContrib  | 22,158                           | 0           | 22,158        | 22,500    | 23,400    | 24,300    | 25,200    | 26,100    | 143,658     |
| 3  | Meters (ERT)  | G-RR           | 64,950                           | 0           | 64,950        | 84,000    | 144,000   | 151,000   | 158,000   | 164,000   | 765,950     |
| <u>Mains</u>   |   |                |                                  |             |               |           |           |           |           |           |             |
| 4  | Shepherds Village                                   | G-CustContrib  | 22,726                           | 0           | 22,726        | 0         | 0         | 0         | 0         | 0         | 22,726      |
| 5  | Miscellaneous Mains                                 | G-CustContrib  | 0                                | 0           | 0             | 30,000    | 45,000    | 45,000    | 50,000    | 50,000    | 220,000     |
| 6  | Other Equipment                                     | G-RR           | 0                                | 0           | 0             | 15,000    | 15,000    | 15,000    | 20,000    | 20,000    | 85,000      |
| 7  | Gate Stations                                       | G-RR           | 0                                | 0           | 0             | 5,000     | 5,000     | 5,000     | 5,000     | 5,000     | 25,000      |
| 8  | General Plant                                       | G-RR           | 0                                | 0           | 0             | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 50,000      |
| 9  | Regulators  | G-RR           | 9,659                            | 0           | 9,659         | 15,400    | 16,500    | 17,600    | 19,250    | 19,000    | 97,409      |
| 10   | Regulators  | G-CustContrib  | 7,903                            | 0           | 7,903         | 12,600    | 13,500    | 14,400    | 15,750    | 17,100    | 81,253      |
| 11   | Farm Taps / Industrial                              | G-RR           | 5,071                            | 0           | 5,071         | 5,000     | 5,000     | 5,000     | 5,000     | 10,000    | 35,071      |
| 12   | Services  | G-RR           | 39,729                           | 0           | 39,729        | 15,000    | 22,500    | 22,500    | 25,000    | 67,500    | 192,229     |
| 13   | Services  | G-CustContrib  | 5,620                            | 0           | 5,620         | 3,900     | 5,100     | 10,300    | 17,050    | 26,800    | 68,770      |
| <u>Carryforward Projects from Prior Fiscal Years</u> |   |                |                                  |             |               |           |           |           |           |           |             |
| 14   | Arlington Ridge Main                                | G-2007Bonds    | 0                                | 100,000     | 100,000       | 0         | 0         | 0         | 0         | 0         | 100,000     |
| 15   | Water Plant to 470 Main                             | G-2007Bonds    | 0                                | 1,726,642   | 1,726,642     | 0         | 0         | 0         | 0         | 0         | 1,726,642   |
| 16   | Bentley Ridge                                       | G-CustContrib  | 0                                | 79,445      | 79,445        | 0         | 0         | 0         | 0         | 0         | 79,445      |
| 17   | Hidden Harbor                                       | G-CustContrib  | 0                                | 38,728      | 38,728        | 0         | 0         | 0         | 0         | 0         | 38,728      |
| 18   | Miscellaneous Tools and Equipment                   | G-RR           | 0                                | 15,000      | 15,000        | 0         | 0         | 0         | 0         | 0         | 15,000      |
| 19   | Subtotal  |                | \$204,898                        | \$1,959,815 | \$2,164,713   | \$245,900 | \$333,600 | \$349,800 | \$381,050 | \$447,400 | \$3,922,463 |
| 20   | <b>TOTAL GAS SYSTEM CAPITAL IMPROVEMENT PROGRAM</b> |                | \$204,898                        | \$1,959,815 | \$2,164,713   | \$245,900 | \$333,600 | \$349,800 | \$381,050 | \$447,400 | \$3,922,463 |

**Table 14**  
**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Six-Year Estimated Capital Improvement Program Summary [1]**

| Line No.   | Description   | Funding Source | Fiscal Year Ending September 30, |             |               |           |           |             |           |             | Total       |
|--|---|----------------|----------------------------------|-------------|---------------|-----------|-----------|-------------|-----------|-------------|-------------|
|  |   |                | Budgeted 2013                    | Adjustments | Adjusted 2013 | 2014      | 2015      | 2016        | 2017      | 2018        |             |
| <b>WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM</b>      |   |                |                                  |             |               |           |           |             |           |             |             |
| <b>Capital Projects and Purchases:</b>               |   |                |                                  |             |               |           |           |             |           |             |             |
| <u>Mains</u>   |   |                |                                  |             |               |           |           |             |           |             |             |
| 21   | Highway 441 - Perkins to SR 44                        | W-RR           | \$0                              | \$0         | \$0           | \$0       | \$0       | \$0         | \$0       | \$1,500,000 | \$1,500,000 |
| 22   | Tools and Equipment                                   | W-RR           | 0                                | 0           | 0             | 25,000    | 25,000    | 25,000      | 25,000    | 25,000      | 125,000     |
| 23   | Sodium Hypochlorite Improvements                      | W-RR           | 0                                | 0           | 0             | 0         | 0         | 1,500,000   | 0         | 0           | 1,500,000   |
| 24   | System-Wide Improvements                              | W-RR           | 83,000                           | 0           | 83,000        | 80,000    | 85,000    | 90,000      | 95,000    | 100,000     | 533,000     |
| 25   | Plantation Feasibility Study                          | W-RR           | 50,000                           | 0           | 50,000        | 0         | 0         | 0           | 0         | 0           | 50,000      |
| <b>Capital Maintenance Projects:</b>                 |   |                |                                  |             |               |           |           |             |           |             |             |
| 26   | Construct and Relocate                                | W-RR           | 0                                | 0           | 0             | 100,000   | 0         | 0           | 0         | 0           | 100,000     |
| 26   | Mains Replacement                                     | W-RR           | 179,800                          | 0           | 179,800       | 198,000   | 0         | 0           | 0         | 0           | 377,800     |
| 27   | Royal Highlands Water Treatment Plant                 | W-RR           | 25,000                           | 0           | 25,000        | 0         | 0         | 0           | 0         | 0           | 25,000      |
| 28   | Reuse Plant Rehabilitation                            | W-RR           | 0                                | 0           | 0             | 50,000    | 50,000    | 50,000      | 0         | 0           | 150,000     |
| 29   | Reuse Mains   | W-RR           | 0                                | 0           | 0             | 0         | 440,000   | 0           | 0         | 0           | 440,000     |
| 30   | SCADA - PSI Monitoring                                | W-RR           | 17,500                           | 0           | 17,500        | 0         | 0         | 0           | 0         | 0           | 17,500      |
| 31   | Well Rehabilitation                                   | W-RR           | 125,000                          | 0           | 125,000       | 60,000    | 61,800    | 63,654      | 65,563    | 67,000      | 443,017     |
| 32   | Plant Pumping Rehabilitation                          | W-RR           | 0                                | 0           | 0             | 60,000    | 0         | 65,000      | 0         | 70,000      | 195,000     |
| 33   | Elevated Tank Inspection and Rehabilitation           | W-RR           | 110,250                          | 0           | 110,250       | 0         | 0         | 0           | 115,000   | 0           | 225,250     |
| <u>Carryforward Projects from Prior Fiscal Years</u> |   |                |                                  |             |               |           |           |             |           |             |             |
| 34   | Highway 441 Perkins to Griffin                        | W-2007Bonds    | 0                                | 11,269      | 11,269        | 0         | 0         | 0           | 0         | 0           | 11,269      |
| 35   | Plantation Upgrade                                    | W-2007Bonds    | 0                                | 3,246,638   | 3,246,638     | 0         | 0         | 0           | 0         | 0           | 3,246,638   |
| 36   | Royal Highlands                                       | W-RR           | 0                                | 120,000     | 120,000       | 0         | 0         | 0           | 0         | 0           | 120,000     |
| 37   | Highland Lake Water Treatment Plant                   | W-2007Bonds    | 0                                | 50,000      | 50,000        | 0         | 0         | 0           | 0         | 0           | 50,000      |
| 38   | Miscellaneous Tools and Equipment                     | W-RR           | 0                                | 6,450       | 6,450         | 0         | 0         | 0           | 0         | 0           | 6,450       |
| 39   | Subtotal  |                | \$590,550                        | \$3,434,357 | \$4,024,907   | \$573,000 | \$661,800 | \$1,793,654 | \$300,563 | \$1,762,000 | \$9,115,924 |
| 40   | <b>TOTAL WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM</b> |                | \$590,550                        | \$3,434,357 | \$4,024,907   | \$573,000 | \$661,800 | \$1,793,654 | \$300,563 | \$1,762,000 | \$9,115,924 |

**Table 14**  
**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Six-Year Estimated Capital Improvement Program Summary [1]**

| Line No.   | Description  | Funding Source | Fiscal Year Ending September 30, |                    |                    |                    |                    |                    |                  |                    | Total               |
|--|--|----------------|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|---------------------|
|  |  |                | Budgeted 2013                    | Adjustments        | Adjusted 2013      | 2014               | 2015               | 2016               | 2017             | 2018               |                     |
| <b>WASTEWATER SYSTEM CAPITAL IMPROVEMENT PROGRAM</b> |  |                |                                  |                    |                    |                    |                    |                    |                  |                    |                     |
| <b>Capital Projects and Purchases:</b>               |  |                |                                  |                    |                    |                    |                    |                    |                  |                    |                     |
| <i>Collecting Sewers</i>                             |  |                |                                  |                    |                    |                    |                    |                    |                  |                    |                     |
| 41   | Lift Station Control Panels  | S-RR           | \$50,000                         | \$0                | \$50,000           | \$50,000           | \$50,000           | \$50,000           | \$50,000         | \$50,000           | \$300,000           |
| 42   | Manhole Rehabilitation / Line Repairs                              | S-RR           | 70,000                           | 0                  | 70,000             | 71,400             | 72,828             | 74,285             | 75,771           | 77,286             | 441,570             |
| 43   | Inflow and Infiltration  | S-RR           | 70,000                           | 0                  | 70,000             | 200,000            | 200,000            | 0                  | 0                | 0                  | 470,000             |
| 44   | Other Equipment  | S-REV          | 158,100                          | 0                  | 158,100            | 25,000             | 52,000             | 25,000             | 25,000           | 25,000             | 310,100             |
| 45   | Emergency Generators   | S-RR           | 0                                | 0                  | 0                  | 35,000             | 35,000             | 35,000             | 0                | 0                  | 105,000             |
| 46   | Instrumentation and Control  | S-RR           | 95,000                           | 0                  | 95,000             | 75,000             | 75,000             | 75,000             | 75,000           | 75,000             | 470,000             |
| 47   | Sampling Equipment / IPP   | S-RR           | 0                                | 0                  | 0                  | 0                  | 0                  | 100,000            | 0                | 0                  | 100,000             |
| 48   | Treatment Plant  | S-RR           | 0                                | 0                  | 0                  | 500,000            | 0                  | 0                  | 0                | 0                  | 500,000             |
| 49   | Turnpike Plant   | S-RR           | 0                                | 0                  | 0                  | 86,000             | 0                  | 0                  | 0                | 0                  | 86,000              |
| 50   | Canal Street Plant   | S-RR           | 0                                | 0                  | 0                  | 0                  | 0                  | 95,000             | 0                | 0                  | 95,000              |
| <b>Capital Maintenance Projects:</b>                 |  |                |                                  |                    |                    |                    |                    |                    |                  |                    |                     |
| 51   | Lift Station Rehabilitation  | S-RR           | 131,000                          | 0                  | 131,000            | 70,000             | 73,500             | 77,175             | 81,033           | 82,000             | 514,708             |
| 52   | Disinfection Conversion  | S-RR           | 0                                | 0                  | 0                  | 0                  | 0                  | 330,000            | 0                | 0                  | 330,000             |
| 53   | Decant Upgrade   | S-RR           | 37,500                           | 0                  | 37,500             | 0                  | 250,000            | 0                  | 0                | 0                  | 287,500             |
| 54   | Re-roof  | S-RR           | 57,000                           | 0                  | 57,000             | 0                  | 0                  | 0                  | 0                | 0                  | 57,000              |
| 55   | Sodium Hypochlorite Tank   | S-RR           | 20,000                           | 0                  | 20,000             | 0                  | 0                  | 0                  | 0                | 0                  | 20,000              |
| 56   | Effluent TSS Filter / Rehab / Sand                                 | S-RR           | 45,000                           | 0                  | 45,000             | 0                  | 0                  | 0                  | 0                | 0                  | 45,000              |
| 57   | Reuse Pump Station Rehabilitation                                  | S-RR           | 0                                | 0                  | 0                  | 0                  | 275,000            | 0                  | 0                | 0                  | 275,000             |
| <i>Carryforward Projects from Prior Fiscal Years</i> |  |                |                                  |                    |                    |                    |                    |                    |                  |                    |                     |
| 58   | Bentley Road Force Main  | S-RR           | 0                                | 47,245             | 47,245             | 0                  | 0                  | 0                  | 0                | 0                  | 47,245              |
| 59   | Perkins to Griffin Line Rehabilitation                             | S-RR           | 0                                | 458,797            | 458,797            | 0                  | 0                  | 0                  | 0                | 0                  | 458,797             |
| 60   | Sodium Hypochlorite Tank   | S-RR           | 0                                | 15,125             | 15,125             | 0                  | 0                  | 0                  | 0                | 0                  | 15,125              |
| 61   | Liners Rehabs  | S-RR           | 0                                | 331,563            | 331,563            | 0                  | 0                  | 0                  | 0                | 0                  | 331,563             |
| 62   | Subtotal   |                | <u>\$733,600</u>                 | <u>\$852,730</u>   | <u>\$1,586,330</u> | <u>\$1,112,400</u> | <u>\$1,083,328</u> | <u>\$861,460</u>   | <u>\$306,804</u> | <u>\$309,286</u>   | <u>\$5,259,608</u>  |
| 63   | <b>TOTAL WASTEWATER SYSTEM CAPITAL IMPROVEMENT PROGRAM</b>         |                | <u>\$733,600</u>                 | <u>\$852,730</u>   | <u>\$1,586,330</u> | <u>\$1,112,400</u> | <u>\$1,083,328</u> | <u>\$861,460</u>   | <u>\$306,804</u> | <u>\$309,286</u>   | <u>\$5,259,608</u>  |
| 64   | <b>TOTAL GAS, WATER AND WASTEWATER CAPITAL IMPROVEMENT PROGRAM</b> |                | <u>\$1,529,048</u>               | <u>\$6,246,902</u> | <u>\$7,775,950</u> | <u>\$1,931,300</u> | <u>\$2,078,728</u> | <u>\$3,004,914</u> | <u>\$988,417</u> | <u>\$2,518,686</u> | <u>\$18,297,995</u> |

Table 14

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Six-Year Estimated Capital Improvement Program Summary [1]

| Line No.   | Description   | Funding Source | Fiscal Year Ending September 30, |                    |                    |                    |                    |                    |                  |                    | Total               |
|--|---|----------------|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|---------------------|
|  |   |                | Budgeted 2013                    | Adjustments        | Adjusted 2013      | 2014               | 2015               | 2016               | 2017             | 2018               |                     |
| <b>CAPITAL FUNDING SOURCES</b>                   |   |                |                                  |                    |                    |                    |                    |                    |                  |                    |                     |
| <b>GAS SYSTEM</b>                                |   |                |                                  |                    |                    |                    |                    |                    |                  |                    |                     |
| 65   | Operating Reserves  | G-OR           | \$0                              | \$0                | \$0                | \$0                | \$0                | \$0                | \$0              | \$0                | \$0                 |
| 66   | Renewal and Replacement Fund Deposits                                 | G-RR           | 146,491                          | 15,000             | 161,491            | 176,900            | 246,600            | 255,800            | 273,050          | 327,400            | 1,441,241           |
| 67   | Series 2007A Bonds Proceeds   | G-2007Bonds    | 0                                | 1,826,642          | 1,826,642          | 0                  | 0                  | 0                  | 0                | 0                  | 1,826,642           |
| 68   | Customer Contributions  | G-CustContrib  | 58,407                           | 118,173            | 176,580            | 69,000             | 87,000             | 94,000             | 108,000          | 120,000            | 654,580             |
| 69   | <b>TOTAL GAS SYSTEM CAPITAL FUNDING SOURCES</b>                       |                | <u>\$204,898</u>                 | <u>\$1,959,815</u> | <u>\$2,164,713</u> | <u>\$245,900</u>   | <u>\$333,600</u>   | <u>\$349,800</u>   | <u>\$381,050</u> | <u>\$447,400</u>   | <u>\$3,922,463</u>  |
| <b>WATER SYSTEM</b>                              |   |                |                                  |                    |                    |                    |                    |                    |                  |                    |                     |
| 70   | Operating Reserves  | W-OR           | \$0                              | \$0                | \$0                | \$0                | \$0                | \$0                | \$0              | \$0                | \$0                 |
| 71   | Renewal and Replacement Fund Deposits                                 | W-RR           | 590,550                          | 126,450            | 717,000            | 573,000            | 661,800            | 1,793,654          | 300,563          | 1,762,000          | 5,808,017           |
| 72   | Series 2007A Bonds Proceeds   | W-2007Bonds    | 0                                | 3,307,907          | 3,307,907          | 0                  | 0                  | 0                  | 0                | 0                  | 3,307,907           |
| 73   | <b>TOTAL WATER SYSTEM CAPITAL FUNDING SOURCES</b>                     |                | <u>\$590,550</u>                 | <u>\$3,434,357</u> | <u>\$4,024,907</u> | <u>\$573,000</u>   | <u>\$661,800</u>   | <u>\$1,793,654</u> | <u>\$300,563</u> | <u>\$1,762,000</u> | <u>\$9,115,924</u>  |
| <b>WASTEWATER SYSTEM</b>                         |   |                |                                  |                    |                    |                    |                    |                    |                  |                    |                     |
| 74   | Operating Reserves  | S-OR           | \$0                              | \$0                | \$0                | \$0                | \$0                | \$0                | \$0              | \$0                | \$0                 |
| 75   | Renewal and Replacement Fund Deposits                                 | S-RR           | 575,500                          | 852,730            | 1,428,230          | 1,087,400          | 1,031,328          | 836,460            | 281,804          | 284,286            | 4,949,508           |
| 76   | Rate Revenue  | S-REV          | 158,100                          | 0                  | 158,100            | 25,000             | 52,000             | 25,000             | 25,000           | 25,000             | 310,100             |
| 77   | <b>TOTAL WASTEWATER SYSTEM CAPITAL FUNDING SOURCES</b>                |                | <u>\$733,600</u>                 | <u>\$852,730</u>   | <u>\$1,586,330</u> | <u>\$1,112,400</u> | <u>\$1,083,328</u> | <u>\$861,460</u>   | <u>\$306,804</u> | <u>\$309,286</u>   | <u>\$5,259,608</u>  |
| <b>COMBINED GAS, WATER AND WASTEWATER SYSTEM</b> |   |                |                                  |                    |                    |                    |                    |                    |                  |                    |                     |
| 78   | Operating Reserves  |                | \$0                              | \$0                | \$0                | \$0                | \$0                | \$0                | \$0              | \$0                | \$0                 |
| 79   | Renewal and Replacement Account Deposits                              |                | 1,312,541                        | 994,180            | 2,306,721          | 1,837,300          | 1,939,728          | 2,885,914          | 855,417          | 2,373,686          | 12,198,766          |
| 80   | Series 2007A Bonds Proceeds   |                | 0                                | 5,134,549          | 5,134,549          | 0                  | 0                  | 0                  | 0                | 0                  | 5,134,549           |
| 81   | Customer Contributions  |                | 58,407                           | 118,173            | 176,580            | 69,000             | 87,000             | 94,000             | 108,000          | 120,000            | 654,580             |
| 82   | Rate Revenue  |                | 158,100                          | 0                  | 158,100            | 25,000             | 52,000             | 25,000             | 25,000           | 25,000             | 310,100             |
| 83   | <b>TOTAL GAS, WATER AND WASTEWATER SYSTEM CAPITAL FUNDING SOURCES</b> |                | <u>\$1,529,048</u>               | <u>\$6,246,902</u> | <u>\$7,775,950</u> | <u>\$1,931,300</u> | <u>\$2,078,728</u> | <u>\$3,004,914</u> | <u>\$988,417</u> | <u>\$2,518,686</u> | <u>\$18,297,995</u> |

Footnotes:

[1] Capital improvement program costs provided by the City.

**Table 15**  
**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Historical System Operating Results and Debt Service Coverage [1]**

| Line No.                              | Description  | Fiscal Year Ended September 30, |              |              |              |              |
|---------------------------------------|--|---------------------------------|--------------|--------------|--------------|--------------|
|                                       |  | 2008                            | 2009         | 2010         | 2011         | 2012         |
| <b>Gross Revenues</b>                 |  |                                 |              |              |              |              |
| Charges for Service [2]               |  |                                 |              |              |              |              |
| 1                                     | Gas Charges for Service  | \$9,923,082                     | \$8,114,811  | \$9,242,305  | \$8,011,273  | \$6,753,278  |
| 2                                     | Water Charges for Service  | 6,821,395                       | 6,706,396    | 6,640,891    | 7,523,207    | 6,989,067    |
| 3                                     | Wastewater Charges for Service   | 9,410,426                       | 9,245,275    | 9,291,014    | 9,498,151    | 9,450,656    |
| 4                                     | Total Charges for Service  | \$26,154,903                    | \$24,066,482 | \$25,174,210 | \$25,032,631 | \$23,193,001 |
| Other Operating Revenues [3]          |  |                                 |              |              |              |              |
| 5                                     | Gas Other Operating Revenue  | \$148,063                       | \$139,910    | \$160,331    | \$147,216    | \$144,433    |
| 6                                     | Water Other Operating Revenue  | 174,267                         | 167,616      | 170,417      | 200,180      | 175,545      |
| 7                                     | Wastewater Other Operating Revenue   | 219,680                         | 181,000      | 147,953      | 153,092      | 144,684      |
| 8                                     | Total Other Operating Revenues   | \$542,010                       | \$488,526    | \$478,701    | \$500,488    | \$464,662    |
| Unrestricted Interest Income [4]      |  |                                 |              |              |              |              |
| 9                                     | Gas Unrestricted Interest Income   | \$78,232                        | \$43,105     | (\$12,693)   | \$50,721     | \$614        |
| 10                                    | Water Unrestricted Interest Income   | 103,274                         | 49,792       | (21,950)     | 35,780       | 5,644        |
| 11                                    | Wastewater Unrestricted Interest Income  | 68,075                          | 37,236       | (6,534)      | 35,885       | 9,538        |
| 12                                    | Total Unrestricted Interest Income   | \$249,581                       | \$130,133    | (\$41,177)   | \$122,386    | \$15,795     |
| 13                                    | Transfers (To) / From Rate Stabilization Fund  | 0                               | 0            | 0            | 0            | 0            |
| 14                                    | Total Gross Revenues   | \$26,946,494                    | \$24,685,141 | \$25,611,734 | \$25,655,504 | \$23,673,458 |
| Cost of Operation and Maintenance [5] |  |                                 |              |              |              |              |
| 15                                    | Gas System Cost of Operation and Maintenance   | \$7,759,572                     | \$5,701,388  | \$6,191,350  | \$5,425,148  | \$4,472,120  |
| 16                                    | Water System Cost of Operation and Maintenance   | 4,958,255                       | 4,878,889    | 4,417,454    | 4,367,288    | 3,964,975    |
| 17                                    | Wastewater System Cost of Operation and Maintenance  | 6,304,881                       | 6,054,112    | 5,977,046    | 5,858,649    | 5,945,334    |
| 18                                    | Total Cost of Operation and Maintenance  | \$19,022,708                    | \$16,634,389 | \$16,585,850 | \$15,651,085 | \$14,382,429 |
| 19                                    | Operating Ratio  | 71%                             | 67%          | 65%          | 61%          | 61%          |
| 20                                    | Net Revenues Available for Debt Service  | \$7,923,786                     | \$8,050,752  | \$9,025,884  | \$10,004,419 | \$9,291,029  |
| 21                                    | Operating Margin   | 29%                             | 33%          | 35%          | 39%          | 39%          |
| Available Capacity Charges [6]        |  |                                 |              |              |              |              |
| 22                                    | Water Capacity Charges   | \$283,029                       | \$234,658    | \$87,015     | \$33,048     | \$17,790     |
| 23                                    | Wastewater Capacity Charges  | 340,725                         | 353,601      | 353,518      | 85,275       | 37,233       |
| 24                                    | Total Available Capacity Charges   | \$623,754                       | \$588,259    | \$440,533    | \$118,323    | \$55,023     |
| 25                                    | Net Revenues and Available Capacity Charges (Pledged Revenues)   | \$8,547,540                     | \$8,639,011  | \$9,466,417  | \$10,122,743 | \$9,346,052  |
| Outstanding Bonds [7]                 |  |                                 |              |              |              |              |
| 26                                    | Utility System Revenue Bonds, Series 2004  | \$1,522,914                     | \$1,524,114  | \$1,523,914  | \$1,522,254  | \$1,519,074  |
| 27                                    | Utility System Revenue Bonds, Series 2007A   | 535,437                         | 1,354,044    | 1,351,444    | 1,353,444    | 1,359,844    |
| 28                                    | Taxable Utility System Revenue Bonds, Series 2007B   | 32,532                          | 78,130       | 82,245       | 81,065       | 79,885       |
| 29                                    | Separate Utility System Revenue Bond Anticipation Note (Plantation Acquisition Project), Series 2006 [8] | 240,000                         | 240,000      | 300,000      | 0            | 0            |
| 30                                    | Utility System Refunding Revenue Note, Series 2010   | 0                               | 0            | 81,011       | 357,615      | 360,690      |
| 31                                    | Total Bond Service Requirement on Outstanding Bonds  | \$2,330,882                     | \$3,196,288  | \$3,338,614  | \$3,314,378  | \$3,319,493  |
| <b>Coverage Test (A) [9]</b>          |  |                                 |              |              |              |              |
| 32                                    | Net Revenues Available for Debt Service  | \$7,923,786                     | \$8,050,752  | \$9,025,884  | \$10,004,419 | \$9,291,029  |
| 33                                    | Total Bond Service Requirement on Outstanding Bonds  | \$2,330,882                     | \$3,196,288  | \$3,338,614  | \$3,314,378  | \$3,319,493  |
| 34                                    | Debt Service Coverage (115% Required)  | 340%                            | 252%         | 270%         | 302%         | 280%         |

**OR**

Table 15

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Summary of Historical System Operating Results and Debt Service Coverage [1]

| Line No.   | Description  | Fiscal Year Ended September 30, |             |             |              |             |
|--|--|---------------------------------|-------------|-------------|--------------|-------------|
|  |  | 2008                            | 2009        | 2010        | 2011         | 2012        |
| <b>Coverage Test (B) [9]</b>   |  |                                 |             |             |              |             |
| <u>Coverage Test (B)(i)</u>  |  |                                 |             |             |              |             |
| 35   | Net Revenues Available for Debt Service                        | \$7,923,786                     | \$8,050,752 | \$9,025,884 | \$10,004,419 | \$9,291,029 |
| 36   | Total Bond Service Requirement on Outstanding Bonds            | \$2,330,882                     | \$3,196,288 | \$3,338,614 | \$3,314,378  | \$3,319,493 |
| 37   | Debt Service Coverage (100% Required)                          | 340%                            | 252%        | 270%        | 302%         | 280%        |
| AND  |  |                                 |             |             |              |             |
| <u>Coverage Test (B)(ii)</u>   |  |                                 |             |             |              |             |
| 38   | Net Revenues and Available Capacity Charges (Pledged Revenues) | \$8,547,540                     | \$8,639,011 | \$9,466,417 | \$10,122,743 | \$9,346,052 |
| 39   | Total Bond Service Requirement on Outstanding Bonds            | \$2,330,882                     | \$3,196,288 | \$3,338,614 | \$3,314,378  | \$3,319,493 |
| 40   | Debt Service Coverage (125% Required)                          | 367%                            | 270%        | 284%        | 305%         | 282%        |
| Required Transfers per Bond Resolution   |  |                                 |             |             |              |             |
| 41   | Reserve Fund Deposit Requirement [10]                          | \$0                             | \$0         | \$0         | \$0          | \$0         |
| 42   | Total Required Transfers                                       | \$0                             | \$0         | \$0         | \$0          | \$0         |
| Amounts Available for Other City Purposes After Payment of Bond Service Requirement and Required Transfers |  |                                 |             |             |              |             |
| 43   | Available Revenues Only  | \$5,592,904                     | \$4,854,464 | \$5,687,270 | \$6,690,042  | \$5,971,537 |
| 44   | Available Revenues and Capacity Charges                        | 6,216,658                       | 5,442,724   | 6,127,803   | 6,808,365    | 6,026,560   |
| Other Transfers  |  |                                 |             |             |              |             |
| 45   | Transfers to General Fund                                      | \$2,608,633                     | \$2,414,550 | \$2,088,049 | \$2,599,768  | \$2,292,906 |
| 46   | Transfer of Outside-City Public Service Tax to General Fun     | 299,916                         | 421,358     | 483,579     | 466,531      | 407,172     |
| 47   | Total Other Transfers  | \$2,908,549                     | \$2,835,908 | \$2,571,628 | \$3,066,299  | \$2,700,078 |
| Amounts Available for Other System Purposes After Other Transfers [11]                                     |  |                                 |             |             |              |             |
| 48   | Available Revenues Only  | \$2,684,355                     | \$2,018,556 | \$3,115,642 | \$3,623,743  | \$3,271,459 |
| 49   | Available Revenues and Capacity Charges                        | 3,308,109                       | 2,606,816   | 3,556,175   | 3,742,066    | 3,326,482   |

Footnotes:

- [1] Amounts shown are based on information in the CAFR for each respective Fiscal Year and other financial information provided by the City. Numbers may not add due to rounding.
- [2] Amounts shown include rate revenues derived from the historical application of an annual inflationary index and, with respect to rates for the Gas System, period purchased gas adjustments.
- [3] Amounts shown include late payment fees and other miscellaneous revenues. Other revenues for Fiscal Years 2011 and 2012 were adjusted from what is reported in the CAFR for such Fiscal Years to subtract Capacity Charges accounted for in this line item, summarized as follows:

|  | Fiscal Year Ended September 30, |           |           |           |           |
|--|---------------------------------|-----------|-----------|-----------|-----------|
|  | 2008                            | 2009      | 2010      | 2011      | 2012      |
| <u>Water System</u>                        |                                 |           |           |           |           |
| Other Operating Revenue Recognized in CAFR | \$174,267                       | \$167,616 | \$170,417 | \$227,332 | \$193,014 |
| Less Water Capacity Charges                | N/A                             | N/A       | N/A       | (27,152)  | (17,469)  |
| Recognized Other Operating Revenue         | \$174,267                       | \$167,616 | \$170,417 | \$200,180 | \$175,545 |
| <u>Wastewater System</u>                   |                                 |           |           |           |           |
| Other Operating Revenue Recognized in CAFR | \$219,680                       | \$181,000 | \$147,953 | \$214,897 | \$175,611 |
| Less Water Capacity Charges                | N/A                             | N/A       | N/A       | (61,805)  | (30,927)  |
| Recognized Other Operating Revenue         | \$219,680                       | \$181,000 | \$147,953 | \$153,092 | \$144,684 |

Table 15

**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Historical System Operating Results and Debt Service Coverage [1]**

Footnotes (continued):

- [4] Amounts shown include all interest income reported in the CAFR for each respective Fiscal Year that is considered to be a component of Gross Revenues in accordance with the Bond Resolution. With respect to the fair market value adjustment to interest income as required by GASB 31 to report investments at fair market value, such adjustments have not been recognized in order to report realized earnings received by the City and not any unrealized gains or losses on investments held by the City. Amounts derived as follows:

|  | Fiscal Year Ended September 30, |                 |                   |                 |                 |
|--|---------------------------------|-----------------|-------------------|-----------------|-----------------|
|  | 2008                            | 2009            | 2010              | 2011            | 2012            |
| <u>Gas System</u>                          |                                 |                 |                   |                 |                 |
| Investment Income Recognized in CAFR       | \$79,207                        | \$55,171        | (\$22,990)        | \$47,765        | \$19,654        |
| Fair Market Value Adjustments              | (975)                           | (12,066)        | 10,297            | 2,956           | (19,040)        |
| Less Interest Earnings on Bond Funds       | 0                               | 0               | 0                 | 0               | 0               |
| Recognized Interest Income                 | <u>\$78,232</u>                 | <u>\$43,105</u> | <u>(\$12,693)</u> | <u>\$50,721</u> | <u>\$614</u>    |
| <u>Water System</u>                        |                                 |                 |                   |                 |                 |
| Investment Income Recognized in CAFR       | \$111,145                       | \$92,393        | (\$33,399)        | \$39,719        | \$23,451        |
| Fair Market Value Adjustments              | (4,687)                         | (37,590)        | 23,660            | 1,957           | (17,486)        |
| Recognized Interest Income                 | <u>\$106,458</u>                | <u>\$54,803</u> | <u>(\$9,739)</u>  | <u>\$41,676</u> | <u>\$5,965</u>  |
| Unrestricted Portion                       | 103,274                         | 49,792          | (21,950)          | 35,780          | 5,644           |
| Water Capacity Charge Interest Income      | 3,184                           | 5,011           | 12,211            | 5,896           | 321             |
| <u>Wastewater System</u>                   |                                 |                 |                   |                 |                 |
| Investment Income Recognized in CAFR       | \$78,533                        | \$50,445        | \$70,614          | \$58,254        | \$27,109        |
| Fair Market Value Adjustments              | (3,030)                         | (3,624)         | 7,731             | 1,101           | (11,265)        |
| Recognized Interest Income                 | <u>\$75,503</u>                 | <u>\$46,821</u> | <u>\$78,345</u>   | <u>\$59,355</u> | <u>\$15,844</u> |
| Unrestricted Portion                       | 68,075                          | 37,236          | (6,534)           | 35,885          | 9,538           |
| Wastewater Capacity Charge Interest Income | 7,428                           | 9,585           | 84,879            | 23,470          | 6,306           |

- [5] Amounts shown do not include depreciation and amortization expenses, which are non-cash expenses and are not considered as a Cost of Operation and Maintenance as defined in the Bond Resolution.
- [6] Generally, under Florida law, Capacity Charges may be validly imposed against new construction or development in order to fund capital improvements or capacity that are necessitated by such new construction or development to satisfy debt service for the bonds or other obligations issued for such purposes. Proceeds of such Capacity Charges may be used only for the capital improvements or capacity attributable to the new construction or development or to pay associated debt service. The Available Capacity Charge amounts were derived as follows:

|   | Fiscal Year Ended September 30, |                  |                  |                 |                 |
|---|---------------------------------|------------------|------------------|-----------------|-----------------|
|   | 2008                            | 2009             | 2010             | 2011            | 2012            |
| <u>Total Water System Capacity Charges</u>      |                                 |                  |                  |                 |                 |
| Water Capacity Charges Collected                | \$482,773                       | \$229,647        | \$74,804         | \$27,152        | \$17,469        |
| Interest Income on                              |                                 |                  |                  |                 |                 |
| Water Capacity Charge Fund Balance              | 3,184                           | 5,011            | 12,211           | 5,896           | 321             |
| Total Amount Recognized                         | <u>\$485,957</u>                | <u>\$234,658</u> | <u>\$87,015</u>  | <u>\$33,048</u> | <u>\$17,790</u> |
| <u>Total Wastewater System Capacity Charges</u> |                                 |                  |                  |                 |                 |
| Wastewater Capacity Charges Collected           | \$1,111,281                     | \$534,545        | \$292,407        | \$61,805        | \$30,927        |
| Interest Income on                              |                                 |                  |                  |                 |                 |
| Wastewater Capacity Charge Fund Balance         | 7,428                           | 9,585            | 84,879           | 23,470          | 6,306           |
| Total Amount Recognized                         | <u>\$1,118,709</u>              | <u>\$544,130</u> | <u>\$377,286</u> | <u>\$85,275</u> | <u>\$37,233</u> |
| <u>Available Water System Capacity Charges</u>  |                                 |                  |                  |                 |                 |
| <u>Series 2004 Bonds:</u>                       |                                 |                  |                  |                 |                 |
| Series 2004 Bonds Debt Service                  | \$1,522,914                     | \$1,524,114      | \$1,523,914      | \$1,522,254     | \$1,519,074     |
| Percentage Allocable to Water System            | 34.89%                          | 34.89%           | 34.89%           | 34.89%          | 34.89%          |
| Series 2004 Bonds Debt Service - Water System   | \$531,314                       | \$531,733        | \$531,663        | \$531,084       | \$529,974       |
| Water System Expansion Percentage for           |                                 |                  |                  |                 |                 |
| Series 2004 Bonds (Estimated by City)           | 36.08%                          | 36.08%           | 36.08%           | 36.08%          | 36.08%          |
| Expansion-Related Debt Service on               |                                 |                  |                  |                 |                 |
| Series 2004 Bonds - Water System                | \$191,687                       | \$191,838        | \$191,813        | \$191,604       | \$191,204       |

**Table 15**  
**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Historical System Operating Results and Debt Service Coverage [1]**

Footnotes (continued):

|  |           |             |             |             |             |
|--|-----------|-------------|-------------|-------------|-------------|
| <i>Series 2007A Bonds:</i>   |           |             |             |             |             |
| Series 2007A Bonds Debt Service  | \$535,437 | \$1,354,044 | \$1,351,444 | \$1,353,444 | \$1,359,844 |
| Percentage Allocable to Water System   | 64.86%    | 64.86%      | 64.86%      | 64.86%      | 64.86%      |
| Series 2007A Bonds Debt Service - Water System                               | \$347,284 | \$878,233   | \$876,546   | \$877,844   | \$881,995   |
| Water System Expansion Percentage for Series 2007A Bonds (Estimated by City) | 26.30%    | 26.30%      | 26.30%      | 26.30%      | 26.30%      |
| Expansion-Related Debt Service on Series 2007A Bonds - Water System          | \$91,342  | \$230,992   | \$230,548   | \$230,889   | \$231,981   |
| Total Expansion-Related Debt Service - Water System                          | \$283,029 | \$422,830   | \$422,361   | \$422,493   | \$423,185   |
| Available Capacity Charges - Water System [*]                                | \$283,029 | \$234,658   | \$87,015    | \$33,048    | \$17,790    |

[\*] Reflects minimum of: i) Total Water System Capacity Charges; and ii) Total Expansion-Related Debt Service - Water System.

The City considers that 0% of the Water System debt service for the Series 2007B Bonds and the Series 2010 Bonds is expansion-related.

Available Wastewater System Capacity Charges

|   |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|
| <i>Series 2004 Bonds:</i>   |             |             |             |             |             |
| Series 2004 Bonds Debt Service  | \$1,522,914 | \$1,524,114 | \$1,523,914 | \$1,522,254 | \$1,519,074 |
| Percentage Allocable to Wastewater System   | 48.34%      | 48.34%      | 48.34%      | 48.34%      | 48.34%      |
| Series 2004 Bonds Debt Service - Wastewater System                                | \$736,170   | \$736,750   | \$736,654   | \$735,851   | \$734,314   |
| Wastewater System Expansion Percentage for Series 2004 Bonds (Estimated by City)  | 45.16%      | 45.16%      | 45.16%      | 45.16%      | 45.16%      |
| Expansion-Related Debt Service on Series 2004 Bonds - Wastewater System           | \$332,474   | \$332,736   | \$332,692   | \$332,330   | \$331,635   |
| <i>Series 2007A Bonds:</i>  |             |             |             |             |             |
| Series 2007A Bonds Debt Service   | \$535,437   | \$1,354,044 | \$1,351,444 | \$1,353,444 | \$1,359,844 |
| Percentage Allocable to Wastewater System   | 23.82%      | 23.82%      | 23.82%      | 23.82%      | 23.82%      |
| Series 2007A Bonds Debt Service - Wastewater System                               | \$127,541   | \$322,533   | \$321,914   | \$322,390   | \$323,915   |
| Wastewater System Expansion Percentage for Series 2007A Bonds (Estimated by City) | 6.47%       | 6.47%       | 6.47%       | 6.47%       | 6.47%       |
| Expansion-Related Debt Service on Series 2007A Bonds - Wastewater System          | \$8,251     | \$20,866    | \$20,826    | \$20,856    | \$20,955    |
| Total Expansion-Related Debt Service - Wastewater System                          | \$340,725   | \$353,601   | \$353,518   | \$353,186   | \$352,590   |
| Available Capacity Charges - Wastewater System [*]                                | \$340,725   | \$353,601   | \$353,518   | \$85,275    | \$37,233    |

[\*] Reflects minimum of: i) Total Wastewater System Capacity Charges; and ii) Total Expansion-Related Debt Service - Wastewater System.

The City considers that 0% of the Wastewater System debt service for the Series 2007B Bonds and the Series 2010 Bonds is expansion-related.

- [7] The Outstanding Bonds include all Bonds issued pursuant to the Bond Resolution (on parity) that were outstanding during each respective Fiscal Year. Reference is made to the rate covenant as more fully described in Section 11.05 of the Bond Resolution (referred to as the "Rate Covenant").
- [8] The Series 2006 Note funded the City's acquisition of the Plantation subdivision. During the Fiscal Years 2008 and 2009, the Plantation system was a Separately Financed Project under the Bond Resolution. After the Series 2006 Note was refinanced by the Series 2010 Bonds, the Plantation system became part of the System. For purposes of presenting the historical operating results and debt service coverage, the Plantation system's revenues, expenditures and debt service are combined with the rest of the System's for all years of the Historical Period.
- [9] Reference the Bond Resolution for a description of the debt service coverage tests.
- [10] No deposits were required to be made to the Reserve Fund since such fund is either fully funded from the proceeds of such bonds or secured by a Reserve Product and therefore no additional transfers would be required.
- [11] Represents amounts available for other System purposes including the funding of capital improvements and working capital.

Table 16

**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Projected System Operating Results and Debt Service Coverage [1]**

| Line No. | Description  | Fiscal Year Ending September 30, |                     |                     |                     |                     |                     |
|----------|--|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|          |  | 2013<br>(estimated)              | 2014                | 2015                | 2016                | 2017                | 2018                |
|          | <b>Charges for Service [2]</b>   |                                  |                     |                     |                     |                     |                     |
| 1        | Gas Charges for Service  | \$7,492,376                      | \$7,748,677         | \$8,030,875         | \$8,329,181         | \$8,641,666         | \$8,981,896         |
| 2        | Water Charges for Service  | 7,193,864                        | 7,324,040           | 7,479,293           | 7,644,562           | 7,814,240           | 7,987,674           |
| 3        | Wastewater Charges for Service   | 9,709,327                        | 9,906,770           | 10,124,223          | 10,355,537          | 10,593,139          | 10,836,154          |
| 4        | <b>Total Charges for Service</b>   | <b>\$24,395,567</b>              | <b>\$24,979,487</b> | <b>\$25,634,391</b> | <b>\$26,329,280</b> | <b>\$27,049,046</b> | <b>\$27,805,724</b> |
|          | <b>Other Operating Revenues [3]</b>  |                                  |                     |                     |                     |                     |                     |
| 5        | Gas Other Operating Revenue  | \$135,544                        | \$135,544           | \$135,544           | \$135,544           | \$135,544           | \$135,544           |
| 6        | Water Other Operating Revenue  | 155,430                          | 155,430             | 155,430             | 155,430             | 155,430             | 155,430             |
| 7        | Wastewater Other Operating Revenue   | 148,730                          | 148,730             | 148,730             | 148,730             | 148,730             | 148,730             |
| 8        | <b>Total Other Operating Revenues</b>  | <b>\$439,704</b>                 | <b>\$439,704</b>    | <b>\$439,704</b>    | <b>\$439,704</b>    | <b>\$439,704</b>    | <b>\$439,704</b>    |
|          | <b>Unrestricted Interest Income [4]</b>  |                                  |                     |                     |                     |                     |                     |
| 9        | Gas Unrestricted Interest Income   | \$8,375                          | \$19,765            | \$38,336            | \$36,466            | \$51,541            | \$48,001            |
| 10       | Water Unrestricted Interest Income   | 6,942                            | 19,464              | 40,182              | 35,885              | 48,741              | 43,692              |
| 11       | Wastewater Unrestricted Interest Income  | 6,132                            | 16,041              | 31,657              | 34,692              | 59,478              | 68,974              |
| 12       | <b>Total Unrestricted Interest Income</b>  | <b>\$21,449</b>                  | <b>\$55,271</b>     | <b>\$110,175</b>    | <b>\$107,042</b>    | <b>\$159,760</b>    | <b>\$160,668</b>    |
| 13       | Transfers (To) / From Rate Stabilization Fund  | 0                                | 0                   | 0                   | 0                   | 0                   | 0                   |
| 14       | <b>Total Gross Revenues</b>  | <b>\$25,317,874</b>              | <b>\$25,969,437</b> | <b>\$26,734,149</b> | <b>\$27,422,773</b> | <b>\$28,247,974</b> | <b>\$29,006,467</b> |
|          | <b>Cost of Operation and Maintenance [5]</b>   |                                  |                     |                     |                     |                     |                     |
| 15       | Gas System Cost of Operation and Maintenance   | \$5,372,217                      | \$5,643,698         | \$5,926,450         | \$6,221,342         | \$6,531,351         | \$6,868,183         |
| 16       | Water System Cost of Operation and Maintenance                                       | 4,259,562                        | 4,400,417           | 4,550,710           | 4,706,561           | 4,869,295           | 5,039,217           |
| 17       | Wastewater System Cost of Operation and Maintenance                                  | 6,041,480                        | 6,252,229           | 6,475,533           | 6,707,485           | 6,949,597           | 7,202,330           |
| 18       | <b>Total Cost of Operation and Maintenance</b>                                       | <b>\$15,673,258</b>              | <b>\$16,296,344</b> | <b>\$16,952,693</b> | <b>\$17,635,389</b> | <b>\$18,350,243</b> | <b>\$19,109,730</b> |
| 19       | Operating Ratio  | 62%                              | 63%                 | 63%                 | 64%                 | 65%                 | 66%                 |
| 20       | <b>Net Revenues Available for Debt Service</b>                                       | <b>\$9,644,616</b>               | <b>\$9,673,092</b>  | <b>\$9,781,456</b>  | <b>\$9,787,385</b>  | <b>\$9,897,731</b>  | <b>\$9,896,738</b>  |
| 21       | Operating Margin   | 38%                              | 37%                 | 37%                 | 36%                 | 35%                 | 34%                 |
|          | <b>Available Capacity Charges [6]</b>  |                                  |                     |                     |                     |                     |                     |
| 22       | Water Capacity Charges   | \$45                             | \$114               | \$228               | \$229               | \$345               | \$348               |
| 23       | Wastewater Capacity Charges  | 216                              | 542                 | 1,086               | 1,091               | 1,645               | 1,658               |
| 24       | <b>Total Available Capacity Charges</b>  | <b>\$262</b>                     | <b>\$655</b>        | <b>\$1,314</b>      | <b>\$1,321</b>      | <b>\$1,991</b>      | <b>\$2,006</b>      |
| 25       | <b>Net Revenues and Available Capacity Charges<br/>(Pledged Revenues)</b>            | <b>\$9,644,878</b>               | <b>\$9,673,748</b>  | <b>\$9,782,770</b>  | <b>\$9,788,705</b>  | <b>\$9,899,722</b>  | <b>\$9,898,743</b>  |
|          | <b>Outstanding and Additional Parity Bonds [7]</b>                                   |                                  |                     |                     |                     |                     |                     |
| 26       | Utility System Revenue Bonds, Series 2004  | \$0                              | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| 27       | Utility System Revenue Bonds, Series 2007A   | 1,350,444                        | 1,350,844           | 1,350,644           | 1,354,844           | 1,353,244           | 1,350,506           |
| 28       | Taxable Utility System Revenue Bonds, Series 2007B                                   | 83,705                           | 82,230              | 85,755              | 83,985              | 82,215              | 85,445              |
| 29       | Utility System Refunding Revenue Note, Series 2010                                   | 358,573                          | 826,455             | 826,243             | 825,260             | 828,508             | 825,793             |
| 30       | Utility System Revenue Refunding Bonds, Series 2013                                  | 649,981                          | 1,393,963           | 1,389,963           | 1,393,663           | 1,396,613           | 1,396,213           |
| 31       | <b>Total Bond Service Requirement on Outstanding and<br/>Additional Parity Bonds</b> | <b>\$2,442,703</b>               | <b>\$3,653,491</b>  | <b>\$3,652,604</b>  | <b>\$3,657,751</b>  | <b>\$3,660,579</b>  | <b>\$3,657,956</b>  |
| 32       | <b>Coverage Test (A) [8]</b><br>Net Revenues Available for Debt Service              | \$9,644,616                      | \$9,673,092         | \$9,781,456         | \$9,787,385         | \$9,897,731         | \$9,896,738         |
| 33       | Total Bond Service Requirement on Outstanding and<br>Additional Parity Bonds         | \$2,442,703                      | \$3,653,491         | \$3,652,604         | \$3,657,751         | \$3,660,579         | \$3,657,956         |
| 34       | Debt Service Coverage (115% Required)  | 395%                             | 265%                | 268%                | 268%                | 270%                | 271%                |
|          | <b>OR</b>  |                                  |                     |                     |                     |                     |                     |
|          | <b>Coverage Test (B) [8]</b>   |                                  |                     |                     |                     |                     |                     |
|          | <b>Coverage Test (B)(i)</b>  |                                  |                     |                     |                     |                     |                     |
| 35       | Net Revenues Available for Debt Service  | \$9,644,616                      | \$9,673,092         | \$9,781,456         | \$9,787,385         | \$9,897,731         | \$9,896,738         |
| 36       | Total Bond Service Requirement on Outstanding and<br>Additional Parity Bonds         | \$2,442,703                      | \$3,653,491         | \$3,652,604         | \$3,657,751         | \$3,660,579         | \$3,657,956         |
| 37       | Debt Service Coverage (100% Required)  | 395%                             | 265%                | 268%                | 268%                | 270%                | 271%                |
|          | <b>AND</b>   |                                  |                     |                     |                     |                     |                     |
|          | <b>Coverage Test (B)(ii)</b>   |                                  |                     |                     |                     |                     |                     |
| 38       | Net Revenues and Available Capacity Charges<br>(Pledged Revenues)                    | \$9,644,878                      | \$9,673,748         | \$9,782,770         | \$9,788,705         | \$9,899,722         | \$9,898,743         |
| 39       | Total Bond Service Requirement on Outstanding and<br>Additional Parity Bonds         | \$2,442,703                      | \$3,653,491         | \$3,652,604         | \$3,657,751         | \$3,660,579         | \$3,657,956         |
| 40       | Debt Service Coverage (125% Required)  | 395%                             | 265%                | 268%                | 268%                | 270%                | 271%                |

Table 16

**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Projected System Operating Results and Debt Service Coverage [1]**

| Line No. | Description  | Fiscal Year Ending September 30, |             |             |             |             |             |
|----------|--|----------------------------------|-------------|-------------|-------------|-------------|-------------|
|          |  | 2013<br>(estimated)              | 2014        | 2015        | 2016        | 2017        | 2018        |
|          | Required Transfers per Bond Resolution   |                                  |             |             |             |             |             |
| 41       | Reserve Fund Deposit Requirement [9]   | \$0                              | \$0         | \$0         | \$0         | \$0         | \$0         |
| 42       | Total Required Transfers   | \$0                              | \$0         | \$0         | \$0         | \$0         | \$0         |
|          | Amounts Available for Other City Purposes After Payment of Bond Service Requirement and Required Transfers |                                  |             |             |             |             |             |
| 43       | Available Revenues Only  | \$7,201,913                      | \$6,019,601 | \$6,128,852 | \$6,129,633 | \$6,237,152 | \$6,238,781 |
| 44       | Available Revenues and Capacity Charges  | 7,202,175                        | 6,020,256   | 6,130,166   | 6,130,954   | 6,239,143   | 6,240,787   |
|          | Other Transfers [10]   |                                  |             |             |             |             |             |
| 45       | Transfers to General Fund  | \$2,219,145                      | \$2,272,454 | \$2,332,199 | \$2,395,574 | \$2,461,271 | \$2,530,519 |
| 46       | Transfer of Outside-City Public Service Tax to General Fund  | 426,397                          | 435,591     | 446,253     | 457,579     | 469,297     | 481,586     |
| 47       | Transfer - Magnolia Townhome Debt Service  | 966,820                          | 966,820     | 966,820     | 966,820     | 966,820     | 0           |
| 48       | Transfer - General Fund Capital Projects   | 478,800                          | 0           | 0           | 0           | 0           | 0           |
| 49       | Total Other Transfers  | \$4,091,162                      | \$3,674,865 | \$3,745,272 | \$3,819,973 | \$3,897,388 | \$3,012,104 |
|          | Amounts Available for Other System Purposes After Other Transfers [11]                                     |                                  |             |             |             |             |             |
| 50       | Available Revenues Only  | \$3,110,751                      | \$2,344,736 | \$2,383,580 | \$2,309,660 | \$2,339,764 | \$3,226,677 |
| 51       | Available Revenues and Capacity Charges  | 3,111,013                        | 2,345,391   | 2,384,894   | 2,310,981   | 2,341,755   | 3,228,683   |

## Footnotes:

- [1] Numbers may not add due to rounding.
- [2] Amounts shown include additional rate revenues derived from the application of projected rate adjustments, including purchased gas adjustments.
- [3] Amounts shown include late payment fees and other miscellaneous revenues.
- [4] Amounts shown do not include interest income earned on balances in the Construction Funds relating to the Bonds and Capacity Charge funds, if any, which are restricted to such accounts pursuant to the Bond Resolution.
- [5] Amounts shown do not include depreciation and amortization expenses, which are non-cash expenses and are not considered as a Cost of Operation and Maintenance as defined in the Bond Resolution. The Gas System Cost of Operation and Maintenance is derived from Table 17, while the Costs of Operation and Maintenance for the Water System and Wastewater System are derived from Table 18 and Table 19, respectively.
- [6] For purposes of developing the financial forecast, it was assumed that the existing Capacity Charge waiver would remain in effect for the duration of the Forecast Period. Generally, under Florida law, Capacity Charges may be validly imposed against new construction or development in order to fund capital improvements or capacity that are necessitated by such new construction or development to satisfy debt service for the bonds or other obligations issued for such purposes. Proceeds of such Capacity Charges may be used only for the capital improvements or capacity attributable to the new construction or development or to pay associated debt service. Amounts shown derived as follows:

|   | Fiscal Year Ending September 30, |       |         |         |         |         |
|---|----------------------------------|-------|---------|---------|---------|---------|
|   | 2013                             | 2014  | 2015    | 2016    | 2017    | 2018    |
| <u>Water System</u>                                 |                                  |       |         |         |         |         |
| Projected Water Capacity Charges Collected [*]      | \$0                              | \$0   | \$0     | \$0     | \$0     | \$0     |
| Projected Interest Income on                        |                                  |       |         |         |         |         |
| Water Capacity Charge Fund Balance                  | 45                               | 114   | 228     | 229     | 345     | 348     |
| Total Amount Recognized [**]                        | \$45                             | \$114 | \$228   | \$229   | \$345   | \$348   |
| <u>Wastewater System</u>                            |                                  |       |         |         |         |         |
| Projected Wastewater Capacity Charges Collected [*] | \$0                              | \$0   | \$0     | \$0     | \$0     | \$0     |
| Projected Interest Income on                        |                                  |       |         |         |         |         |
| Wastewater Capacity Charge Fund Balance             | 216                              | 542   | 1,086   | 1,091   | 1,645   | 1,658   |
| Total Amount Recognized [**]                        | \$216                            | \$542 | \$1,086 | \$1,091 | \$1,645 | \$1,658 |

[\*] The City has suspended the collection of Capacity Charges up to a specified amount per project as of the date of this report. To be conservative, it was assumed that the existing Capacity Charge waiver would remain effective during the Forecast Period.

[\*\*] Since the amounts recognized are lower than the expansion-related debt service for each year of the Forecast Period, such amounts are also the Available Capacity Charges.

- [7] Amounts shown include all anticipated Bonds to be issued pursuant to the Bond Resolution (on parity) and to be outstanding during each respective Fiscal Year.
- [8] Reference the Bond Resolution for a description of the debt service coverage tests.
- [9] No deposits are required to be made to the Reserve Fund since such fund is either fully funded from the proceeds of such bonds or secured by a Reserve Product and therefore no additional transfers would be required.
- [10] Represents transfers to the City's General Fund that are policy decisions of the City.
- [11] Represents amounts available for other System purposes including the funding of capital improvements and working capital.

Table 17

City of Leesburg, Florida  
Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Projection of Cost of Operation and Maintenance for Gas System

| Line No.                  | Description                            | Escalation Reference | Fiscal Year Ending September 30, |             |               |             |             |             |             |             |
|---------------------------|--|----------------------|----------------------------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|
|                           |  |                      | Budgeted 2013                    | Adjustments | Adjusted 2013 | 2014        | 2015        | 2016        | 2017        | 2018        |
| <b>GAS SYSTEM</b>         |  |                      |                                  |             |               |             |             |             |             |             |
| <b>Gas Purchases</b>      |  |                      |                                  |             |               |             |             |             |             |             |
| <u>Operating Expenses</u> |  |                      |                                  |             |               |             |             |             |             |             |
| 1                         | Gas Purchases                          | Calculated           | \$2,576,462                      | \$0         | \$2,576,462   | \$2,722,164 | \$2,875,761 | \$3,037,670 | \$3,208,799 | \$3,394,112 |
|                           | Total Operating Expenses               |                      | \$2,576,462                      | \$0         | \$2,576,462   | \$2,722,164 | \$2,875,761 | \$3,037,670 | \$3,208,799 | \$3,394,112 |
| 2                         | <b>Total Gas Purchases</b>             |                      | \$2,576,462                      | \$0         | \$2,576,462   | \$2,722,164 | \$2,875,761 | \$3,037,670 | \$3,208,799 | \$3,394,112 |
| <b>Administration</b>     |  |                      |                                  |             |               |             |             |             |             |             |
| <u>Personal Services</u>  |  |                      |                                  |             |               |             |             |             |             |             |
| 3                         | Regular Salaries and Wages             | GLabor               | \$165,942                        | \$8,297     | \$174,239     | \$182,951   | \$192,099   | \$201,704   | \$211,789   | \$222,378   |
| 4                         | Additional Personnel                   | Calculated           | 0                                | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| 5                         | FICA                                   | GLabor               | 12,372                           | 0           | 12,372        | 12,991      | 13,640      | 14,322      | 15,038      | 15,790      |
| 6                         | Retirement                             | GLabor               | 22,999                           | 0           | 22,999        | 24,149      | 25,356      | 26,624      | 27,955      | 29,353      |
| 7                         | Insurance                              | HealthIns            | 35,727                           | 0           | 35,727        | 37,513      | 39,389      | 41,358      | 43,426      | 45,598      |
| 8                         | Workers' Compensator                   | GLabor               | 465                              | 0           | 465           | 488         | 513         | 538         | 565         | 593         |
| 9                         | Allocated Labor Expense                | Eliminate            | (6,764)                          | 0           | (6,764)       | 0           | 0           | 0           | 0           | 0           |
| 10                        | <b>Total Personal Services</b>         |                      | \$230,741                        | \$8,297     | \$239,038     | \$258,092   | \$270,997   | \$284,547   | \$298,774   | \$313,713   |
| <u>Operating Expenses</u> |  |                      |                                  |             |               |             |             |             |             |             |
| 11                        | Professional Services                  | Inflation            | \$17,000                         | \$0         | \$17,000      | \$17,289    | \$17,652    | \$18,023    | \$18,419    | \$18,843    |
| 12                        | Inter Dept Contract Oblig              | GLabor               | 22,188                           | 0           | 22,188        | 23,297      | 24,462      | 25,685      | 26,970      | 28,318      |
| 13                        | Travel                                 | Inflation            | 3,000                            | (1,000)     | 2,000         | 2,034       | 2,077       | 2,120       | 2,167       | 2,217       |
| 14                        | Postage                                | Inflation            | 1,600                            | 0           | 1,600         | 1,627       | 1,661       | 1,696       | 1,734       | 1,773       |
| 15                        | Insurance                              | Insurance            | 24,358                           | 0           | 24,358        | 25,576      | 26,855      | 28,197      | 29,607      | 31,088      |
| 16                        | Repairs and Maintenance - Vehicle      | Repair               | 200                              | 0           | 200           | 208         | 216         | 225         | 234         | 243         |
| 17                        | Repairs and Maintenance - Equipment    | Repair               | 5,810                            | 0           | 5,810         | 6,042       | 6,284       | 6,535       | 6,797       | 7,069       |
| 18                        | Printing and Binding                   | Inflation            | 100                              | 0           | 100           | 102         | 104         | 106         | 108         | 111         |
| 19                        | Promotional Activities                 | Input                | 45,500                           | (33,500)    | 12,000        | 15,000      | 20,000      | 23,000      | 25,000      | 30,000      |
| 20                        | Advertising                            | Inflation            | 700                              | 0           | 700           | 712         | 727         | 742         | 758         | 776         |
| 21                        | General Administrative                 | GenAdmin             | 253,498                          | 0           | 253,498       | 263,638     | 274,183     | 285,151     | 296,557     | 308,419     |
| 22                        | Regulatory Assessments                 | Inflation            | 17,500                           | 0           | 17,500        | 17,798      | 18,171      | 18,553      | 18,961      | 19,397      |
| 23                        | Taxes                                  | Calculated           | 181,970                          | 771         | 182,741       | 188,992     | 195,875     | 203,151     | 210,772     | 219,071     |
| 24                        | Franchise Fees                         | GRevenue             | 20,358                           | (1,045)     | 19,313        | 19,747      | 20,253      | 20,788      | 21,344      | 21,952      |
| 25                        | Minor Furniture and Equipment          | Inflation            | 400                              | 0           | 400           | 407         | 415         | 424         | 433         | 443         |
| 26                        | Operating Supplies                     | Inflation            | 500                              | 0           | 500           | 509         | 519         | 530         | 542         | 554         |
| 27                        | Allocated Material Expense             | Constant             | (7,944)                          | 3,444       | (4,500)       | (4,500)     | (4,500)     | (4,500)     | (4,500)     | (4,500)     |
| 28                        | Publications and Memberships           | GInf/Emp             | 32,000                           | 0           | 32,000        | 32,544      | 33,227      | 33,925      | 34,672      | 35,469      |
| 29                        | Training                               | GInf/Emp             | 1,000                            | 0           | 1,000         | 1,017       | 1,038       | 1,060       | 1,083       | 1,108       |
| 30                        | Local Contribution:                    | Constant             | 166,442                          | 0           | 166,442       | 166,442     | 166,442     | 166,442     | 166,442     | 166,442     |
| 31                        | <b>Total Operating Expenses</b>        |                      | \$786,180                        | (\$31,330)  | \$754,850     | \$778,481   | \$805,663   | \$831,855   | \$858,101   | \$888,794   |
| 32                        | <b>Total Administration</b>            |                      | \$1,016,921                      | (\$23,033)  | \$993,888     | \$1,036,573 | \$1,076,660 | \$1,116,402 | \$1,156,875 | \$1,202,507 |
| <b>Distribution</b>       |  |                      |                                  |             |               |             |             |             |             |             |
| <u>Personal Services</u>  |  |                      |                                  |             |               |             |             |             |             |             |
| 33                        | Regular Salaries and Wages             | GLabor               | \$733,925                        | \$36,696    | \$770,621     | \$809,152   | \$849,610   | \$892,090   | \$936,695   | \$983,530   |
| 34                        | Additional Personnel                   | Calculated           | 0                                | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| 35                        | Overtime                               | GLabor               | 25,000                           | 0           | 25,000        | 26,250      | 27,563      | 28,941      | 30,388      | 31,907      |
| 36                        | Bonuses and Incentives                 | GLabor               | 0                                | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| 37                        | Vacation/Terms and Buyouts             | GLabor               | 0                                | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| 38                        | FICA                                   | GLabor               | 52,798                           | 0           | 52,798        | 55,438      | 58,210      | 61,120      | 64,176      | 67,385      |
| 39                        | Retirement                             | GLabor               | 92,405                           | 0           | 92,405        | 97,025      | 101,877     | 106,970     | 112,319     | 117,935     |
| 40                        | Insurance                              | HealthIns            | 181,113                          | 0           | 181,113       | 190,169     | 199,677     | 209,661     | 220,144     | 231,151     |
| 41                        | Workers' Compensator                   | GLabor               | 15,880                           | 0           | 15,880        | 16,674      | 17,508      | 18,383      | 19,302      | 20,267      |
| 42                        | Other Payroll Benefits                 | GLabor               | 3,836                            | 0           | 3,836         | 4,028       | 4,229       | 4,443       | 4,663       | 4,896       |
| 43                        | <b>Total Personal Services</b>         |                      | \$1,104,957                      | \$36,696    | \$1,141,653   | \$1,198,736 | \$1,258,673 | \$1,321,606 | \$1,387,687 | \$1,457,071 |
| <u>Operating Expenses</u> |  |                      |                                  |             |               |             |             |             |             |             |
| 44                        | Contract Services                      | Inflation            | \$0                              | \$0         | \$0           | \$0         | \$0         | \$0         | \$0         | \$0         |
| 45                        | Travel                                 | Inflation            | 2,000                            | 0           | 2,000         | 2,034       | 2,077       | 2,120       | 2,167       | 2,217       |
| 46                        | Communication                          | Inflation            | 12,000                           | 0           | 12,000        | 12,204      | 12,460      | 12,722      | 13,002      | 13,301      |
| 47                        | Postage                                | Inflation            | 500                              | 0           | 500           | 509         | 519         | 530         | 542         | 554         |
| 48                        | Utilities                              | Dist-G               | 28,000                           | 0           | 28,000        | 29,442      | 30,954      | 32,541      | 34,209      | 36,012      |
| 49                        | Rentals                                | Inflation            | 2,000                            | 0           | 2,000         | 2,034       | 2,077       | 2,120       | 2,167       | 2,217       |
| 50                        | Internal Fleet Lease                   | Repair               | 96,089                           | 0           | 96,089        | 99,933      | 103,930     | 108,087     | 112,411     | 116,907     |
| 51                        | Allocated Equipment Renta              | Constant             | (14,285)                         | (10,715)    | (25,000)      | (25,000)    | (25,000)    | (25,000)    | (25,000)    | (25,000)    |
| 52                        | Insurance                              | Insurance            | 8,543                            | 0           | 8,543         | 8,970       | 9,419       | 9,890       | 10,384      | 10,903      |
| 53                        | Repairs and Maintenance - Vehicle      | Repair               | 57,180                           | 0           | 57,180        | 59,467      | 61,846      | 64,320      | 66,893      | 69,568      |
| 54                        | Repairs and Maintenance - Buildings    | Repair               | 500                              | 0           | 500           | 520         | 541         | 562         | 585         | 608         |
| 55                        | Repairs and Maintenance - Non-Building | Repair               | 200                              | 0           | 200           | 208         | 216         | 225         | 234         | 243         |
| 56                        | Repairs and Maintenance - Equipment    | Repair               | 2,140                            | 0           | 2,140         | 2,226       | 2,315       | 2,407       | 2,503       | 2,604       |
| 57                        | Printing and Binding                   | Inflation            | 6,500                            | 0           | 6,500         | 6,611       | 6,749       | 6,891       | 7,043       | 7,205       |
| 58                        | Other Current Charges                  | Inflation            | 5,600                            | 0           | 5,600         | 5,695       | 5,815       | 5,937       | 6,068       | 6,207       |
| 59                        | Minor Furniture and Equipment          | Inflation            | 23,000                           | 0           | 23,000        | 23,391      | 23,882      | 24,384      | 24,920      | 25,493      |
| 60                        | Operating Supplies                     | Inflation            | 42,000                           | 0           | 42,000        | 42,714      | 43,611      | 44,527      | 45,506      | 46,553      |
| 61                        | Uniforms                               | GInf/Emp             | 6,000                            | (1,000)     | 5,000         | 5,085       | 5,192       | 5,301       | 5,417       | 5,542       |
| 62                        | Fuel Purchases                         | Fuel                 | 47,622                           | 0           | 47,622        | 50,956      | 54,522      | 58,339      | 62,423      | 66,792      |
| 63                        | Chemicals                              | DistChem-G           | 4,000                            | (500)       | 3,500         | 3,716       | 3,944       | 4,186       | 4,443       | 4,722       |
| 64                        | Training                               | GInf/Emp             | 4,000                            | 0           | 4,000         | 4,068       | 4,153       | 4,241       | 4,334       | 4,434       |
| 65                        | Contra-Expense                         | Contra               | (213,818)                        | 0           | (213,818)     | (220,233)   | (226,840)   | (233,645)   | (240,654)   | (247,874)   |
| 66                        | <b>Total Operating Expenses</b>        |                      | \$119,771                        | (\$12,215)  | \$107,556     | \$114,548   | \$122,383   | \$130,685   | \$139,596   | \$149,209   |
| 67                        | <b>Total Distribution</b>              |                      | \$1,224,728                      | \$24,481    | \$1,249,209   | \$1,313,284 | \$1,381,056 | \$1,452,291 | \$1,527,283 | \$1,606,280 |

Table 17

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Projection of Cost of Operation and Maintenance for Gas System

| Line No.                  | Description                              | Escalation Reference | Fiscal Year Ending September 30, |             |               |             |             |             |             |             |
|---------------------------|--|----------------------|----------------------------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|
|                           |  |                      | Budgeted 2013                    | Adjustments | Adjusted 2013 | 2014        | 2015        | 2016        | 2017        | 2018        |
| <b>Other</b>              |  |                      |                                  |             |               |             |             |             |             |             |
| <u>Operating Expenses</u> |  |                      |                                  |             |               |             |             |             |             |             |
| 68                        | Other Current Charges                    | Inflation            | \$0                              | \$0         | \$0           | \$0         | \$0         | \$0         | \$0         | \$0         |
| 69                        | Uncollectible Accounts                   | Calculated           | 20,000                           | (12,508)    | 7,492         | 7,749       | 8,031       | 8,329       | 8,642       | 8,982       |
| 70                        | Customer Accounts                        | Cust-Gas             | 403,612                          | 0           | 403,612       | 416,153     | 430,692     | 445,657     | 461,714     | 480,794     |
| 71                        | Meter Reading                            | GenAdmin             | 88,363                           | 0           | 88,363        | 91,898      | 95,573      | 99,396      | 103,372     | 107,507     |
| 72                        | Contingency                              | 1.0% Calculated      | 0                                | 53,190      | 53,190        | 55,878      | 58,678      | 61,597      | 64,667      | 68,002      |
| 73                        | Depreciation Expense                     | N/A                  | 325,000                          | (325,000)   | 0             | 0           | 0           | 0           | 0           | 0           |
| 74                        | Total Operating Expenses                 |                      | \$836,975                        | (\$284,317) | \$552,658     | \$571,678   | \$592,974   | \$614,980   | \$638,395   | \$665,284   |
| 75                        | <b>Total Other</b>                       |                      | \$836,975                        | (\$284,317) | \$552,658     | \$571,678   | \$592,974   | \$614,980   | \$638,395   | \$665,284   |
| <b>TOTAL GAS SYSTEM</b>   |  |                      |                                  |             |               |             |             |             |             |             |
| 76                        | <b>COST OF OPERATION AND MAINTENANCE</b> |                      | \$5,859,984                      | (\$487,767) | \$5,372,217   | \$5,643,698 | \$5,926,450 | \$6,221,342 | \$6,531,351 | \$6,868,183 |

Table 18

City of Leesburg, Florida  
Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Projection of Cost of Operation and Maintenance for Water System

| Line No.                  | Description                            | Escalation Reference | Fiscal Year Ending September 30, |             |               |             |             |             |             |             |
|---------------------------|--|----------------------|----------------------------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|
|                           |  |                      | Budgeted 2013                    | Adjustments | Adjusted 2013 | 2014        | 2015        | 2016        | 2017        | 2018        |
| <b>WATER SYSTEM</b>       |  |                      |                                  |             |               |             |             |             |             |             |
| <b>Administration</b>     |  |                      |                                  |             |               |             |             |             |             |             |
| <u>Personal Services</u>  |  |                      |                                  |             |               |             |             |             |             |             |
| 1                         | Regular Salaries and Wages             | WSLabor              | \$199,774                        | \$0         | \$199,774     | \$205,767   | \$211,940   | \$218,298   | \$224,847   | \$231,593   |
| 2                         | Additional Personnel                   | Calculated           | 0                                | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| 3                         | FICA                                   | WSLabor              | 14,932                           | 0           | 14,932        | 15,380      | 15,841      | 16,317      | 16,806      | 17,310      |
| 4                         | Retirement                             | WSLabor              | 19,224                           | 0           | 19,224        | 19,801      | 20,395      | 21,007      | 21,637      | 22,286      |
| 5                         | Insurance                              | HealthIns            | 61,573                           | 0           | 61,573        | 64,652      | 67,884      | 71,278      | 74,842      | 78,584      |
| 6                         | Workers' Compensation                  | WSLabor              | 1,220                            | 0           | 1,220         | 1,257       | 1,294       | 1,333       | 1,373       | 1,414       |
| 7                         | Other Payroll Benefits                 | WSLabor              | 2,063                            | 0           | 2,063         | 2,125       | 2,189       | 2,254       | 2,322       | 2,392       |
| 8                         | Total Personal Services                |                      | \$298,786                        | \$0         | \$298,786     | \$308,981   | \$319,544   | \$330,487   | \$341,828   | \$353,579   |
| <u>Operating Expenses</u> |  |                      |                                  |             |               |             |             |             |             |             |
| 9                         | Professional Services                  | Inflation            | \$54,650                         | \$0         | \$54,650      | \$55,579    | \$56,746    | \$57,938    | \$59,213    | \$60,574    |
| 10                        | Inter Dept Contract Oblig              | WSLabor              | 22,188                           | 0           | 22,188        | 22,854      | 23,539      | 24,245      | 24,973      | 25,722      |
| 11                        | Communication                          | Inflation            | 2,963                            | 0           | 2,963         | 3,013       | 3,077       | 3,141       | 3,210       | 3,284       |
| 12                        | Postage                                | Inflation            | 50                               | 0           | 50            | 51          | 52          | 53          | 54          | 55          |
| 13                        | Utilities                              | Inflation            | 8,000                            | 0           | 8,000         | 8,136       | 8,307       | 8,481       | 8,668       | 8,867       |
| 14                        | Insurance                              | Insurance            | 59,991                           | 0           | 59,991        | 62,991      | 66,140      | 69,447      | 72,919      | 76,565      |
| 15                        | Repairs and Maintenance - Building     | Repair               | 500                              | 0           | 500           | 520         | 541         | 562         | 585         | 608         |
| 16                        | Repairs and Maintenance - Equipment    | Repair               | 4,050                            | 0           | 4,050         | 4,212       | 4,380       | 4,556       | 4,738       | 4,927       |
| 17                        | Printing and Binding                   | Inflation            | 300                              | 0           | 300           | 305         | 312         | 318         | 325         | 333         |
| 18                        | Promotional Activities                 | Inflation            | 1,550                            | 0           | 1,550         | 1,576       | 1,609       | 1,643       | 1,679       | 1,718       |
| 19                        | General Administrative                 | GenAdmin             | 404,969                          | 0           | 404,969       | 421,168     | 438,014     | 455,535     | 473,756     | 492,707     |
| 20                        | Operating Supplies                     | Inflation            | 2,700                            | 0           | 2,700         | 2,746       | 2,804       | 2,862       | 2,925       | 2,993       |
| 21                        | Publications and Membership            | WInf/Emp             | 500                              | 0           | 500           | 509         | 519         | 530         | 542         | 554         |
| 22                        | Training                               | WInf/Emp             | 500                              | 0           | 500           | 509         | 519         | 530         | 542         | 554         |
| 23                        | Total Operating Expenses               |                      | \$562,911                        | \$0         | \$562,911     | \$584,168   | \$606,560   | \$629,843   | \$654,130   | \$679,463   |
| 24                        | <b>Total Administration</b>            |                      | \$861,697                        | \$0         | \$861,697     | \$893,149   | \$926,103   | \$960,331   | \$995,958   | \$1,033,042 |
| <b>Treatment</b>          |  |                      |                                  |             |               |             |             |             |             |             |
| <u>Personal Services</u>  |  |                      |                                  |             |               |             |             |             |             |             |
| 25                        | Regular Salaries and Wages             | WSLabor              | \$380,400                        | \$0         | \$380,400     | \$391,812   | \$403,566   | \$415,673   | \$428,144   | \$440,988   |
| 26                        | Additional Personnel                   | Calculated           | 0                                | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| 27                        | Overtime                               | WSLabor              | 25,600                           | 0           | 25,600        | 26,368      | 27,159      | 27,974      | 28,813      | 29,677      |
| 28                        | FICA                                   | WSLabor              | 27,817                           | 0           | 27,817        | 28,652      | 29,511      | 30,396      | 31,308      | 32,248      |
| 29                        | Retirement                             | WSLabor              | 39,665                           | 0           | 39,665        | 40,855      | 42,081      | 43,343      | 44,643      | 45,983      |
| 30                        | Insurance                              | HealthIns            | 95,155                           | 0           | 95,155        | 99,913      | 104,908     | 110,154     | 115,661     | 121,445     |
| 31                        | Workers' Compensation                  | WSLabor              | 19,062                           | 0           | 19,062        | 19,634      | 20,223      | 20,830      | 21,454      | 22,098      |
| 32                        | Other Payroll Benefits                 | WSLabor              | 1,922                            | 0           | 1,922         | 1,980       | 2,039       | 2,100       | 2,163       | 2,228       |
| 33                        | Total Personal Services                |                      | \$589,621                        | \$0         | \$589,621     | \$609,213   | \$629,487   | \$650,470   | \$672,187   | \$694,666   |
| <u>Operating Expenses</u> |  |                      |                                  |             |               |             |             |             |             |             |
| 34                        | Professional Services                  | Inflation            | \$22,000                         | \$0         | \$22,000      | \$22,374    | \$22,844    | \$23,324    | \$23,837    | \$24,385    |
| 35                        | Contract Services                      | Inflation            | 51,480                           | 0           | 51,480        | 52,355      | 53,455      | 54,777      | 55,778      | 57,061      |
| 36                        | Travel                                 | Inflation            | 500                              | 0           | 500           | 509         | 519         | 530         | 542         | 554         |
| 37                        | Communication                          | Inflation            | 4,393                            | 0           | 4,393         | 4,468       | 4,562       | 4,657       | 4,760       | 4,869       |
| 38                        | Postage                                | Inflation            | 2,000                            | 0           | 2,000         | 2,034       | 2,077       | 2,120       | 2,167       | 2,217       |
| 39                        | Utilities                              | Prod-W               | 460,000                          | 0           | 460,000       | 479,115     | 499,023     | 519,757     | 541,351     | 563,842     |
| 40                        | Rentals                                | Inflation            | 2,000                            | 0           | 2,000         | 2,034       | 2,077       | 2,120       | 2,167       | 2,217       |
| 41                        | Internal Fleet Lease                   | Repair               | 18,329                           | 0           | 18,329        | 19,062      | 19,825      | 20,618      | 21,442      | 22,300      |
| 42                        | Insurance                              | Insurance            | 13,437                           | 0           | 13,437        | 14,109      | 14,814      | 15,555      | 16,333      | 17,149      |
| 43                        | Repairs and Maintenance - Vehicle      | Repair               | 26,180                           | 0           | 26,180        | 27,227      | 28,316      | 29,449      | 30,627      | 31,852      |
| 44                        | Repairs and Maintenance - Building     | Repair               | 7,000                            | 0           | 7,000         | 7,280       | 7,571       | 7,874       | 8,189       | 8,517       |
| 45                        | Repairs and Maintenance - Non-Building | Repair               | 17,500                           | 0           | 17,500        | 18,200      | 18,928      | 19,685      | 20,473      | 21,291      |
| 46                        | Repairs and Maintenance - Equipment    | Repair               | 1,800                            | 0           | 1,800         | 1,872       | 1,947       | 2,025       | 2,106       | 2,190       |
| 47                        | Printing and Binding                   | Inflation            | 100                              | 0           | 100           | 102         | 104         | 106         | 108         | 111         |
| 48                        | Advertising                            | Inflation            | 200                              | 0           | 200           | 203         | 208         | 212         | 217         | 222         |
| 49                        | Other Current Charges                  | Inflation            | 15,000                           | 0           | 15,000        | 15,255      | 15,575      | 15,902      | 16,252      | 16,626      |
| 50                        | Minor Furniture and Equipment          | Inflation            | 13,500                           | 0           | 13,500        | 13,730      | 14,018      | 14,312      | 14,627      | 14,963      |
| 51                        | Operating Supplies                     | Inflation            | 11,000                           | 0           | 11,000        | 11,187      | 11,422      | 11,662      | 11,918      | 12,192      |
| 52                        | Uniforms                               | WInf/Emp             | 2,900                            | 0           | 2,900         | 2,949       | 3,011       | 3,074       | 3,142       | 3,214       |
| 53                        | Fuel Purchases                         | Fuel                 | 16,072                           | 0           | 16,072        | 17,197      | 18,401      | 19,689      | 21,067      | 22,542      |
| 54                        | Diesel Fuel                            | Fuel                 | 7,000                            | 0           | 7,000         | 7,490       | 8,014       | 8,575       | 9,176       | 9,818       |
| 55                        | Chemicals                              | ProdChem-W           | 38,940                           | 0           | 38,940        | 40,948      | 43,060      | 45,280      | 47,615      | 50,070      |
| 56                        | Publications and Membership            | Inflation            | 3,910                            | 0           | 3,910         | 3,976       | 4,060       | 4,145       | 4,236       | 4,334       |
| 57                        | Training                               | Inflation            | 3,500                            | 0           | 3,500         | 3,560       | 3,634       | 3,711       | 3,792       | 3,879       |
| 58                        | Total Operating Expenses               |                      | \$738,741                        | \$0         | \$738,741     | \$767,235   | \$797,464   | \$828,960   | \$861,922   | \$896,416   |
| 59                        | <b>Total Treatment</b>                 |                      | \$1,328,362                      | \$0         | \$1,328,362   | \$1,376,448 | \$1,426,951 | \$1,479,430 | \$1,534,109 | \$1,591,082 |
| <b>Reuse</b>              |  |                      |                                  |             |               |             |             |             |             |             |
| <u>Personal Services</u>  |  |                      |                                  |             |               |             |             |             |             |             |
| 60                        | Regular Salaries and Wages             | WSLabor              | \$66,331                         | \$0         | \$66,331      | \$68,321    | \$70,371    | \$72,482    | \$74,656    | \$76,896    |
| 61                        | Additional Personnel                   | Calculated           | 0                                | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| 62                        | Overtime                               | WSLabor              | 8,000                            | 0           | 8,000         | 8,240       | 8,487       | 8,742       | 9,004       | 9,274       |
| 63                        | FICA                                   | WSLabor              | 4,802                            | 0           | 4,802         | 4,946       | 5,094       | 5,247       | 5,405       | 5,567       |
| 64                        | Retirement                             | WSLabor              | 6,717                            | 0           | 6,717         | 6,919       | 7,126       | 7,340       | 7,560       | 7,787       |
| 65                        | Insurance                              | HealthIns            | 17,416                           | 0           | 17,416        | 18,287      | 19,201      | 20,161      | 21,169      | 22,228      |
| 66                        | Workers' Compensation                  | WSLabor              | 2,965                            | 0           | 2,965         | 3,054       | 3,146       | 3,240       | 3,337       | 3,437       |
| 67                        | Other Payroll Benefits                 | WSLabor              | 150                              | 0           | 150           | 155         | 159         | 164         | 169         | 174         |
| 68                        | Total Personal Services                |                      | \$106,381                        | \$0         | \$106,381     | \$109,921   | \$113,584   | \$117,376   | \$121,300   | \$125,363   |
| <u>Operating Expenses</u> |  |                      |                                  |             |               |             |             |             |             |             |
| 69                        | Contract Services                      | Inflation            | \$12,000                         | \$0         | \$12,000      | \$12,204    | \$12,460    | \$12,722    | \$13,002    | \$13,301    |
| 70                        | Travel                                 | Inflation            | 125                              | 0           | 125           | 127         | 130         | 133         | 135         | 139         |
| 71                        | Communication                          | Inflation            | 31                               | 0           | 31            | 32          | 32          | 33          | 34          | 34          |

Table 18

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

**Projection of Cost of Operation and Maintenance for Water System**

| Line No.                  | Description                              | Escalation Reference | Fiscal Year Ending September 30, |               |               |             |             |             |             |             |
|---------------------------|--|----------------------|----------------------------------|---------------|---------------|-------------|-------------|-------------|-------------|-------------|
|                           |  |                      | Budgeted 2013                    | Adjustments   | Adjusted 2013 | 2014        | 2015        | 2016        | 2017        | 2018        |
| 72                        | Postage                                  | Inflation            | 50                               | 0             | 50            | 51          | 52          | 53          | 54          | 55          |
| 73                        | Utilities                                | Prod-W               | 202,000                          | 0             | 202,000       | 210,394     | 219,136     | 228,241     | 237,724     | 247,600     |
| 74                        | Repairs and Maintenance - Vehicle:       | Repair               | 9,000                            | 0             | 9,000         | 9,360       | 9,734       | 10,124      | 10,529      | 10,950      |
| 75                        | Repairs and Maintenance - Non-Building:  | Repair               | 1,000                            | 0             | 1,000         | 1,040       | 1,082       | 1,125       | 1,170       | 1,217       |
| 76                        | Minor Furniture and Equipmen             | Inflation            | 4,500                            | 0             | 4,500         | 4,577       | 4,673       | 4,771       | 4,876       | 4,988       |
| 77                        | Operating Supplies                       | Inflation            | 1,500                            | 0             | 1,500         | 1,526       | 1,558       | 1,590       | 1,625       | 1,663       |
| 78                        | Uniforms                                 | WInf/Emp             | 580                              | 0             | 580           | 590         | 602         | 615         | 628         | 643         |
| 79                        | Chemicals                                | ProdChem-W           | 21,000                           | 0             | 21,000        | 22,083      | 23,222      | 24,419      | 25,678      | 27,002      |
| 80                        | Publications and Membership:             | WInf/Emp             | 60                               | 0             | 60            | 61          | 62          | 64          | 65          | 67          |
| 81                        | Training                                 | WInf/Emp             | 1,000                            | 0             | 1,000         | 1,017       | 1,038       | 1,060       | 1,083       | 1,108       |
| 82                        | Total Operating Expenses                 |                      | \$252,846                        | \$0           | \$252,846     | \$263,060   | \$273,781   | \$284,949   | \$296,604   | \$308,766   |
| 83                        | <b>Total Reuse</b>                       |                      | \$359,227                        | \$0           | \$359,227     | \$372,981   | \$387,365   | \$402,325   | \$417,904   | \$434,129   |
| <b>Distribution</b>       |  |                      |                                  |               |               |             |             |             |             |             |
| <u>Personal Services</u>  |  |                      |                                  |               |               |             |             |             |             |             |
| 84                        | Regular Salaries and Wages               | WSLabor              | \$382,939                        | \$0           | \$382,939     | \$394,427   | \$406,260   | \$418,448   | \$431,001   | \$443,931   |
| 85                        | Additional Personnel                     | Calculated           | 0                                | 0             | 0             | 0           | 0           | 0           | 0           | 0           |
| 86                        | Overtime                                 | WSLabor              | 22,000                           | 0             | 22,000        | 22,660      | 23,340      | 24,040      | 24,761      | 25,504      |
| 87                        | FICA                                     | WSLabor              | 27,634                           | 0             | 27,634        | 28,463      | 29,317      | 30,196      | 31,102      | 32,035      |
| 88                        | Retirement                               | WSLabor              | 52,571                           | 0             | 52,571        | 54,148      | 55,773      | 57,446      | 59,169      | 60,944      |
| 89                        | Insurance                                | HealthIns            | 91,977                           | 0             | 91,977        | 96,576      | 101,405     | 106,475     | 111,799     | 117,389     |
| 90                        | Workers' Compensator                     | WSLabor              | 18,172                           | 0             | 18,172        | 18,717      | 19,279      | 19,857      | 20,453      | 21,066      |
| 91                        | Other Payroll Benefits                   | WSLabor              | 222                              | 0             | 222           | 229         | 236         | 243         | 250         | 257         |
| 92                        | Total Personal Services:                 |                      | \$595,515                        | \$0           | \$595,515     | \$615,220   | \$635,608   | \$656,704   | \$678,535   | \$701,127   |
| <u>Operating Expenses</u> |  |                      |                                  |               |               |             |             |             |             |             |
| 93                        | Contract Services                        | Inflation            | \$2,500                          | \$0           | \$2,500       | \$2,543     | \$2,596     | \$2,650     | \$2,709     | \$2,771     |
| 94                        | Inter Dept Contract Oblig                | Inflation            | 44,468                           | 0             | 44,468        | 45,224      | 46,174      | 47,143      | 48,180      | 49,289      |
| 95                        | Travel                                   | Inflation            | 150                              | 0             | 150           | 153         | 156         | 159         | 163         | 166         |
| 96                        | Communication                            | Inflation            | 2,603                            | 0             | 2,603         | 2,647       | 2,703       | 2,760       | 2,820       | 2,885       |
| 97                        | Postage                                  | Inflation            | 50                               | 0             | 50            | 51          | 52          | 53          | 54          | 55          |
| 98                        | Utilities                                | Prod-W               | 19,000                           | 0             | 19,000        | 19,790      | 20,612      | 21,468      | 22,360      | 23,289      |
| 99                        | Rentals                                  | Inflation            | 500                              | 0             | 500           | 509         | 519         | 530         | 542         | 554         |
| 100                       | Internal Fleet Lease                     | Inflation            | 69,135                           | 0             | 69,135        | 70,310      | 71,787      | 73,294      | 74,907      | 76,630      |
| 101                       | Insurance                                | Insurance            | 5,614                            | 0             | 5,614         | 5,895       | 6,189       | 6,499       | 6,824       | 7,165       |
| 102                       | Repairs and Maintenance - Vehicle:       | Repair               | 32,900                           | 0             | 32,900        | 34,216      | 35,585      | 37,008      | 38,488      | 40,028      |
| 103                       | Repairs and Maintenance - Building:      | Repair               | 7,000                            | 0             | 7,000         | 7,280       | 7,571       | 7,874       | 8,189       | 8,517       |
| 104                       | Repairs and Maintenance - Non-Building:  | Repair               | 4,000                            | 0             | 4,000         | 4,160       | 4,326       | 4,499       | 4,679       | 4,867       |
| 105                       | Repairs and Maintenance - Equipmen       | Repair               | 5,600                            | 0             | 5,600         | 5,824       | 6,057       | 6,299       | 6,551       | 6,813       |
| 106                       | Printing and Binding                     | Inflation            | 200                              | 0             | 200           | 203         | 208         | 212         | 217         | 222         |
| 107                       | Minor Furniture and Equipmen             | Inflation            | 1,500                            | 0             | 1,500         | 1,526       | 1,558       | 1,590       | 1,625       | 1,663       |
| 108                       | Operating Supplies                       | Inflation            | 70,000                           | 0             | 70,000        | 71,190      | 72,685      | 74,211      | 75,844      | 77,588      |
| 109                       | Operating Supplies                       | Inflation            | 55,000                           | 0             | 55,000        | 55,935      | 57,110      | 58,309      | 59,592      | 60,962      |
| 110                       | Uniforms                                 | WInf/Emp             | 2,600                            | 0             | 2,600         | 2,644       | 2,700       | 2,756       | 2,817       | 2,882       |
| 111                       | Hydrants                                 | Inflation            | 35,000                           | 0             | 35,000        | 35,595      | 36,342      | 37,106      | 37,922      | 38,794      |
| 112                       | Fuel Purchases                           | Fuel                 | 28,820                           | 0             | 28,820        | 30,837      | 32,996      | 35,306      | 37,777      | 40,422      |
| 113                       | Publications and Membership:             | WInf/Emp             | 725                              | 0             | 725           | 737         | 753         | 769         | 786         | 804         |
| 114                       | Training                                 | WInf/Emp             | 800                              | 0             | 800           | 814         | 831         | 848         | 867         | 887         |
| 115                       | Total Operating Expenses                 |                      | \$388,165                        | \$0           | \$388,165     | \$398,082   | \$409,508   | \$421,345   | \$433,913   | \$447,252   |
| 116                       | <b>Total Distribution</b>                |                      | \$983,680                        | \$0           | \$983,680     | \$1,013,302 | \$1,045,116 | \$1,078,049 | \$1,112,448 | \$1,148,379 |
| <b>Other</b>              |  |                      |                                  |               |               |             |             |             |             |             |
| <u>Operating Expenses</u> |  |                      |                                  |               |               |             |             |             |             |             |
| 117                       | Uncollectible Accounts:                  | Calculated           | \$20,000                         | (\$12,806)    | \$7,194       | \$7,324     | \$7,479     | \$7,645     | \$7,814     | \$7,988     |
| 118                       | Customer Accounts                        | Cust-Water           | 521,190                          | 0             | 521,190       | 531,366     | 543,868     | 556,661     | 570,309     | 584,861     |
| 119                       | Meter Reading                            | GenAdmin             | 156,038                          | 0             | 156,038       | 162,280     | 168,771     | 175,522     | 182,542     | 189,844     |
| 120                       | Contingency                              | 1.0% Calculated      | 0                                | 42,174        | 42,174        | 43,568      | 45,057      | 46,600      | 48,211      | 49,893      |
| 121                       | Depreciation Expense                     | N/A                  | 1,200,000                        | (1,200,000)   | 0             | 0           | 0           | 0           | 0           | 0           |
| 122                       | Total Operating Expenses                 |                      | \$1,897,228                      | (\$1,170,632) | \$726,596     | \$744,538   | \$765,175   | \$786,427   | \$808,877   | \$832,586   |
| 123                       | <b>Total Other</b>                       |                      | \$1,897,228                      | (\$1,170,632) | \$726,596     | \$744,538   | \$765,175   | \$786,427   | \$808,877   | \$832,586   |
| <b>TOTAL WATER SYSTEM</b> |  |                      |                                  |               |               |             |             |             |             |             |
| 124                       | <b>COST OF OPERATION AND MAINTENANCE</b> |                      | \$5,575,194                      | (\$1,315,632) | \$4,259,562   | \$4,400,417 | \$4,550,710 | \$4,706,561 | \$4,869,295 | \$5,039,217 |

Table 19

City of Leesburg, Florida  
Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Projection of Cost of Operation and Maintenance for Wastewater System

| Line No.                            | Description                               | Escalation Reference | Fiscal Year Ending September 30, |             |                    |                    |                    |                    |                    |                    |
|-------------------------------------|---|----------------------|----------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                     |   |                      | Budgeted 2013                    | Adjustments | Adjusted 2013      | 2014               | 2015               | 2016               | 2017               | 2018               |
| <b>WASTEWATER SYSTEM</b>            |   |                      |                                  |             |                    |                    |                    |                    |                    |                    |
| <b>Administration</b>               |   |                      |                                  |             |                    |                    |                    |                    |                    |                    |
| <u>Personal Services</u>            |   |                      |                                  |             |                    |                    |                    |                    |                    |                    |
| 1                                   | Regular Salaries and Wages                | WSLabor              | \$193,138                        | \$0         | \$193,138          | \$198,932          | \$204,900          | \$211,047          | \$217,379          | \$223,900          |
|                                     | Additional Personnel                      | Calculated           | 0                                | 0           | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 2                                   | FICA                                      | WSLabor              | 14,206                           | 0           | 14,206             | 14,632             | 15,071             | 15,523             | 15,989             | 16,469             |
| 3                                   | Retirement                                | WSLabor              | 15,412                           | 0           | 15,412             | 15,874             | 16,351             | 16,841             | 17,346             | 17,867             |
| 4                                   | Insurance                                 | HealthIns            | 70,285                           | 0           | 70,285             | 73,799             | 77,489             | 81,364             | 85,432             | 89,703             |
| 5                                   | Workers' Compensation                     | WSLabor              | 1,202                            | 0           | 1,202              | 1,238              | 1,275              | 1,313              | 1,353              | 1,393              |
| 6                                   | Other Payroll Benefits                    | WSLabor              | 2,111                            | 0           | 2,111              | 2,174              | 2,240              | 2,307              | 2,376              | 2,447              |
| 7                                   | <b>Total Personal Services</b>            |                      | <b>\$296,354</b>                 | <b>\$0</b>  | <b>\$296,354</b>   | <b>\$306,650</b>   | <b>\$317,326</b>   | <b>\$328,395</b>   | <b>\$339,875</b>   | <b>\$351,779</b>   |
| <u>Operating Expenses</u>           |   |                      |                                  |             |                    |                    |                    |                    |                    |                    |
| 8                                   | Professional Services                     | Inflation            | \$24,625                         | \$0         | \$24,625           | \$25,044           | \$25,570           | \$26,107           | \$26,681           | \$27,295           |
| 9                                   | Inter Dept Contract Oblig                 | WSLabor              | 22,188                           | 0           | 22,188             | 22,854             | 23,539             | 24,245             | 24,973             | 25,722             |
| 10                                  | Communication                             | Inflation            | 816                              | 0           | 816                | 830                | 847                | 865                | 884                | 904                |
| 11                                  | Postage                                   | Inflation            | 80                               | 0           | 80                 | 81                 | 83                 | 85                 | 87                 | 89                 |
| 12                                  | Internal Fleet Lease                      | Repair               | 2,688                            | 0           | 2,688              | 2,796              | 2,907              | 3,024              | 3,145              | 3,270              |
| 13                                  | Insurance                                 | Insurance            | 86,858                           | 0           | 86,858             | 91,201             | 95,761             | 100,549            | 105,576            | 110,855            |
| 14                                  | Repairs and Maintenance - Vehicle         | Repair               | 1,320                            | 0           | 1,320              | 1,373              | 1,428              | 1,485              | 1,544              | 1,606              |
| 15                                  | Repairs and Maintenance - Equipment       | Repair               | 2,910                            | 0           | 2,910              | 3,026              | 3,147              | 3,273              | 3,404              | 3,540              |
| 16                                  | General Administrative                    | GenAdmin             | 432,056                          | 0           | 432,056            | 449,338            | 467,312            | 486,004            | 505,444            | 525,662            |
| 17                                  | Operating Supplies                        | Inflation            | 500                              | 0           | 500                | 509                | 519                | 530                | 542                | 554                |
| 18                                  | Uniforms                                  | SInf/Emp             | 290                              | 0           | 290                | 295                | 301                | 307                | 314                | 321                |
| 19                                  | Fuel Purchases                            | Fuel                 | 490                              | 0           | 490                | 524                | 561                | 600                | 642                | 687                |
| 20                                  | Publications and Membership               | SInf/Emp             | 500                              | 0           | 500                | 509                | 519                | 530                | 542                | 554                |
| 21                                  | <b>Total Operating Expenses</b>           |                      | <b>\$575,321</b>                 | <b>\$0</b>  | <b>\$575,321</b>   | <b>\$598,379</b>   | <b>\$622,495</b>   | <b>\$647,605</b>   | <b>\$673,778</b>   | <b>\$701,061</b>   |
| 22                                  | <b>Total Administration</b>               |                      | <b>\$871,675</b>                 | <b>\$0</b>  | <b>\$871,675</b>   | <b>\$905,029</b>   | <b>\$939,821</b>   | <b>\$976,000</b>   | <b>\$1,013,653</b> | <b>\$1,052,840</b> |
| <b>Canal Street Treatment Plant</b> |   |                      |                                  |             |                    |                    |                    |                    |                    |                    |
| <u>Personal Services</u>            |   |                      |                                  |             |                    |                    |                    |                    |                    |                    |
| 23                                  | Regular Salaries and Wages                | WSLabor              | \$288,288                        | \$0         | \$288,288          | \$296,937          | \$305,845          | \$315,020          | \$324,471          | \$334,205          |
| 24                                  | Additional Personnel                      | Calculated           | 0                                | 0           | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 25                                  | Overtime                                  | WSLabor              | 30,000                           | 0           | 30,000             | 30,900             | 31,827             | 32,782             | 33,765             | 34,778             |
| 26                                  | FICA                                      | WSLabor              | 20,425                           | 0           | 20,425             | 21,038             | 21,669             | 22,319             | 22,989             | 23,678             |
| 27                                  | Retirement                                | WSLabor              | 35,074                           | 0           | 35,074             | 36,126             | 37,210             | 38,326             | 39,476             | 40,660             |
| 28                                  | Insurance                                 | HealthIns            | 82,913                           | 0           | 82,913             | 87,059             | 91,412             | 95,982             | 100,781            | 105,820            |
| 29                                  | Workers' Compensation                     | WSLabor              | 12,886                           | 0           | 12,886             | 13,273             | 13,671             | 14,081             | 14,503             | 14,938             |
| 30                                  | Other Payroll Benefits                    | WSLabor              | 396                              | 0           | 396                | 408                | 420                | 433                | 446                | 459                |
| 31                                  | <b>Total Personal Services</b>            |                      | <b>\$469,982</b>                 | <b>\$0</b>  | <b>\$469,982</b>   | <b>\$485,740</b>   | <b>\$502,053</b>   | <b>\$518,943</b>   | <b>\$536,431</b>   | <b>\$554,539</b>   |
| <u>Operating Expenses</u>           |   |                      |                                  |             |                    |                    |                    |                    |                    |                    |
| 32                                  | Professional Services                     | Inflation            | \$10,000                         | \$0         | \$10,000           | \$10,170           | \$10,384           | \$10,602           | \$10,835           | \$11,084           |
| 33                                  | Contract Services                         | Inflation            | 12,000                           | 0           | 12,000             | 12,204             | 12,460             | 12,722             | 13,002             | 13,301             |
| 34                                  | Travel                                    | Inflation            | 700                              | 0           | 700                | 712                | 727                | 742                | 758                | 776                |
| 35                                  | Communication                             | Inflation            | 2,160                            | 0           | 2,160              | 2,197              | 2,243              | 2,290              | 2,340              | 2,394              |
| 36                                  | Postage                                   | Inflation            | 500                              | 0           | 500                | 509                | 519                | 530                | 542                | 554                |
| 37                                  | Utilities                                 | Treat-S              | 340,000                          | 0           | 340,000            | 354,297            | 369,193            | 384,714            | 400,887            | 417,737            |
| 38                                  | Rentals                                   | Inflation            | 2,000                            | 0           | 2,000              | 2,034              | 2,120              | 2,212              | 2,310              | 2,414              |
| 39                                  | Internal Fleet Lease                      | Repair               | 29,320                           | 0           | 29,320             | 30,493             | 31,713             | 32,981             | 34,300             | 35,672             |
| 40                                  | Insurance                                 | Inflation            | 6,462                            | 0           | 6,462              | 6,710              | 6,971              | 7,245              | 7,533              | 7,835              |
| 41                                  | Repairs and Maintenance - Vehicle         | Repair               | 74,380                           | 0           | 74,380             | 77,355             | 80,449             | 83,667             | 87,014             | 90,495             |
| 42                                  | Repairs and Maintenance - Building        | Repair               | 1,620                            | 0           | 1,620              | 1,685              | 1,752              | 1,822              | 1,895              | 1,971              |
| 43                                  | Repairs and Maintenance - Non-Building    | Repair               | 2,000                            | 0           | 2,000              | 2,080              | 2,163              | 2,250              | 2,340              | 2,433              |
| 44                                  | Repairs and Maintenance - Equipment       | Repair               | 3,260                            | 0           | 3,260              | 3,390              | 3,526              | 3,667              | 3,814              | 3,966              |
| 45                                  | Printing and Binding                      | Inflation            | 500                              | 0           | 500                | 509                | 519                | 530                | 542                | 554                |
| 46                                  | Promotional Activities                    | Inflation            | 300                              | 0           | 300                | 305                | 312                | 318                | 325                | 333                |
| 47                                  | Advertising                               | Inflation            | 200                              | 0           | 200                | 203                | 208                | 212                | 217                | 222                |
| 48                                  | Other Current Charges                     | Inflation            | 8,000                            | 0           | 8,000              | 8,136              | 8,307              | 8,481              | 8,668              | 8,867              |
| 49                                  | Minor Furniture and Equipment             | Inflation            | 12,000                           | 0           | 12,000             | 12,204             | 12,460             | 12,722             | 13,002             | 13,301             |
| 50                                  | Operating Supplies                        | Inflation            | 15,000                           | 0           | 15,000             | 15,255             | 15,575             | 15,902             | 16,252             | 16,626             |
| 51                                  | Uniforms                                  | SInf/Emp             | 2,320                            | 0           | 2,320              | 2,359              | 2,409              | 2,460              | 2,514              | 2,572              |
| 52                                  | Fuel Purchases                            | Fuel                 | 11,500                           | 0           | 11,500             | 12,305             | 13,166             | 14,088             | 15,074             | 16,129             |
| 53                                  | Diesel Fuel                               | Fuel                 | 38,000                           | 0           | 38,000             | 40,660             | 43,506             | 46,552             | 49,810             | 53,297             |
| 54                                  | Chemicals                                 | TreatChem-S          | 84,300                           | 0           | 84,300             | 88,689             | 93,307             | 98,165             | 103,275            | 108,650            |
| 55                                  | Publications and Membership               | SInf/Emp             | 490                              | 0           | 490                | 498                | 509                | 519                | 531                | 543                |
| 56                                  | Training                                  | SInf/Emp             | 2,700                            | 0           | 2,700              | 2,746              | 2,804              | 2,862              | 2,925              | 2,993              |
| 57                                  | <b>Total Operating Expenses</b>           |                      | <b>\$659,712</b>                 | <b>\$0</b>  | <b>\$659,712</b>   | <b>\$687,567</b>   | <b>\$716,997</b>   | <b>\$747,770</b>   | <b>\$780,030</b>   | <b>\$813,850</b>   |
| 58                                  | <b>Total Canal Street Treatment Plant</b> |                      | <b>\$1,129,694</b>               | <b>\$0</b>  | <b>\$1,129,694</b> | <b>\$1,173,307</b> | <b>\$1,219,051</b> | <b>\$1,266,713</b> | <b>\$1,316,461</b> | <b>\$1,368,389</b> |
| <b>Turnpike Treatment Plant</b>     |   |                      |                                  |             |                    |                    |                    |                    |                    |                    |
| <u>Personal Services</u>            |   |                      |                                  |             |                    |                    |                    |                    |                    |                    |
| 59                                  | Regular Salaries and Wages                | WSLabor              | \$193,845                        | \$0         | \$193,845          | \$199,660          | \$205,650          | \$211,820          | \$218,174          | \$224,719          |
| 60                                  | Additional Personnel                      | Calculated           | 0                                | 0           | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 61                                  | Overtime                                  | WSLabor              | 16,000                           | 0           | 16,000             | 16,480             | 16,974             | 17,484             | 18,008             | 18,548             |
| 62                                  | FICA                                      | WSLabor              | 13,778                           | 0           | 13,778             | 14,191             | 14,617             | 15,056             | 15,517             | 15,972             |
| 63                                  | Retirement                                | WSLabor              | 23,787                           | 0           | 23,787             | 24,501             | 25,236             | 25,993             | 26,772             | 27,576             |
| 64                                  | Insurance                                 | HealthIns            | 49,670                           | 0           | 49,670             | 52,154             | 54,761             | 57,499             | 60,374             | 63,393             |
| 65                                  | Workers' Compensation                     | WSLabor              | 8,804                            | 0           | 8,804              | 9,068              | 9,340              | 9,620              | 9,909              | 10,206             |
| 66                                  | <b>Total Personal Services</b>            |                      | <b>\$305,884</b>                 | <b>\$0</b>  | <b>\$305,884</b>   | <b>\$316,054</b>   | <b>\$326,579</b>   | <b>\$337,471</b>   | <b>\$348,745</b>   | <b>\$360,415</b>   |
| <u>Operating Expenses</u>           |   |                      |                                  |             |                    |                    |                    |                    |                    |                    |
| 67                                  | Professional Services                     | Inflation            | \$7,500                          | \$0         | \$7,500            | \$7,628            | \$7,788            | \$7,951            | \$8,126            | \$8,313            |
| 68                                  | Contract Services                         | Inflation            | 24,000                           | 0           | 24,000             | 24,408             | 24,921             | 25,444             | 26,004             | 26,602             |
| 69                                  | Travel                                    | Inflation            | 300                              | 0           | 300                | 305                | 312                | 318                | 325                | 333                |
| 70                                  | Communication                             | Inflation            | 935                              | 0           | 935                | 951                | 971                | 991                | 1,013              | 1,036              |

Table 19

City of Leesburg, Florida  
Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

**Projection of Cost of Operation and Maintenance for Wastewater System**

| Line No.                  | Description                             | Escalation Reference | Fiscal Year Ending September 30, |             |               |           |           |           |           |           |
|---------------------------|---|----------------------|----------------------------------|-------------|---------------|-----------|-----------|-----------|-----------|-----------|
|                           |   |                      | Budgeted 2013                    | Adjustments | Adjusted 2013 | 2014      | 2015      | 2016      | 2017      | 2018      |
| 71                        | Postage                                 | Inflation            | 200                              | 0           | 200           | 203       | 208       | 212       | 217       | 222       |
| 72                        | Utilities                               | Treat-S              | 240,000                          | 0           | 240,000       | 250,092   | 260,607   | 271,563   | 282,979   | 294,873   |
| 73                        | Rentals                                 | Inflation            | 500                              | 0           | 500           | 509       | 519       | 530       | 542       | 554       |
| 74                        | Internal Fleet Lease                    | Repair               | 14,323                           | 0           | 14,323        | 14,896    | 15,492    | 16,111    | 16,756    | 17,426    |
| 75                        | Insurance                               | Inflation            | 3,496                            | 0           | 3,496         | 3,555     | 3,630     | 3,706     | 3,788     | 3,875     |
| 76                        | Repairs and Maintenance - Vehicle:      | Repair               | 31,820                           | 0           | 31,820        | 33,093    | 34,417    | 35,793    | 37,225    | 38,714    |
| 77                        | Repairs and Maintenance - Building:     | Repair               | 572                              | 0           | 572           | 595       | 619       | 643       | 669       | 696       |
| 78                        | Repairs and Maintenance - Non-Building: | Repair               | 4,500                            | 0           | 4,500         | 4,680     | 4,867     | 5,062     | 5,264     | 5,475     |
| 79                        | Repairs and Maintenance - Equipment:    | Repair               | 3,000                            | 0           | 3,000         | 3,120     | 3,245     | 3,375     | 3,510     | 3,650     |
| 80                        | Printing and Binding                    | Inflation            | 100                              | 0           | 100           | 102       | 104       | 106       | 108       | 111       |
| 81                        | Other Current Charges                   | Inflation            | 2,500                            | 0           | 2,500         | 2,543     | 2,596     | 2,650     | 2,709     | 2,771     |
| 82                        | Minor Furniture and Equipment           | Inflation            | 11,500                           | 0           | 11,500        | 11,696    | 11,941    | 12,192    | 12,460    | 12,747    |
| 83                        | Operating Supplies                      | Inflation            | 13,000                           | 0           | 13,000        | 13,221    | 13,499    | 13,782    | 14,085    | 14,409    |
| 84                        | Uniforms                                | SInf/Emp             | 2,030                            | 0           | 2,030         | 2,065     | 2,108     | 2,152     | 2,199     | 2,250     |
| 85                        | Fuel Purchases                          | Fuel                 | 18,556                           | 0           | 18,556        | 19,855    | 21,245    | 22,732    | 24,323    | 26,026    |
| 86                        | Diesel Fuel                             | Fuel                 | 20,000                           | 0           | 20,000        | 21,400    | 22,898    | 24,501    | 26,216    | 28,051    |
| 87                        | Chemicals                               | TreatChem-S          | 26,100                           | 0           | 26,100        | 27,459    | 28,889    | 30,393    | 31,975    | 33,639    |
| 88                        | Publications and Membership:            | SInf/Emp             | 1,090                            | 0           | 1,090         | 1,109     | 1,132     | 1,156     | 1,181     | 1,208     |
| 89                        | Training                                | SInf/Emp             | 2,000                            | 0           | 2,000         | 2,034     | 2,077     | 2,120     | 2,167     | 2,217     |
| 90                        | Total Operating Expenses                |                      | \$428,022                        | \$0         | \$428,022     | \$445,516 | \$464,081 | \$483,484 | \$503,841 | \$525,197 |
| 91                        | <b>Total Turnpike Treatment Plant</b>   |                      | \$733,906                        | \$0         | \$733,906     | \$761,570 | \$790,659 | \$820,955 | \$852,586 | \$885,612 |
| <b>Laboratory</b>         |   |                      |                                  |             |               |           |           |           |           |           |
| <u>Personal Services</u>  |   |                      |                                  |             |               |           |           |           |           |           |
| 92                        | Regular Salaries and Wages              | WSLabor              | \$92,248                         | \$0         | \$92,248      | \$95,015  | \$97,866  | \$100,802 | \$103,826 | \$106,941 |
| 93                        | Additional Personnel:                   | Calculated           | 0                                | 0           | 0             | 0         | 0         | 0         | 0         | 0         |
| 94                        | Overtime                                | WSLabor              | 3,000                            | 0           | 3,000         | 3,090     | 3,183     | 3,278     | 3,377     | 3,478     |
| 95                        | FICA                                    | WSLabor              | 6,591                            | 0           | 6,591         | 6,789     | 6,992     | 7,202     | 7,418     | 7,641     |
| 96                        | Retirement                              | WSLabor              | 12,786                           | 0           | 12,786        | 13,170    | 13,565    | 13,972    | 14,391    | 14,822    |
| 97                        | Insurance                               | HealthIns            | 13,505                           | 0           | 13,505        | 14,180    | 14,889    | 15,634    | 16,415    | 17,236    |
| 98                        | Workers' Compensation                   | WSLabor              | 4,123                            | 0           | 4,123         | 4,247     | 4,374     | 4,505     | 4,640     | 4,780     |
| 99                        | Other Payroll Benefits                  | WSLabor              | 546                              | 0           | 546           | 562       | 579       | 597       | 615       | 633       |
| 100                       | Total Personal Services:                |                      | \$132,799                        | \$0         | \$132,799     | \$137,053 | \$141,448 | \$145,990 | \$150,682 | \$155,531 |
| <u>Operating Expenses</u> |   |                      |                                  |             |               |           |           |           |           |           |
| 101                       | Contract Services                       | Inflation            | \$27,800                         | \$0         | \$27,800      | \$28,273  | \$28,866  | \$29,473  | \$30,121  | \$30,814  |
| 102                       | Travel                                  | Inflation            | 1,200                            | 0           | 1,200         | 1,220     | 1,246     | 1,272     | 1,300     | 1,330     |
| 103                       | Communication                           | Inflation            | 1,651                            | 0           | 1,651         | 1,679     | 1,714     | 1,750     | 1,789     | 1,830     |
| 104                       | Postage                                 | Inflation            | 200                              | 0           | 200           | 203       | 208       | 212       | 217       | 222       |
| 105                       | Internal Fleet Lease                    | Repair               | 4,458                            | 0           | 4,458         | 4,636     | 4,822     | 5,015     | 5,215     | 5,424     |
| 106                       | Insurance                               | Insurance            | 488                              | 0           | 488           | 512       | 538       | 565       | 593       | 623       |
| 107                       | Repairs and Maintenance - Equipment:    | Repair               | 4,440                            | 0           | 4,440         | 4,618     | 4,802     | 4,994     | 5,194     | 5,402     |
| 108                       | Repairs and Maintenance - Building:     | Repair               | 300                              | 0           | 300           | 312       | 324       | 337       | 351       | 365       |
| 109                       | Printing and Binding                    | Inflation            | 100                              | 0           | 100           | 102       | 104       | 106       | 108       | 111       |
| 110                       | Other Current Charges                   | Inflation            | 1,400                            | 0           | 1,400         | 1,424     | 1,454     | 1,484     | 1,517     | 1,552     |
| 111                       | Minor Furniture and Equipment           | Inflation            | 1,100                            | 0           | 1,100         | 1,119     | 1,142     | 1,166     | 1,192     | 1,219     |
| 112                       | Oil and Grease Management               | Inflation            | 1,100                            | 0           | 1,100         | 1,119     | 1,142     | 1,166     | 1,192     | 1,219     |
| 113                       | Operating Supplies                      | Inflation            | 10,000                           | 0           | 10,000        | 10,170    | 10,384    | 10,602    | 10,835    | 11,084    |
| 114                       | Uniforms                                | SInf/Emp             | 580                              | 0           | 580           | 590       | 602       | 615       | 628       | 643       |
| 115                       | Fuel Purchases                          | Fuel                 | 6,416                            | 0           | 6,416         | 6,865     | 7,346     | 7,860     | 8,410     | 8,999     |
| 116                       | Publications and Membership:            | SInf/Emp             | 60                               | 0           | 60            | 61        | 62        | 64        | 65        | 67        |
| 117                       | Training                                | SInf/Emp             | 800                              | 0           | 800           | 814       | 831       | 848       | 867       | 887       |
| 118                       | Total Operating Expenses                |                      | \$62,093                         | \$0         | \$62,093      | \$63,716  | \$65,587  | \$67,529  | \$69,594  | \$71,789  |
| 119                       | <b>Total Laboratory</b>                 |                      | \$194,892                        | \$0         | \$194,892     | \$200,769 | \$207,036 | \$213,519 | \$220,276 | \$227,320 |
| <b>Sprayfield</b>         |   |                      |                                  |             |               |           |           |           |           |           |
| <u>Personal Services</u>  |   |                      |                                  |             |               |           |           |           |           |           |
| 120                       | Regular Salaries and Wages              | WSLabor              | \$39,042                         | \$0         | \$39,042      | \$40,213  | \$41,420  | \$42,662  | \$43,942  | \$45,260  |
| 121                       | Additional Personnel:                   | Calculated           | 0                                | 0           | 0             | 0         | 0         | 0         | 0         | 0         |
| 122                       | Overtime                                | WSLabor              | 250                              | 0           | 250           | 258       | 265       | 273       | 281       | 290       |
| 123                       | FICA                                    | WSLabor              | 2,778                            | 0           | 2,778         | 2,861     | 2,947     | 3,036     | 3,127     | 3,220     |
| 124                       | Retirement                              | WSLabor              | 1,952                            | 0           | 1,952         | 2,011     | 2,071     | 2,133     | 2,197     | 2,263     |
| 125                       | Insurance                               | HealthIns            | 16,550                           | 0           | 16,550        | 17,378    | 18,246    | 19,159    | 20,117    | 21,122    |
| 126                       | Workers' Compensation                   | WSLabor              | 1,379                            | 0           | 1,379         | 1,420     | 1,463     | 1,507     | 1,552     | 1,599     |
| 127                       | Total Personal Services:                |                      | \$61,951                         | \$0         | \$61,951      | \$64,141  | \$66,412  | \$68,770  | \$71,216  | \$73,755  |
| <u>Operating Expenses</u> |   |                      |                                  |             |               |           |           |           |           |           |
| 128                       | Contract Services                       | Inflation            | \$740                            | \$0         | \$740         | \$753     | \$768     | \$785     | \$802     | \$820     |
| 129                       | Travel                                  | Inflation            | 100                              | 0           | 100           | 102       | 104       | 106       | 108       | 111       |
| 130                       | Communication                           | Inflation            | 1,000                            | 0           | 1,000         | 1,017     | 1,038     | 1,060     | 1,083     | 1,108     |
| 131                       | Utilities                               | Treat-S              | 3,050                            | 0           | 3,050         | 3,178     | 3,312     | 3,451     | 3,596     | 3,747     |
| 132                       | Internal Fleet Lease                    | Repair               | 12,531                           | 0           | 12,531        | 13,032    | 13,554    | 14,096    | 14,659    | 15,246    |
| 133                       | Insurance                               | Insurance            | 1,709                            | 0           | 1,709         | 1,794     | 1,884     | 1,978     | 2,077     | 2,181     |
| 134                       | Repairs and Maintenance - Vehicle:      | Repair               | 9,000                            | 0           | 9,000         | 9,360     | 9,734     | 10,124    | 10,529    | 10,950    |
| 135                       | Repairs and Maintenance - Building:     | Repair               | 50                               | 0           | 50            | 52        | 54        | 56        | 58        | 61        |
| 136                       | Repairs and Maintenance - Non-Building: | Repair               | 1,000                            | 0           | 1,000         | 1,040     | 1,082     | 1,125     | 1,170     | 1,217     |
| 137                       | Repairs and Maintenance - Equipment:    | Repair               | 680                              | 0           | 680           | 707       | 735       | 765       | 796       | 827       |
| 138                       | Minor Furniture and Equipment           | Inflation            | 400                              | 0           | 400           | 407       | 415       | 424       | 433       | 443       |
| 139                       | Operating Supplies                      | Inflation            | 1,000                            | 0           | 1,000         | 1,017     | 1,038     | 1,060     | 1,083     | 1,108     |
| 140                       | Uniforms                                | SInf/Emp             | 580                              | 0           | 580           | 590       | 602       | 615       | 628       | 643       |
| 141                       | Fuel Purchases                          | Fuel                 | 2,936                            | 0           | 2,936         | 3,142     | 3,361     | 3,597     | 3,848     | 4,118     |
| 142                       | Publications and Membership:            | SInf/Emp             | 60                               | 0           | 60            | 61        | 62        | 64        | 65        | 67        |
| 143                       | Training                                | SInf/Emp             | 500                              | 0           | 500           | 509       | 519       | 530       | 542       | 554       |
| 144                       | Total Operating Expenses                |                      | \$35,336                         | \$0         | \$35,336      | \$36,760  | \$38,265  | \$39,835  | \$41,480  | \$43,202  |
| 145                       | <b>Total Sprayfield</b>                 |                      | \$97,287                         | \$0         | \$97,287      | \$100,901 | \$104,677 | \$108,605 | \$112,696 | \$116,956 |
| <b>Collection</b>         |   |                      |                                  |             |               |           |           |           |           |           |

Table 19

**City of Leesburg, Florida  
Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Projection of Cost of Operation and Maintenance for Wastewater System**

| Line No.                  | Description  | Escalation Reference | Fiscal Year Ending September 30, |                      |                    |                    |                    |                    |                    |                    |
|---------------------------|--|----------------------|----------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                           |  |                      | Budgeted 2013                    | Adjustments          | Adjusted 2013      | 2014               | 2015               | 2016               | 2017               | 2018               |
| <b>Personal Services</b>  |  |                      |                                  |                      |                    |                    |                    |                    |                    |                    |
| 146                       | Regular Salaries and Wages   | WSLabor              | \$360,183                        | \$0                  | \$360,183          | \$370,988          | \$382,118          | \$393,582          | \$405,389          | \$417,551          |
| 147                       | Additional Personnel   | Calculated           | 0                                | 0                    | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 148                       | Overtime   | WSLabor              | 8,000                            | 0                    | 8,000              | 8,240              | 8,487              | 8,742              | 9,004              | 9,274              |
| 149                       | FICA   | WSLabor              | 25,349                           | 0                    | 25,349             | 26,109             | 26,893             | 27,700             | 28,531             | 29,386             |
| 150                       | Retirement   | WSLabor              | 45,474                           | 0                    | 45,474             | 46,838             | 48,243             | 49,691             | 51,181             | 52,717             |
| 151                       | Insurance  | HealthIns            | 96,383                           | 0                    | 96,383             | 101,202            | 106,262            | 111,575            | 117,154            | 123,012            |
| 152                       | Workers' Compensation  | WSLabor              | 16,329                           | 0                    | 16,329             | 16,819             | 17,323             | 17,843             | 18,378             | 18,930             |
| 153                       | Other Payroll Benefits   | WSLabor              | 438                              | 0                    | 438                | 451                | 465                | 479                | 493                | 508                |
| 154                       | <b>Total Personal Services:</b>                                      |                      | <b>\$552,156</b>                 | <b>\$0</b>           | <b>\$552,156</b>   | <b>\$570,648</b>   | <b>\$589,792</b>   | <b>\$609,611</b>   | <b>\$630,131</b>   | <b>\$651,378</b>   |
| <b>Operating Expenses</b> |  |                      |                                  |                      |                    |                    |                    |                    |                    |                    |
| 155                       | Professional Services  | Inflation            | \$0                              | \$0                  | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| 156                       | Contract Services  | Inflation            | 6,500                            | 0                    | 6,500              | 6,611              | 6,749              | 6,891              | 7,043              | 7,205              |
| 157                       | Inter Dept Contract Oblig  | WSLabor              | 52,011                           | 0                    | 52,011             | 53,571             | 55,178             | 56,834             | 58,539             | 60,295             |
| 158                       | Travel   | Inflation            | 600                              | 0                    | 600                | 610                | 623                | 636                | 650                | 665                |
| 159                       | Communication  | Inflation            | 3,940                            | 0                    | 3,940              | 4,007              | 4,091              | 4,177              | 4,269              | 4,367              |
| 160                       | Postage  | Inflation            | 50                               | 0                    | 50                 | 51                 | 52                 | 53                 | 54                 | 55                 |
| 161                       | Internal Fleet Lease   | Repair               | 128,467                          | 0                    | 128,467            | 133,606            | 138,950            | 144,508            | 150,288            | 156,300            |
| 162                       | Insurance  | Insurance            | 7,078                            | 0                    | 7,078              | 7,432              | 7,803              | 8,194              | 8,603              | 9,034              |
| 163                       | Repairs and Maintenance - Vehicle:                                   | Repair               | 53,440                           | 0                    | 53,440             | 55,578             | 57,801             | 60,113             | 62,517             | 65,018             |
| 164                       | Repairs and Maintenance - Building:                                  | Repair               | 1,000                            | 0                    | 1,000              | 1,040              | 1,082              | 1,125              | 1,170              | 1,217              |
| 165                       | Repairs and Maintenance - Building:                                  | Repair               | 40,000                           | 0                    | 40,000             | 41,600             | 43,264             | 44,995             | 46,794             | 48,666             |
| 166                       | Repairs and Maintenance - Equipment                                  | Repair               | 1,340                            | 0                    | 1,340              | 1,394              | 1,449              | 1,507              | 1,568              | 1,630              |
| 167                       | Printing and Binding   | Inflation            | 100                              | 0                    | 100                | 102                | 104                | 106                | 108                | 111                |
| 168                       | Minor Furniture and Equipment  | Inflation            | 5,000                            | 0                    | 5,000              | 5,085              | 5,192              | 5,301              | 5,417              | 5,542              |
| 169                       | Operating Supplies   | Inflation            | 15,000                           | 0                    | 15,000             | 15,255             | 15,575             | 15,902             | 16,252             | 16,626             |
| 170                       | Uniforms   | SInf/Emp             | 3,190                            | 0                    | 3,190              | 3,244              | 3,312              | 3,382              | 3,456              | 3,536              |
| 171                       | Fuel Purchases   | Fuel                 | 31,292                           | 0                    | 31,292             | 33,482             | 35,826             | 38,334             | 41,017             | 43,889             |
| 172                       | Chemicals  | TreatChem-S          | 4,000                            | 0                    | 4,000              | 4,208              | 4,427              | 4,658              | 4,900              | 5,155              |
| 173                       | Publications and Membership:   | SInf/Emp             | 330                              | 0                    | 330                | 336                | 343                | 350                | 358                | 366                |
| 174                       | Training   | SInf/Emp             | 3,000                            | 0                    | 3,000              | 3,051              | 3,115              | 3,180              | 3,250              | 3,325              |
| 175                       | <b>Total Operating Expenses</b>                                      |                      | <b>\$356,338</b>                 | <b>\$0</b>           | <b>\$356,338</b>   | <b>\$370,262</b>   | <b>\$384,938</b>   | <b>\$400,246</b>   | <b>\$416,255</b>   | <b>\$433,001</b>   |
| 176                       | <b>Total Collection</b>  |                      | <b>\$908,494</b>                 | <b>\$0</b>           | <b>\$908,494</b>   | <b>\$940,910</b>   | <b>\$974,729</b>   | <b>\$1,009,856</b> | <b>\$1,046,386</b> | <b>\$1,084,379</b> |
| <b>Lift Station</b>       |  |                      |                                  |                      |                    |                    |                    |                    |                    |                    |
| <b>Personal Services</b>  |  |                      |                                  |                      |                    |                    |                    |                    |                    |                    |
| 177                       | Regular Salaries and Wages   | WSLabor              | \$433,295                        | \$0                  | \$433,295          | \$446,294          | \$459,683          | \$473,473          | \$487,677          | \$502,308          |
| 178                       | Additional Personnel   | Calculated           | 0                                | 0                    | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 179                       | Overtime   | WSLabor              | 31,000                           | 0                    | 31,000             | 31,930             | 32,888             | 33,875             | 34,891             | 35,937             |
| 180                       | FICA   | WSLabor              | 30,946                           | 0                    | 30,946             | 31,874             | 32,831             | 33,816             | 34,830             | 35,875             |
| 181                       | Retirement   | WSLabor              | 53,091                           | 0                    | 53,091             | 54,684             | 56,324             | 58,014             | 59,754             | 61,547             |
| 182                       | Insurance  | HealthIns            | 121,033                          | 0                    | 121,033            | 127,085            | 133,439            | 140,111            | 147,116            | 154,472            |
| 183                       | Workers' Compensation  | WSLabor              | 19,427                           | 0                    | 19,427             | 20,010             | 20,610             | 21,228             | 21,865             | 22,521             |
| 184                       | Other Payroll Benefits   | WSLabor              | 1,621                            | 0                    | 1,621              | 1,670              | 1,720              | 1,771              | 1,824              | 1,879              |
| 185                       | <b>Total Personal Services:</b>                                      |                      | <b>\$690,413</b>                 | <b>\$0</b>           | <b>\$690,413</b>   | <b>\$713,546</b>   | <b>\$737,494</b>   | <b>\$762,288</b>   | <b>\$787,959</b>   | <b>\$814,540</b>   |
| <b>Operating Expenses</b> |  |                      |                                  |                      |                    |                    |                    |                    |                    |                    |
| 186                       | Contract Services  | Inflation            | \$49,200                         | \$0                  | \$49,200           | \$50,036           | \$51,087           | \$52,160           | \$53,308           | \$54,534           |
| 187                       | Travel   | Inflation            | 600                              | 0                    | 600                | 610                | 623                | 636                | 650                | 665                |
| 188                       | Communication  | Inflation            | 3,955                            | 0                    | 3,955              | 4,022              | 4,107              | 4,193              | 4,285              | 4,384              |
| 189                       | Postage  | Inflation            | 100                              | 0                    | 100                | 102                | 104                | 106                | 108                | 111                |
| 190                       | Utilities  | Treat-S              | 180,000                          | 0                    | 180,000            | 187,569            | 195,455            | 203,672            | 212,234            | 221,155            |
| 191                       | Rentals  | Inflation            | 200                              | 0                    | 200                | 203                | 208                | 212                | 217                | 222                |
| 192                       | Internal Fleet Lease   | Repair               | 63,422                           | 0                    | 63,422             | 65,959             | 68,597             | 71,341             | 74,195             | 77,163             |
| 193                       | Insurance  | Insurance            | 8,543                            | 0                    | 8,543              | 8,970              | 9,419              | 9,890              | 10,384             | 10,903             |
| 194                       | Repairs and Maintenance - Vehicle:                                   | Repair               | 110,400                          | 0                    | 110,400            | 114,816            | 119,409            | 124,185            | 129,152            | 134,318            |
| 195                       | Repairs and Maintenance - Building:                                  | Repair               | 500                              | 0                    | 500                | 520                | 541                | 562                | 585                | 608                |
| 196                       | Repairs and Maintenance - Non-Building:                              | Repair               | 2,000                            | 0                    | 2,000              | 2,080              | 2,163              | 2,250              | 2,340              | 2,433              |
| 197                       | Repairs and Maintenance - Equipment                                  | Repair               | 1,120                            | 0                    | 1,120              | 1,165              | 1,211              | 1,260              | 1,310              | 1,363              |
| 198                       | Minor Furniture and Equipment  | Inflation            | 6,800                            | 0                    | 6,800              | 6,916              | 7,061              | 7,209              | 7,368              | 7,537              |
| 199                       | Operating Supplies   | Inflation            | 15,000                           | 0                    | 15,000             | 15,255             | 15,575             | 15,902             | 16,252             | 16,626             |
| 200                       | Uniforms   | SInf/Emp             | 3,480                            | 0                    | 3,480              | 3,539              | 3,613              | 3,689              | 3,771              | 3,857              |
| 201                       | Fuel Purchases   | Fuel                 | 35,558                           | 0                    | 35,558             | 38,047             | 40,710             | 43,560             | 46,609             | 49,872             |
| 202                       | Chemicals  | TreatChem-S          | 2,500                            | 0                    | 2,500              | 2,630              | 2,767              | 2,911              | 3,063              | 3,222              |
| 203                       | Publications and Membership:   | SInf/Emp             | 390                              | 0                    | 390                | 397                | 405                | 413                | 423                | 432                |
| 204                       | Training   | SInf/Emp             | 610                              | 0                    | 610                | 620                | 633                | 647                | 661                | 676                |
| 205                       | <b>Total Operating Expenses</b>                                      |                      | <b>\$484,378</b>                 | <b>\$0</b>           | <b>\$484,378</b>   | <b>\$503,457</b>   | <b>\$523,689</b>   | <b>\$544,799</b>   | <b>\$566,914</b>   | <b>\$590,081</b>   |
| 206                       | <b>Total Lift Station</b>  |                      | <b>\$1,174,791</b>               | <b>\$0</b>           | <b>\$1,174,791</b> | <b>\$1,217,003</b> | <b>\$1,261,183</b> | <b>\$1,307,087</b> | <b>\$1,354,873</b> | <b>\$1,404,621</b> |
| <b>Other</b>              |  |                      |                                  |                      |                    |                    |                    |                    |                    |                    |
| <b>Operating Expenses</b> |  |                      |                                  |                      |                    |                    |                    |                    |                    |                    |
| 207                       | Other Current Charges  | Inflation            | \$0                              | \$0                  | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| 208                       | Uncollectible Accounts:  | Calculated           | 20,000                           | (10,291)             | 9,709              | 9,907              | 10,124             | 10,356             | 10,593             | 10,836             |
| 209                       | Customer Accounts  | Cust-Sewer           | 735,660                          | 0                    | 735,660            | 750,285            | 768,203            | 786,544            | 806,105            | 826,954            |
| 210                       | Meter Reading  | GenAdmin             | 140,079                          | 0                    | 140,079            | 145,682            | 151,509            | 157,570            | 163,873            | 170,428            |
| 211                       | Contingency  | Calculated           | 0                                | 45,292               | 45,292             | 46,867             | 48,541             | 50,280             | 52,097             | 53,994             |
| 212                       | Depreciation Expense   | N/A                  | 1,570,706                        | (1,570,706)          | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| 213                       | <b>Total Operating Expenses</b>                                      |                      | <b>\$2,466,445</b>               | <b>(\$1,535,704)</b> | <b>\$930,741</b>   | <b>\$952,740</b>   | <b>\$978,378</b>   | <b>\$1,004,749</b> | <b>\$1,032,667</b> | <b>\$1,062,212</b> |
| 214                       | <b>Total Other</b>   |                      | <b>\$2,466,445</b>               | <b>(\$1,535,704)</b> | <b>\$930,741</b>   | <b>\$952,740</b>   | <b>\$978,378</b>   | <b>\$1,004,749</b> | <b>\$1,032,667</b> | <b>\$1,062,212</b> |
| 215                       | <b>TOTAL WASTEWATER SYSTEM<br/>COST OF OPERATION AND MAINTENANCE</b> |                      | <b>\$7,614,684</b>               | <b>(\$1,573,204)</b> | <b>\$6,041,480</b> | <b>\$6,252,229</b> | <b>\$6,475,533</b> | <b>\$6,707,485</b> | <b>\$6,949,597</b> | <b>\$7,202,330</b> |

Table 20

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Escalation References

| Line No. | Description  | Reference     | Fiscal Year Ending September 30, |        |        |        |        |
|----------|--|---------------|----------------------------------|--------|--------|--------|--------|
|          |  |               | 2014                             | 2015   | 2016   | 2017   | 2018   |
| 1        | Constant Factor                                      | Constant      | 1.0000                           | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 2        | General Inflation (CPI Price Index)                  | [1] Inflation | 1.0170                           | 1.0210 | 1.0210 | 1.0220 | 1.0230 |
| 3        | Gross Domestic Product Price Index                   | [1] GDP       | 1.0170                           | 1.0200 | 1.0210 | 1.0210 | 1.0210 |
| 4        | Gross Domestic Product Implicit Price Deflator Index | GDPDefl       | 1.0169                           | 1.0200 | 1.0209 | 1.0210 | 1.0210 |
| 5        | Water and Wastewater Labor                           | WSLabor       | 1.0300                           | 1.0300 | 1.0300 | 1.0300 | 1.0300 |
| 6        | Gas Labor  | GLabor        | 1.0500                           | 1.0500 | 1.0500 | 1.0500 | 1.0500 |
| 7        | General and Administrative                           | GenAdmin      | 1.0400                           | 1.0400 | 1.0400 | 1.0400 | 1.0400 |
| 8        | Health Insurance                                     | HealthIns     | 1.0500                           | 1.0500 | 1.0500 | 1.0500 | 1.0500 |
| 9        | Electricity Commodity Rate Increase                  | Electric      | 1.0400                           | 1.0400 | 1.0400 | 1.0400 | 1.0400 |
| 10       | Chemicals Commodity Rate Increase                    | Chemicals     | 1.0500                           | 1.0500 | 1.0500 | 1.0500 | 1.0500 |
| 11       | Natural Gas Commodity Rate Increase                  | Gas           | 1.0450                           | 1.0450 | 1.0450 | 1.0450 | 1.0450 |
| 12       | Electricity and Chemicals Combined                   | ElecChem      | 1.0450                           | 1.0450 | 1.0450 | 1.0450 | 1.0450 |
| 13       | Customer Growth + Inflation - Water                  | Cust-Water    | 1.0195                           | 1.0235 | 1.0235 | 1.0245 | 1.0255 |
| 14       | Customer Growth + Inflation - Sewer                  | Cust-Sewer    | 1.0199                           | 1.0239 | 1.0239 | 1.0249 | 1.0259 |
| 15       | Customer Growth + Inflation - Gas                    | Cust-Gas      | 1.0311                           | 1.0349 | 1.0347 | 1.0360 | 1.0413 |
| 16       | Water Rate Revenue                                   | WRevenue      | 1.0181                           | 1.0212 | 1.0221 | 1.0222 | 1.0222 |
| 17       | Wastewater Rate Revenue                              | SRevenue      | 1.0203                           | 1.0219 | 1.0228 | 1.0229 | 1.0229 |
| 18       | Gas Rate Revenue                                     | GRevenue      | 1.0225                           | 1.0256 | 1.0265 | 1.0267 | 1.0285 |
| 19       | Repair and Maintenance                               | Repair        | 1.0400                           | 1.0400 | 1.0400 | 1.0400 | 1.0400 |
| 20       | Water Billed + Inflation                             | Bill-W        | 1.0197                           | 1.0237 | 1.0236 | 1.0246 | 1.0256 |
| 21       | Wastewater Billed + Inflation                        | Bill-S        | 1.0190                           | 1.0230 | 1.0230 | 1.0240 | 1.0250 |
| 22       | Gas Billed + Inflation                               | Bill-G        | 1.0282                           | 1.0322 | 1.0320 | 1.0331 | 1.0355 |
| 23       | Water Flow + Inflation                               | W-Flow        | 1.0197                           | 1.0237 | 1.0236 | 1.0246 | 1.0256 |
| 24       | Wastewater Flow + Inflation                          | S-Flow        | 1.0190                           | 1.0230 | 1.0230 | 1.0240 | 1.0250 |
| 25       | Water Produced + Electricity Inflation               | Prod-W        | 1.0416                           | 1.0416 | 1.0415 | 1.0415 | 1.0415 |
| 26       | Water Produced + Chemicals Inflation                 | ProdChem-W    | 1.0516                           | 1.0516 | 1.0516 | 1.0516 | 1.0516 |
| 27       | Wastewater Treated + Electricity Inflation           | Treat-S       | 1.0420                           | 1.0420 | 1.0420 | 1.0420 | 1.0420 |
| 28       | Wastewater Treated + Chemicals Inflation             | TreatChem-S   | 1.0521                           | 1.0521 | 1.0521 | 1.0521 | 1.0521 |
| 29       | Gas Distributed + Electricity Inflation              | Dist-G        | 1.0515                           | 1.0514 | 1.0512 | 1.0513 | 1.0527 |
| 30       | Gas Distributed + Chemicals Inflation                | DistChem-G    | 1.0616                           | 1.0615 | 1.0614 | 1.0614 | 1.0628 |
| 31       | Sludge   | Sludge        | 1.0420                           | 1.0420 | 1.0420 | 1.0420 | 1.0420 |
| 32       | Fuel   | Fuel          | 1.0700                           | 1.0700 | 1.0700 | 1.0700 | 1.0700 |
| 33       | Water Inflation/Employee Growth                      | WInf/Emp      | 1.0170                           | 1.0210 | 1.0210 | 1.0220 | 1.0230 |
| 34       | Wastewater Inflation/Employee Growth                 | SInf/Emp      | 1.0170                           | 1.0210 | 1.0210 | 1.0220 | 1.0230 |
| 35       | Gas Inflation/Employee Growth                        | GInf/Emp      | 1.0170                           | 1.0210 | 1.0210 | 1.0220 | 1.0230 |
| 36       | Property/General Insurance Liability                 | Insurance     | 1.0500                           | 1.0500 | 1.0500 | 1.0500 | 1.0500 |
| 37       | Marginal Escalator                                   | Marginal      | 1.0100                           | 1.0100 | 1.0100 | 1.0100 | 1.0100 |
| 38       | Elimination Factor                                   | Eliminate     | 0.0000                           | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 39       | Contra-Expense                                       | Contra        | 1.0300                           | 1.0300 | 1.0300 | 1.0300 | 1.0300 |
| 40       | Late Charges   | LateCharges   | 1.0000                           | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 41       | Departmental Capital                                 | DeptCap       | 1.0300                           | 1.0300 | 1.0300 | 1.0300 | 1.0300 |

Footnotes:

[1] Estimates based on projections contained in "The Budget and Economic Outlook: Fiscal Years 2013 to 2023" published by the Congressional Budget Office in February 2013.

Table 21

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Summary of Debt Service Payments During Historical and Future Periods

| Line No. | Fiscal Year | Series 2004 Bonds [1] |                       |                       | Series 2007A Bonds     |                        |                        | Series 2007B Bonds    |                       |                       |
|----------|-------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|
|          |             | Principal             | Interest              | Total                 | Principal              | Interest               | Total                  | Principal             | Interest              | Total                 |
| 1        | 2008        | \$460,000.00          | \$1,062,913.76        | \$1,522,913.76        | \$0.00                 | \$535,436.72           | \$535,436.72           | \$0.00                | \$32,531.95           | \$32,531.95           |
| 2        | 2009        | 475,000.00            | 1,049,113.76          | 1,524,113.76          | 315,000.00             | 1,039,043.76           | 1,354,043.76           | 15,000.00             | 63,130.00             | 78,130.00             |
| 3        | 2010        | 490,000.00            | 1,033,913.76          | 1,523,913.76          | 325,000.00             | 1,026,443.76           | 1,351,443.76           | 20,000.00             | 62,245.00             | 82,245.00             |
| 4        | 2011        | 505,000.00            | 1,017,253.76          | 1,522,253.76          | 340,000.00             | 1,013,443.76           | 1,353,443.76           | 20,000.00             | 61,065.00             | 81,065.00             |
| 5        | 2012        | 520,000.00            | 999,073.76            | 1,519,073.76          | 360,000.00             | 999,843.76             | 1,359,843.76           | 20,000.00             | 59,885.00             | 79,885.00             |
| 6        | 2013        | 0.00                  | 0.00                  | 0.00                  | 365,000.00             | 985,443.76             | 1,350,443.76           | 25,000.00             | 58,705.00             | 83,705.00             |
| 7        | 2014        | 0.00                  | 0.00                  | 0.00                  | 380,000.00             | 970,843.76             | 1,350,843.76           | 25,000.00             | 57,230.00             | 82,230.00             |
| 8        | 2015        | 0.00                  | 0.00                  | 0.00                  | 395,000.00             | 955,643.76             | 1,350,643.76           | 30,000.00             | 55,755.00             | 85,755.00             |
| 9        | 2016        | 0.00                  | 0.00                  | 0.00                  | 415,000.00             | 939,843.76             | 1,354,843.76           | 30,000.00             | 53,985.00             | 83,985.00             |
| 10       | 2017        | 0.00                  | 0.00                  | 0.00                  | 430,000.00             | 923,243.76             | 1,353,243.76           | 30,000.00             | 52,215.00             | 82,215.00             |
| 11       | 2018        | 0.00                  | 0.00                  | 0.00                  | 445,000.00             | 905,506.26             | 1,350,506.26           | 35,000.00             | 50,445.00             | 85,445.00             |
| 12       | 2019        | 0.00                  | 0.00                  | 0.00                  | 470,000.00             | 886,593.76             | 1,356,593.76           | 35,000.00             | 48,380.00             | 83,380.00             |
| 13       | 2020        | 0.00                  | 0.00                  | 0.00                  | 485,000.00             | 866,618.76             | 1,351,618.76           | 40,000.00             | 46,315.00             | 86,315.00             |
| 14       | 2021        | 0.00                  | 0.00                  | 0.00                  | 505,000.00             | 846,006.26             | 1,351,006.26           | 40,000.00             | 43,955.00             | 83,955.00             |
| 15       | 2022        | 0.00                  | 0.00                  | 0.00                  | 530,000.00             | 823,912.50             | 1,353,912.50           | 40,000.00             | 41,595.00             | 81,595.00             |
| 16       | 2023        | 0.00                  | 0.00                  | 0.00                  | 555,000.00             | 800,725.00             | 1,355,725.00           | 45,000.00             | 39,235.00             | 84,235.00             |
| 17       | 2024        | 0.00                  | 0.00                  | 0.00                  | 580,000.00             | 775,750.00             | 1,355,750.00           | 45,000.00             | 36,580.00             | 81,580.00             |
| 18       | 2025        | 0.00                  | 0.00                  | 0.00                  | 600,000.00             | 749,650.00             | 1,349,650.00           | 50,000.00             | 33,925.00             | 83,925.00             |
| 19       | 2026        | 0.00                  | 0.00                  | 0.00                  | 630,000.00             | 722,650.00             | 1,352,650.00           | 55,000.00             | 30,975.00             | 85,975.00             |
| 20       | 2027        | 0.00                  | 0.00                  | 0.00                  | 660,000.00             | 694,300.00             | 1,354,300.00           | 55,000.00             | 27,730.00             | 82,730.00             |
| 21       | 2028        | 0.00                  | 0.00                  | 0.00                  | 690,000.00             | 664,600.00             | 1,354,600.00           | 60,000.00             | 24,485.00             | 84,485.00             |
| 22       | 2029        | 0.00                  | 0.00                  | 0.00                  | 720,000.00             | 632,687.50             | 1,352,687.50           | 65,000.00             | 20,945.00             | 85,945.00             |
| 23       | 2030        | 0.00                  | 0.00                  | 0.00                  | 755,000.00             | 599,387.50             | 1,354,387.50           | 65,000.00             | 17,110.00             | 82,110.00             |
| 24       | 2031        | 0.00                  | 0.00                  | 0.00                  | 790,000.00             | 564,468.76             | 1,354,468.76           | 70,000.00             | 13,275.00             | 83,275.00             |
| 25       | 2032        | 0.00                  | 0.00                  | 0.00                  | 825,000.00             | 527,931.26             | 1,352,931.26           | 75,000.00             | 9,145.00              | 84,145.00             |
| 26       | 2033        | 0.00                  | 0.00                  | 0.00                  | 860,000.00             | 489,775.00             | 1,349,775.00           | 80,000.00             | 4,720.00              | 84,720.00             |
| 27       | 2034        | 0.00                  | 0.00                  | 0.00                  | 975,000.00             | 450,000.00             | 1,425,000.00           | 0.00                  | 0.00                  | 0.00                  |
| 28       | 2035        | 0.00                  | 0.00                  | 0.00                  | 2,545,000.00           | 401,250.00             | 2,946,250.00           | 0.00                  | 0.00                  | 0.00                  |
| 29       | 2036        | 0.00                  | 0.00                  | 0.00                  | 2,675,000.00           | 274,000.00             | 2,949,000.00           | 0.00                  | 0.00                  | 0.00                  |
| 30       | 2037        | 0.00                  | 0.00                  | 0.00                  | 2,805,000.00           | 140,250.00             | 2,945,250.00           | 0.00                  | 0.00                  | 0.00                  |
| 31       | 2038        | 0.00                  | 0.00                  | 0.00                  | 0.00                   | 0.00                   | 0.00                   | 0.00                  | 0.00                  | 0.00                  |
| 32       | 2039        | 0.00                  | 0.00                  | 0.00                  | 0.00                   | 0.00                   | 0.00                   | 0.00                  | 0.00                  | 0.00                  |
| 33       | 2040        | 0.00                  | 0.00                  | 0.00                  | 0.00                   | 0.00                   | 0.00                   | 0.00                  | 0.00                  | 0.00                  |
| 34       |             | <u>\$2,450,000.00</u> | <u>\$5,162,268.80</u> | <u>\$7,612,268.80</u> | <u>\$22,425,000.00</u> | <u>\$22,205,293.12</u> | <u>\$44,630,293.12</u> | <u>\$1,070,000.00</u> | <u>\$1,045,561.95</u> | <u>\$2,115,561.95</u> |

Footnotes:

[1] The Series 2004 Bonds are anticipated to be refunded by the Series 2013 Bonds.

[2] The estimated debt service schedule for the Series 2013 Bonds was provided by the City's Financial Advisor.

Table 21

City of Leesburg, Florida  
 Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013

Summary of Debt Service Payments During Historical and Future Periods

| Line No. | Fiscal Year | Series 2006 Note |                     |                     | Series 2010 Bonds     |                       |                        | Series 2013 Bonds [2]  |                       |                        |
|----------|-------------|------------------|---------------------|---------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|------------------------|
|          |             | Principal        | Interest            | Total               | Principal             | Interest              | Total                  | Principal              | Interest              | Total                  |
| 1        | 2008        | \$0.00           | \$240,000.00        | \$240,000.00        | \$0.00                | \$0.00                | \$0.00                 | \$0.00                 | \$0.00                | \$0.00                 |
| 2        | 2009        | 0.00             | 240,000.00          | 240,000.00          | 0.00                  | 0.00                  | 0.00                   | 0.00                   | 0.00                  | 0.00                   |
| 3        | 2010        | 0.00             | 300,000.00          | 300,000.00          | 10,000.00             | 71,011.11             | 81,011.11              | 0.00                   | 0.00                  | 0.00                   |
| 4        | 2011        | 0.00             | 0.00                | 0.00                | 50,000.00             | 307,615.00            | 357,615.00             | 0.00                   | 0.00                  | 0.00                   |
| 5        | 2012        | 0.00             | 0.00                | 0.00                | 55,000.00             | 305,690.00            | 360,690.00             | 0.00                   | 0.00                  | 0.00                   |
| 6        | 2013        | 0.00             | 0.00                | 0.00                | 55,000.00             | 303,572.50            | 358,572.50             | 300,000.00             | 349,981.25            | 649,981.25             |
| 7        | 2014        | 0.00             | 0.00                | 0.00                | 525,000.00            | 301,455.00            | 826,455.00             | 700,000.00             | 693,962.50            | 1,393,962.50           |
| 8        | 2015        | 0.00             | 0.00                | 0.00                | 545,000.00            | 281,242.50            | 826,242.50             | 710,000.00             | 679,962.50            | 1,389,962.50           |
| 9        | 2016        | 0.00             | 0.00                | 0.00                | 565,000.00            | 260,260.00            | 825,260.00             | 735,000.00             | 658,662.50            | 1,393,662.50           |
| 10       | 2017        | 0.00             | 0.00                | 0.00                | 590,000.00            | 238,507.50            | 828,507.50             | 760,000.00             | 636,612.50            | 1,396,612.50           |
| 11       | 2018        | 0.00             | 0.00                | 0.00                | 610,000.00            | 215,792.50            | 825,792.50             | 790,000.00             | 606,212.50            | 1,396,212.50           |
| 12       | 2019        | 0.00             | 0.00                | 0.00                | 635,000.00            | 192,307.50            | 827,307.50             | 820,000.00             | 574,612.50            | 1,394,612.50           |
| 13       | 2020        | 0.00             | 0.00                | 0.00                | 660,000.00            | 167,860.00            | 827,860.00             | 850,000.00             | 541,812.50            | 1,391,812.50           |
| 14       | 2021        | 0.00             | 0.00                | 0.00                | 685,000.00            | 142,450.00            | 827,450.00             | 880,000.00             | 507,812.50            | 1,387,812.50           |
| 15       | 2022        | 0.00             | 0.00                | 0.00                | 710,000.00            | 116,077.50            | 826,077.50             | 895,000.00             | 490,212.50            | 1,385,212.50           |
| 16       | 2023        | 0.00             | 0.00                | 0.00                | 740,000.00            | 88,742.50             | 828,742.50             | 920,000.00             | 471,193.76            | 1,391,193.76           |
| 17       | 2024        | 0.00             | 0.00                | 0.00                | 765,000.00            | 60,252.50             | 825,252.50             | 950,000.00             | 434,393.76            | 1,384,393.76           |
| 18       | 2025        | 0.00             | 0.00                | 0.00                | 800,000.00            | 30,800.00             | 830,800.00             | 990,000.00             | 410,643.76            | 1,400,643.76           |
| 19       | 2026        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 1,035,000.00           | 361,143.76            | 1,396,143.76           |
| 20       | 2027        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 1,075,000.00           | 309,393.76            | 1,384,393.76           |
| 21       | 2028        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 1,105,000.00           | 277,143.76            | 1,382,143.76           |
| 22       | 2029        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 1,140,000.00           | 243,993.76            | 1,383,993.76           |
| 23       | 2030        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 1,175,000.00           | 208,368.76            | 1,383,368.76           |
| 24       | 2031        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 1,210,000.00           | 171,650.00            | 1,381,650.00           |
| 25       | 2032        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 1,250,000.00           | 132,325.00            | 1,382,325.00           |
| 26       | 2033        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 1,290,000.00           | 91,700.00             | 1,381,700.00           |
| 27       | 2034        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 1,330,000.00           | 46,550.00             | 1,376,550.00           |
| 28       | 2035        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 0.00                   | 0.00                  | 0.00                   |
| 29       | 2036        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 0.00                   | 0.00                  | 0.00                   |
| 30       | 2037        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 0.00                   | 0.00                  | 0.00                   |
| 31       | 2038        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 0.00                   | 0.00                  | 0.00                   |
| 32       | 2039        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 0.00                   | 0.00                  | 0.00                   |
| 33       | 2040        | 0.00             | 0.00                | 0.00                | 0.00                  | 0.00                  | 0.00                   | 0.00                   | 0.00                  | 0.00                   |
| 34       |             | <u>\$0.00</u>    | <u>\$780,000.00</u> | <u>\$780,000.00</u> | <u>\$8,000,000.00</u> | <u>\$3,083,636.11</u> | <u>\$11,083,636.11</u> | <u>\$20,910,000.00</u> | <u>\$8,898,343.83</u> | <u>\$29,808,343.83</u> |

Footnotes:

[1] The Series 2004 Bonds are anticipated to be refunded by the Series 2013 Bonds.

[2] The estimated debt service schedule for the Series 2013 Bonds was provided by the City's Financial Advisor.

Table 21

**City of Leesburg, Florida  
Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Debt Service Payments During Historical and Future Periods**

| Line No. | Fiscal Year | Total                  |                        |                        | Balance Outstanding |                 |
|----------|-------------|------------------------|------------------------|------------------------|---------------------|-----------------|
|          |             | Principal              | Interest               | Total                  | Beginning           | Ending          |
| 1        | 2008        | \$460,000.00           | \$1,870,882.43         | \$2,330,882.43         | \$54,855,000.00     | \$54,395,000.00 |
| 2        | 2009        | 805,000.00             | 2,391,287.52           | 3,196,287.52           | 54,395,000.00       | 53,590,000.00   |
| 3        | 2010        | 845,000.00             | 2,493,613.63           | 3,338,613.63           | 53,590,000.00       | 52,745,000.00   |
| 4        | 2011        | 915,000.00             | 2,399,377.52           | 3,314,377.52           | 52,745,000.00       | 51,830,000.00   |
| 5        | 2012        | 955,000.00             | 2,364,492.52           | 3,319,492.52           | 51,830,000.00       | 50,875,000.00   |
| 6        | 2013        | 745,000.00             | 1,697,702.51           | 2,442,702.51           | 50,875,000.00       | 50,130,000.00   |
| 7        | 2014        | 1,630,000.00           | 2,023,491.26           | 3,653,491.26           | 50,130,000.00       | 48,500,000.00   |
| 8        | 2015        | 1,680,000.00           | 1,972,603.76           | 3,652,603.76           | 48,500,000.00       | 46,820,000.00   |
| 9        | 2016        | 1,745,000.00           | 1,912,751.26           | 3,657,751.26           | 46,820,000.00       | 45,075,000.00   |
| 10       | 2017        | 1,810,000.00           | 1,850,578.76           | 3,660,578.76           | 45,075,000.00       | 43,265,000.00   |
| 11       | 2018        | 1,880,000.00           | 1,777,956.26           | 3,657,956.26           | 43,265,000.00       | 41,385,000.00   |
| 12       | 2019        | 1,960,000.00           | 1,701,893.76           | 3,661,893.76           | 41,385,000.00       | 39,425,000.00   |
| 13       | 2020        | 2,035,000.00           | 1,622,606.26           | 3,657,606.26           | 39,425,000.00       | 37,390,000.00   |
| 14       | 2021        | 2,110,000.00           | 1,540,223.76           | 3,650,223.76           | 37,390,000.00       | 35,280,000.00   |
| 15       | 2022        | 2,175,000.00           | 1,471,797.50           | 3,646,797.50           | 35,280,000.00       | 33,105,000.00   |
| 16       | 2023        | 2,260,000.00           | 1,399,896.26           | 3,659,896.26           | 33,105,000.00       | 30,845,000.00   |
| 17       | 2024        | 2,340,000.00           | 1,306,976.26           | 3,646,976.26           | 30,845,000.00       | 28,505,000.00   |
| 18       | 2025        | 2,440,000.00           | 1,225,018.76           | 3,665,018.76           | 28,505,000.00       | 26,065,000.00   |
| 19       | 2026        | 1,720,000.00           | 1,114,768.76           | 2,834,768.76           | 26,065,000.00       | 24,345,000.00   |
| 20       | 2027        | 1,790,000.00           | 1,031,423.76           | 2,821,423.76           | 24,345,000.00       | 22,555,000.00   |
| 21       | 2028        | 1,855,000.00           | 966,228.76             | 2,821,228.76           | 22,555,000.00       | 20,700,000.00   |
| 22       | 2029        | 1,925,000.00           | 897,626.26             | 2,822,626.26           | 20,700,000.00       | 18,775,000.00   |
| 23       | 2030        | 1,995,000.00           | 824,866.26             | 2,819,866.26           | 18,775,000.00       | 16,780,000.00   |
| 24       | 2031        | 2,070,000.00           | 749,393.76             | 2,819,393.76           | 16,780,000.00       | 14,710,000.00   |
| 25       | 2032        | 2,150,000.00           | 669,401.26             | 2,819,401.26           | 14,710,000.00       | 12,560,000.00   |
| 26       | 2033        | 2,230,000.00           | 586,195.00             | 2,816,195.00           | 12,560,000.00       | 10,330,000.00   |
| 27       | 2034        | 2,305,000.00           | 496,550.00             | 2,801,550.00           | 10,330,000.00       | 8,025,000.00    |
| 28       | 2035        | 2,545,000.00           | 401,250.00             | 2,946,250.00           | 8,025,000.00        | 5,480,000.00    |
| 29       | 2036        | 2,675,000.00           | 274,000.00             | 2,949,000.00           | 5,480,000.00        | 2,805,000.00    |
| 30       | 2037        | 2,805,000.00           | 140,250.00             | 2,945,250.00           | 2,805,000.00        | 0.00            |
| 31       | 2038        | 0.00                   | 0.00                   | 0.00                   | 0.00                | 0.00            |
| 32       | 2039        | 0.00                   | 0.00                   | 0.00                   | 0.00                | 0.00            |
| 33       | 2040        | 0.00                   | 0.00                   | 0.00                   | 0.00                | 0.00            |
| 34       |             | <u>\$54,855,000.00</u> | <u>\$41,175,103.81</u> | <u>\$96,030,103.81</u> |                     |                 |

Footnotes:

[1] The Series 2004 Bonds are anticipated to be refunded by the Series 2013 Bonds.

[2] The estimated debt service schedule for the Series 2013 Bonds was provided by the City

Table 22

**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Cash, Investments and Interest Income**

| Line No.                                      | Description   | Ref. [1] | Fiscal Year Ending September 30, |              |              |              |              |              |
|---|---|----------|----------------------------------|--------------|--------------|--------------|--------------|--------------|
|   |   |          | 2013                             | 2014         | 2015         | 2016         | 2017         | 2018         |
| <b>Summary of System Ending Cash Balances</b> |   |          |                                  |              |              |              |              |              |
| 1   | Revenue and Operating Funds                         |          | \$16,873,004                     | \$17,584,806 | \$18,248,485 | \$18,694,493 | \$19,242,703 | \$18,872,007 |
| 2   | Calculated % of Rate Revenue (Target = 25%)         |          | 69%                              | 70%          | 71%          | 71%          | 71%          | 68%          |
| 3   | Renewal and Replacement Funds                       |          | 4,677,083                        | 3,952,742    | 3,131,036    | 1,537,028    | 1,848,701    | 2,447,017    |
| 4   | Rate Stabilization Fund                             |          | 0                                | 0            | 0            | 0            | 0            | 0            |
| 5   | Customer Deposits                                   |          | 1,156,766                        | 1,156,766    | 1,156,766    | 1,156,766    | 1,156,766    | 1,156,766    |
| 6   | Bond Reserve  |          | 0                                | 0            | 0            | 0            | 0            | 0            |
| 7   | Construction Fund                                   |          | 13,980                           | 13,980       | 13,980       | 13,980       | 13,980       | 13,980       |
| 8   | Water Capacity Impact Fee Fund                      |          | 45,495                           | 45,609       | 45,837       | 46,066       | 46,412       | 46,760       |
| 9   | Wastewater Capacity Impact Fee Fund                 |          | 216,658                          | 217,200      | 218,286      | 219,378      | 221,023      | 222,681      |
| 10  | Total Cash Balance                                  |          | \$22,982,987                     | \$22,971,103 | \$22,814,390 | \$21,667,711 | \$22,529,585 | \$22,759,211 |
| <b>REVENUE AND OPERATING FUND - GAS (U)</b>   |   |          |                                  |              |              |              |              |              |
| 11  | Balance as of September 30, 2012                    |          | \$8,167,112                      |              |              |              |              |              |
| 12  | Adjustment for Open Purchase Orders                 |          | 0                                |              |              |              |              |              |
| 13  | Beginning Balance as of September 30, 2012          |          | \$8,167,112                      | \$7,551,542  | \$7,284,876  | \$6,902,546  | \$6,480,057  | \$6,031,735  |
| 14  | Transfers In - Operations                           |          | 0                                | 0            | 0            | 0            | 0            | 0            |
| 15  | Total Funds Available                               |          | \$8,167,112                      | \$7,551,542  | \$7,284,876  | \$6,902,546  | \$6,480,057  | \$6,031,735  |
| 16  | Transfers Out - CIP                                 |          | 0                                | 0            | 0            | 0            | 0            | 0            |
| 17  | Transfers Out - Operations                          |          | 0                                | 0            | 0            | 0            | 0            | 0            |
| 18  | Transfers Out - Renewal and Replacement Fund        |          | 0                                | 0            | 0            | 0            | 0            | 75,000       |
| 19  | Total Transfers Out of Fund                         |          | \$0                              | \$0          | \$0          | \$0          | \$0          | \$75,000     |
| 20  | Transfer In / (Out) - Surplus / (Deficiency)        |          | (\$615,570)                      | (\$266,666)  | (\$382,330)  | (\$422,489)  | (\$448,322)  | \$471,734    |
| 21  | Interest Rate                                       |          | 0.10%                            | 0.25%        | 0.50%        | 0.50%        | 0.75%        | 0.75%        |
| 22  | Interest Income on Fund                             |          | 8,200                            | 18,900       | 36,400       | 34,500       | 48,600       | 45,000       |
| 23  | Ending Balance                                      |          | \$7,551,542                      | \$7,284,876  | \$6,902,546  | \$6,480,057  | \$6,031,735  | \$6,428,469  |
| 24  | Financial Policy - % of Rate Revenue                |          | 25%                              | 25%          | 25%          | 25%          | 25%          | 25%          |
| 25  | Target Minimum Available Cash                       |          | \$1,873,094                      | \$1,937,169  | \$2,007,719  | \$2,082,295  | \$2,160,417  | \$2,245,474  |
| 26  | Target Minimum Cash Balance Met - Yes or No         |          | Yes                              | Yes          | Yes          | Yes          | Yes          | Yes          |
| 27  | Calculated % Rate Revenue                           |          | 101%                             | 94%          | 86%          | 78%          | 70%          | 72%          |
| <b>RENEWAL AND REPLACEMENT FUND - GAS (U)</b> |   |          |                                  |              |              |              |              |              |
| 28  | Beginning Balance as of September 30, 2012          |          | \$0                              | \$183,425    | \$258,450    | \$265,634    | \$269,957    | \$263,614    |
| 29  | Transfers In - Operations                           |          | 344,916                          | 251,925      | 253,784      | 260,123      | 266,707      | 274,844      |
| 30  | Transfers In - Revenue and Operating Fund           |          | 0                                | 0            | 0            | 0            | 0            | 75,000       |
| 31  | Transfers Out - CIP                                 |          | 161,491                          | 176,900      | 246,600      | 255,800      | 273,050      | 327,400      |
| 32  | Interest Rate                                       |          | 0.10%                            | 0.25%        | 0.50%        | 0.50%        | 0.75%        | 0.75%        |
| 33  | Interest Income on Fund                             |          | 92                               | 552          | 1,310        | 1,339        | 2,001        | 2,061        |
| 34  | Use of Interest Income to Fund Revenue Requirements |          | 92                               | 552          | 1,310        | 1,339        | 2,001        | 2,061        |
| 35  | Ending Balance                                      |          | \$183,425                        | \$258,450    | \$265,634    | \$269,957    | \$263,614    | \$286,058    |
| <b>REVENUE AND OPERATING FUND - WATER (U)</b> |   |          |                                  |              |              |              |              |              |
| 36  | Balance as of September 30, 2012                    |          | \$4,658,083                      |              |              |              |              |              |
| 37  | Adjustment for Open Purchase Orders                 |          | 0                                |              |              |              |              |              |
| 38  | Beginning Balance as of September 30, 2012          |          | \$4,658,083                      | \$5,667,925  | \$6,170,653  | \$6,179,712  | \$6,011,573  | \$5,982,363  |
| 39  | Transfers In - Operations                           |          | 0                                | 0            | 0            | 0            | 0            | 0            |
| 40  | Total Funds Available                               |          | \$4,658,083                      | \$5,667,925  | \$6,170,653  | \$6,179,712  | \$6,011,573  | \$5,982,363  |
| 41  | Transfers Out - CIP                                 |          | 0                                | 0            | 0            | 0            | 0            | 0            |
| 42  | Transfers Out - Operations                          |          | 0                                | 0            | 0            | 0            | 0            | 0            |
| 43  | Transfers Out - Renewal and Replacement Fund        |          | 0                                | 0            | 0            | 150,000      | 0            | 1,700,000    |
| 44  | Total Transfers Out of Fund                         |          | \$0                              | \$0          | \$0          | \$150,000    | \$0          | \$1,700,000  |
| 45  | Transfer In / (Out) - Surplus / (Deficiency)        |          | \$1,009,842                      | \$502,728    | \$9,059      | (\$18,139)   | (\$29,210)   | (\$58,708)   |
| 46  | Interest Rate                                       |          | 0.10%                            | 0.25%        | 0.50%        | 0.50%        | 0.75%        | 0.75%        |
| 47  | Interest Income on Fund                             |          | 4,700                            | 14,200       | 30,900       | 30,500       | 45,100       | 38,500       |
| 48  | Ending Balance                                      |          | \$5,667,925                      | \$6,170,653  | \$6,179,712  | \$6,011,573  | \$5,982,363  | \$4,223,655  |
| 49  | Financial Policy - % of Rate Revenue                |          | 25%                              | 25%          | 25%          | 25%          | 25%          | 25%          |
| 50  | Target Minimum Available Cash                       |          | \$1,798,466                      | \$1,831,010  | \$1,869,823  | \$1,911,140  | \$1,953,560  | \$1,996,919  |
| 51  | Target Minimum Cash Balance Met - Yes or No         |          | Yes                              | Yes          | Yes          | Yes          | Yes          | Yes          |
| 52  | Calculated % Rate Revenue                           |          | 79%                              | 84%          | 83%          | 79%          | 77%          | 53%          |

Table 22

**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Cash, Investments and Interest Income**

| Line No.   | Description   | Ref. [1] | Fiscal Year Ending September 30, |             |             |             |             |             |
|--|---|----------|----------------------------------|-------------|-------------|-------------|-------------|-------------|
|  |   |          | 2013                             | 2014        | 2015        | 2016        | 2017        | 2018        |
| <b>RENEWAL AND REPLACEMENT FUND - WATER</b>      |   |          | (U)                              |             |             |             |             |             |
| 53   | Beginning Balance as of September 30, 2012          |          | \$2,128,010                      | \$1,769,523 | \$1,564,337 | \$1,271,403 | \$4,173     | \$87,590    |
| 54   | Transfers In - Operations                           |          | 358,513                          | 367,814     | 368,866     | 376,424     | 383,980     | 392,902     |
| 55   | Transfers In - Revenue and Operating Fund           |          | 0                                | 0           | 0           | 150,000     | 0           | 1,700,000   |
| 56   | Transfers Out - CIP                                 |          | 717,000                          | 573,000     | 661,800     | 1,793,654   | 300,563     | 1,762,000   |
| 57   | Interest Rate                                       |          | 0.10%                            | 0.25%       | 0.50%       | 0.50%       | 0.75%       | 0.75%       |
| 58   | Interest Income on Fund                             |          | 1,949                            | 4,167       | 7,089       | 3,189       | 344         | 1,898       |
| 59   | Use of Interest Income to Fund Revenue Requirements |          | 1,949                            | 4,167       | 7,089       | 3,189       | 344         | 1,898       |
| 60   | Ending Balance                                      |          | \$1,769,523                      | \$1,564,337 | \$1,271,403 | \$4,173     | \$87,590    | \$418,492   |
| <b>REVENUE AND OPERATING FUND - WASTEWATER</b>   |   |          | (U)                              |             |             |             |             |             |
| 61   | Balance as of September 30, 2012                    |          | \$2,739,983                      |             |             |             |             |             |
| 62   | Adjustment for Open Purchase Orders                 |          | 0                                |             |             |             |             |             |
| 63   | Beginning Balance as of September 30, 2012          |          | \$2,739,983                      | \$3,653,537 | \$4,129,277 | \$5,166,227 | \$6,202,863 | \$7,228,605 |
| 64   | Transfers In - Operations                           |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 65   | Total Funds Available                               |          | \$2,739,983                      | \$3,653,537 | \$4,129,277 | \$5,166,227 | \$6,202,863 | \$7,228,605 |
| 66   | Transfers Out - CIP                                 |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 67   | Transfers Out - Operations                          |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 68   | Transfers Out - Renewal and Replacement Fund        |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 69   | Total Transfers Out of Fund                         |          | \$0                              | \$0         | \$0         | \$0         | \$0         | \$0         |
| 70   | Transfer In / (Out) - Surplus / (Deficiency)        |          | \$913,554                        | \$475,740   | \$1,036,950 | \$1,036,636 | \$1,025,742 | \$991,278   |
| 71   | Interest Rate                                       |          | 0.10%                            | 0.25%       | 0.50%       | 0.50%       | 0.75%       | 0.75%       |
| 72   | Interest Income on Fund                             |          | 2,700                            | 9,100       | 20,600      | 25,800      | 46,500      | 54,200      |
| 73   | Ending Balance                                      |          | \$3,653,537                      | \$4,129,277 | \$5,166,227 | \$6,202,863 | \$7,228,605 | \$8,219,883 |
| 74   | Financial Policy - % of Rate Revenue                |          | 25%                              | 25%         | 25%         | 25%         | 25%         | 25%         |
| 75   | Target Minimum Available Cash                       |          | \$2,427,332                      | \$2,476,692 | \$2,531,056 | \$2,588,884 | \$2,648,285 | \$2,709,038 |
| 76   | Target Minimum Cash Balance Met - Yes or No         |          | Yes                              | Yes         | Yes         | Yes         | Yes         | Yes         |
| 77   | Calculated % Rate Revenue                           |          | 38%                              | 42%         | 51%         | 60%         | 68%         | 76%         |
| <b>RENEWAL AND REPLACEMENT FUND - WASTEWATER</b> |   |          | (U)                              |             |             |             |             |             |
| 78   | Beginning Balance as of September 30, 2012          |          | \$3,672,121                      | \$2,724,135 | \$2,129,955 | \$1,593,999 | \$1,262,898 | \$1,497,497 |
| 79   | Transfers In - Operations                           |          | 480,244                          | 493,220     | 495,372     | 505,359     | 516,403     | 529,256     |
| 80   | Transfers In - Revenue and Operating Fund           |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 81   | Transfers Out - CIP                                 |          | 1,428,230                        | 1,087,400   | 1,031,328   | 836,460     | 281,804     | 284,286     |
| 82   | Interest Rate                                       |          | 0.10%                            | 0.25%       | 0.50%       | 0.50%       | 0.75%       | 0.75%       |
| 83   | Interest Income on Fund                             |          | 3,198                            | 6,068       | 9,310       | 7,142       | 10,351      | 12,150      |
| 84   | Use of Interest Income to Fund Revenue Requirements |          | 3,198                            | 6,068       | 9,310       | 7,142       | 10,351      | 12,150      |
| 85   | Ending Balance                                      |          | \$2,724,135                      | \$2,129,955 | \$1,593,999 | \$1,262,898 | \$1,497,497 | \$1,742,467 |
| <b>RATE STABILIZATION FUND</b>                   |   |          | (U)                              |             |             |             |             |             |
| 86   | Beginning Balance as of September 30, 2012          |          | \$0                              | \$0         | \$0         | \$0         | \$0         | \$0         |
| 87   | Transfers In  |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 88   | Transfers Out                                       |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 89   | Interest Rate                                       |          | 0.10%                            | 0.25%       | 0.50%       | 0.50%       | 0.75%       | 0.75%       |
| 90   | Interest Income on Fund                             |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 91   | Use of Interest Income to Fund Revenue Requirements |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 92   | Ending Balance                                      |          | \$0                              | \$0         | \$0         | \$0         | \$0         | \$0         |
| <b>CUSTOMER DEPOSITS</b>                         |   |          | (R)                              |             |             |             |             |             |
| 93   | Beginning Balance as of September 30, 2012          |          | \$1,156,766                      | \$1,156,766 | \$1,156,766 | \$1,156,766 | \$1,156,766 | \$1,156,766 |
| 94   | Transfers In  |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 95   | Transfers Out                                       |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 96   | Interest Rate                                       |          | 0.00%                            | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       |
| 97   | Interest Income on Fund                             |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 98   | Use of Interest Income to Fund Revenue Requirements |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 99   | Ending Balance                                      |          | \$1,156,766                      | \$1,156,766 | \$1,156,766 | \$1,156,766 | \$1,156,766 | \$1,156,766 |
| <b>BOND RESERVE</b>                              |   |          | (U)                              |             |             |             |             |             |
| 100  | Beginning Balance as of September 30, 2012          |          | \$0                              |             |             |             |             |             |
| 101  | Adjustments   |          | 0                                |             |             |             |             |             |
| 102  | Beginning Balance as of September 30, 2012          |          | \$0                              | \$0         | \$0         | \$0         | \$0         | \$0         |
| 103  | Transfers In  |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 104  | Transfers Out                                       |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 105  | Interest Rate                                       |          | 0.25%                            | 0.25%       | 0.50%       | 0.50%       | 0.75%       | 0.75%       |
| 106  | Interest Income on Fund                             |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 107  | Use of Interest Income to Fund Revenue Requirements |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 108  | Ending Balance                                      |          | \$0                              | \$0         | \$0         | \$0         | \$0         | \$0         |

Table 22

**City of Leesburg, Florida**  
**Financial Feasibility Report for Utility System Refunding Revenue Bonds, Series 2013**

**Summary of Cash, Investments and Interest Income**

| Line No.                                   | Description   | Ref. [1] | Fiscal Year Ending September 30, |             |             |             |             |             |
|--|---|----------|----------------------------------|-------------|-------------|-------------|-------------|-------------|
|  |   |          | 2013                             | 2014        | 2015        | 2016        | 2017        | 2018        |
| <b>SINKING FUND</b>                        |   |          |                                  |             |             |             |             |             |
|  |   | (U)      |                                  |             |             |             |             |             |
| 109  | Sinking Fund Deposit                                |          | \$2,442,703                      | \$3,653,491 | \$3,652,604 | \$3,657,751 | \$3,660,579 | \$3,657,956 |
| 110  | Average Balance                                     |          | 610,676                          | 913,373     | 913,151     | 914,438     | 915,145     | 914,489     |
| 111  | Interest Rate                                       |          | 0.10%                            | 0.25%       | 0.50%       | 0.50%       | 0.75%       | 0.75%       |
| 112  | Interest Income on Fund                             |          | 611                              | 2,283       | 4,566       | 4,572       | 6,864       | 6,859       |
| 113  | Use of Interest Income to Fund Revenue Requirements |          | 611                              | 2,283       | 4,566       | 4,572       | 6,864       | 6,859       |
| <b>CONSTRUCTION FUND</b>                   |   |          |                                  |             |             |             |             |             |
|  |   | (R)      |                                  |             |             |             |             |             |
| 116  | Beginning Balance as of September 30, 2012          |          | \$5,148,529                      | \$13,980    | \$13,980    | \$13,980    | \$13,980    | \$13,980    |
| 117  | Transfers In  |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 118  | Transfers Out - Capital Improvements                |          | 5,134,549                        | 0           | 0           | 0           | 0           | 0           |
| 119  | Interest Rate                                       |          | 0.00%                            | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       |
| 120  | Interest Income on Fund                             |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 121  | Use of Interest Income to Fund Revenue Requirements |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 122  | Ending Balance                                      |          | \$13,980                         | \$13,980    | \$13,980    | \$13,980    | \$13,980    | \$13,980    |
| <b>WATER CAPACITY IMPACT FEE FUND</b>      |   |          |                                  |             |             |             |             |             |
|  |   | (R)      |                                  |             |             |             |             |             |
| 123  | Beginning Balance as of September 30, 2012          |          | \$45,450                         | \$45,495    | \$45,609    | \$45,837    | \$46,066    | \$46,412    |
| 124  | Transfers In  |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 126  | Transfers Out - Capital Improvement Program         |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 127  | Transfers Out - Payment of Debt Service             |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 128  | Interest Rate                                       |          | 0.10%                            | 0.25%       | 0.50%       | 0.50%       | 0.75%       | 0.75%       |
| 129  | Interest Income on Fund                             |          | 45                               | 114         | 228         | 229         | 345         | 348         |
| 130  | Ending Balance                                      |          | \$45,495                         | \$45,609    | \$45,837    | \$46,066    | \$46,412    | \$46,760    |
| <b>WASTEWATER CAPACITY IMPACT FEE FUND</b> |   |          |                                  |             |             |             |             |             |
|  |   | (R)      |                                  |             |             |             |             |             |
| 131  | Beginning Balance as of September 30, 2012          |          | \$216,442                        | \$216,658   | \$217,200   | \$218,286   | \$219,378   | \$221,023   |
| 132  | Transfers In  |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 133  | Transfers Out - Capital Improvement Program         |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 134  | Transfers Out - Payment of Debt Service             |          | 0                                | 0           | 0           | 0           | 0           | 0           |
| 135  | Interest Rate                                       |          | 0.10%                            | 0.25%       | 0.50%       | 0.50%       | 0.75%       | 0.75%       |
| 136  | Interest Income on Fund                             |          | 216                              | 542         | 1,086       | 1,091       | 1,645       | 1,658       |
| 137  | Ending Balance                                      |          | \$216,658                        | \$217,200   | \$218,286   | \$219,378   | \$221,023   | \$222,681   |
| <b>INTEREST INCOME</b>                     |   |          |                                  |             |             |             |             |             |
| Unrestricted                               |   |          |                                  |             |             |             |             |             |
| 138  | Gas System  |          | \$8,375                          | \$19,765    | \$38,336    | \$36,466    | \$51,541    | \$48,001    |
| 139  | Water System  |          | 6,942                            | 19,464      | 40,182      | 35,885      | 48,741      | 43,692      |
| 140  | Wastewater System                                   |          | 6,132                            | 16,041      | 31,657      | 34,692      | 59,478      | 68,974      |
| 141  | Total   |          | \$21,449                         | \$55,271    | \$110,175   | \$107,042   | \$159,760   | \$160,668   |
| Restricted                                 |   |          |                                  |             |             |             |             |             |
| 142  | Gas System  |          | \$0                              | \$0         | \$0         | \$0         | \$0         | \$0         |
| 143  | Water System  |          | 45                               | 114         | 228         | 229         | 345         | 348         |
| 144  | Wastewater System                                   |          | 216                              | 542         | 1,086       | 1,091       | 1,645       | 1,658       |
| 145  | Total   |          | \$262                            | \$655       | \$1,314     | \$1,321     | \$1,991     | \$2,006     |
| <b>TOTAL INTEREST INCOME</b>               |   |          |                                  |             |             |             |             |             |
| 146  | Gas System  |          | \$8,375                          | \$19,765    | \$38,336    | \$36,466    | \$51,541    | \$48,001    |
| 147  | Water System  |          | 6,988                            | 19,578      | 40,410      | 36,114      | 49,086      | 44,040      |
| 148  | Wastewater System                                   |          | 6,348                            | 16,583      | 32,743      | 35,783      | 61,123      | 70,632      |
| 149  | Total   |          | \$21,711                         | \$55,926    | \$111,489   | \$108,363   | \$161,751   | \$162,673   |

## Footnotes:

- [1] (U) = Interest Earnings unrestricted and assumed to be available to meet System expenditure requirements; earnings included as a component of Gross Revenues of the System.  
(R) = Interest earnings restricted and assumed to not be available to meet System expenditure requirements; earnings maintained in fund for specific purpose of such fund.