



Comprehensive Annual Financial Report

Fiscal Year Ending September 30, 2018
City of Leesburg, Florida



CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018



Prepared by the Department of Finance



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**CITY OF LEESBURG, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



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MISSION STATEMENT

"Dedicated to Our Community, Committed to Service Excellence"

March 1, 2019

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

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the City of Leesburg, Florida (City) for the fiscal year ended September 30, 2018. The report fulfills the requirements set forth by State law in accordance with Section 218.39, Florida Statutes, and Chapter 10.500, Rules of the Auditor General, which require that all general purpose local governments publish each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

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

Florida Statutes require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed by Moore Stephens Lovelace, P.A. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The City is also subject to a broader, mandated “Single Audit” designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements - with special emphasis involving the administration of federal and state awards. For the fiscal year ended September 30, 2018, the City's expenditures of federal awards and state financial assistance did not meet the required Federal and State thresholds for reporting on such by the City or the independent auditor.

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

Profile of the Government

The City of Leesburg was founded and first settled in 1857 by Evander H. Lee, a native of Sumter, South Carolina. The City received its name as a result of shipping directions given by Calvin Lee, Evander’s brother, during a merchandising trip to New York City in 1866. By a vote of 23 to 2, the City of Leesburg was incorporated on July 12, 1875. The City was originally part of Sumter County and served as the County seat until 1882 when the Florida Legislature created Lake County. The City has been a part of Lake County since then and is the oldest and second highest populated of the fourteen incorporated municipalities in Lake County, which include Astatula, Clermont, Eustis, Fruitland Park, Groveland, Howey-in-the-Hills, Lady Lake, Mascotte, Minneola, Montverde, Mount Dora, Tavares, and Umatilla.

The City of Leesburg is a political subdivision of the State of Florida. As such, it is governed by, and derives its operating authority from, the constitution and laws of the State of Florida. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City operates under a commission/manager form of government, with a governing body consisting of five City Commissioners, elected to staggered four-year terms. Three of the commission members must meet district residency requirements. The remaining two commissioners are elected at-large without a district residency requirement. One of the commissioners is selected by the other four as Mayor to serve a one-year term. The City Commission is responsible for, among other things, passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances adopted by the City Commission, for overseeing day-to-day operations of the City, appointing the department heads and approving the hiring of all employees.

The City provides a traditional mix of governmental services, including police and fire protection, the construction and maintenance of streets and infrastructure, library, recreational activities, cultural events, planning, zoning, housing, and administrative services. The City also provides a full range of utility services, including electric, natural gas, solid waste, water, reuse water, wastewater treatment, and stormwater drainage. The City has an international airport as well. In addition, the City has three Community Redevelopment Agencies (CRA), which are Greater Leesburg, Carver Heights/Montclair Area and U.S. Highway 441&27.

The City is situated between Lake Harris and Lake Griffin in Lake County. To the south, the City extends past the intersection of U.S. Highway 27 with County Road 48, and south on County Road 33 past the Florida's Turnpike. The City extends west on County Road 48 and County Road 470 past the Florida's Turnpike to the Sumter County line. To the east, the City follows U.S. Highway 441 to County Road 473; the north is bounded by U.S. Highway 441 at Fruitland Park. The City occupies a land area of 40 square miles and has a population of approximately 23,000. The City is located in north central Florida midway between the Gulf of Mexico and the Atlantic Ocean, approximately 200 miles southeast of the State Capital, Tallahassee, 80 miles northeast of Tampa, 40 miles northwest of Orlando and 70 miles southwest of Daytona Beach. The City is intersected by State Road 44, U.S. Highway 27, U.S. Highway 441 and the Florida's Turnpike, with Interstate 75 close by.

The City's Library on Main Street in the downtown area is a two-story building of almost 42,000 sq. ft. featuring community meeting rooms, a Technology Lab, and an outdoor amphitheater for performances and events.

The City also takes pride in preserving its rich heritage through the Leesburg Historical Museum and Mote-Morris House, which offers a fine example of Victorian architecture.

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

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

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

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

These outstanding recreational facilities of regional impact are complemented with numerous community and neighborhood parks. The Susan Street Complex includes four youth baseball fields, one regulation football field, four tennis courts, four outdoor racquetball courts, concessions and restrooms. The Palmetto Street Complex features four tennis courts as well as 24 shuffleboard courts. Other quality recreational facilities throughout the City include Berry Park, Fountain Lake Park, John L. Johnson Park, Leesburg's Dog Park, and the Town Square, which serves as the focal point during major festivals hosted within the City.

Leesburg International Airport (LEE) is a large general aviation airport with over 50,000 flight operations per year. The Airport has grown substantially in the past few years and it continues to grow. The Airport provides a diversity of activities; with its two intersecting runways, the Airport can support a variety of aircraft. LEE is the largest airport in Lake County.

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

Budgetary Controls

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

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

Economic Condition

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

Local Economy

The City, and Lake County as a whole, have transitioned in recent decades from agricultural roots to a growth-driven economy that is heavily centered in real estate, retail, personal services, and health care. For the last five years, Lake County's unemployment numbers have been either equal to or slightly below the State of Florida and the United States, and the local unemployment figure has decreased nearly 10% since 2010. Housing prices are continuing to increase, as well as ad valorem tax revenues. Vacancies in the downtown area have stabilized and are lower than levels experienced in the past. In spite of these improvements, given the effects of the prior recession and the City's desire to maintain lower taxes for its citizens and customers, challenges remain in trying to prepare a balanced budget.

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

The City's top private sector employer is Central Florida Health Alliance (f/k/a LRMC), boasting a labor force of 1,800. Other principal employers within the City include LifeStream Behavioral Center, Lake County School District, Lake Sumter State College, and the City itself. Health care, education, personal services, retail, and construction are sectors with the highest employment levels in Lake County.

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

Economic challenges and diminishing property values have a significant impact on the City's taxable property income since the recession began in fiscal year 2008. Fiscal year 2015 was the first year since the recession that there was a slight increase in the City's taxable value; there have been increases in taxable values in the years since then. The prior years' decreases in the City's taxable value, coupled with property tax reform, have resulted in corresponding decreases in property tax revenues. Since fiscal year 2008, the City has seen the annual property tax revenues decrease from \$6.8 million to \$5.7 million in the current year. The taxable values have been increasing the past few fiscal years and are projected to increase over the intermediate future, but the rate of increase is not anticipated to be accelerating any time soon.

As discussed further in the notes to the financial statements, the City recently sold 1,127 acres of land to The Villages. It is anticipated that The Villages will begin building approximately 2,800 homes in the City in the next few years. The property tax revenues, as well as other tax and service revenues, are expected to substantially improve the economic condition of the City as a whole in the intermediate- and long-term future.

The population in Lake County nearly doubled from 1980 to 2000 (210,528 persons). The County now has more than 340,000 residents, which could double over the next 25 years and reach more than half a million people. Growth in the City has retreated from the peak experienced in 2006. The City currently has 23,297 residents.

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

Long-term Financial Planning

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

The 5-year Capital Improvement Plan was developed to maximize the "pay as you go approach" while recognizing the benefit of financing. Utility improvements and replacements will be scheduled and integrated into the street paving work plan. The plan includes a detailed explanation regarding development of revenue projections and assumptions regarding capital needs. Due to limited resources, capital spending is limited to that which is necessary. The major sources of funding include grants and renewal and replacement funds.

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

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

- **Electric** – The Electric Department consistently evaluates the costs of outsourcing specific activities. There is a plan to convert certain overhead utility lines within the City to underground in 30 years to avoid future safety code compliance issues associated with poles, weather related damage and to provide other savings. As part of the Smart Grid Grant, numerous electric systems and hardware were replaced and updated. These improvements will aide in the data gathering necessary to identify areas in which future upgrades may be necessary due to growth and changing load characteristics. In addition, a revision to the 5 year Capital Improvement Plan is underway which will identify system replacements, upgrades, and improvements necessary to maintain a state of the art system well into the future.
- **Gas** – The City is a member of Florida Gas Utility (FGU), which is made up of natural gas utilities with a common goal of acquiring natural gas in bulk to reduce the overall price to customers. Prior to 2006, the department followed a guideline of extending service to new customers based on a seven-year calculated return on initial investment. Since April of 2006, natural gas is being required in all new subdivisions within the city limits, with the cost of infrastructure to be borne by the developer. Additionally, the City has contracted with Sabal Trail Natural Gas pipeline to provide a southern connection for future expansion of the gas system.
- **Water & Wastewater** – Future utility expansion will be based on the Utility Master Plan and assessed as development requires utility expansion. At the present time, there is no funding source in Water or Wastewater for future utility expansion. The water utility is looking into long-term solutions for increased water consumption driven by population growth. The Florida aquifer has limited resources and is not expected to keep pace with development. The Central Florida Water Initiative and other similar efforts will take a leading role in developing future water use policies. The City has agreed to provide 3 million gallons per day of wastewater treatment capacity to South Sumter Utility Company, LLC at a bulk services rate and also provide bulk reuse water supply.

- **Solid Waste** – The Solid Waste Division executed a long term disposal agreement with Covanta Lake II, Inc., a waste-to-energy facility that produces electricity by burning municipal solid waste. The five-year agreement includes an option to extend the contract for three additional five-year terms. The negotiated disposal fee is considerably less than the fee formerly paid to Lake County and represents a significant savings in operating expenses for the duration of the contract. The utility will continue to replace semi-automated residential side loading trucks with larger, fully automated trucks.
- **Information and Technology (IT)**– The IT Department is an important part of the City’s operations; thus, long-term financial planning includes preparing to replace computers as they become obsolete. All computer equipment is owned by the IT Department and leased to the other City departments, based on a five-year payback period. IT is actively involved with upgrading business technology as financial resources become available.
- **Fleet Maintenance** – All City vehicles are owned by Fleet Services, which is responsible for repairs, vehicle bid specifications, and purchases. A lease fee, based on useful life, is charged to the user department. Fleet Services also maintains the City’s two fuel sites. The City maintains a vehicle replacement plan for all City-owned vehicles and updates it annually. Planning for future vehicle purchases is the joint responsibility of Fleet Services and the leasing department.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leesburg for its comprehensive annual financial report for the fiscal year ended September 30, 2017. This is the 28th consecutive year (fiscal years ended 1990-2017) that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes its current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements, and will submit it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Leesburg also received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for fiscal year 2017-18. This was the 20th consecutive year the City received this award. In order to qualify for the Distinguished Budget Presentation Award, the City’s budget document was judged to be proficient in several categories, including as a policy document, as a financial document, as an operations guide, and as a communications device.

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

Respectfully submitted,



Alfred (Al) Minner
City Manager



James (Jim) Williams
Finance Director

**CITY OF LEESBURG, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2018**



ELECTED OFFICIALS

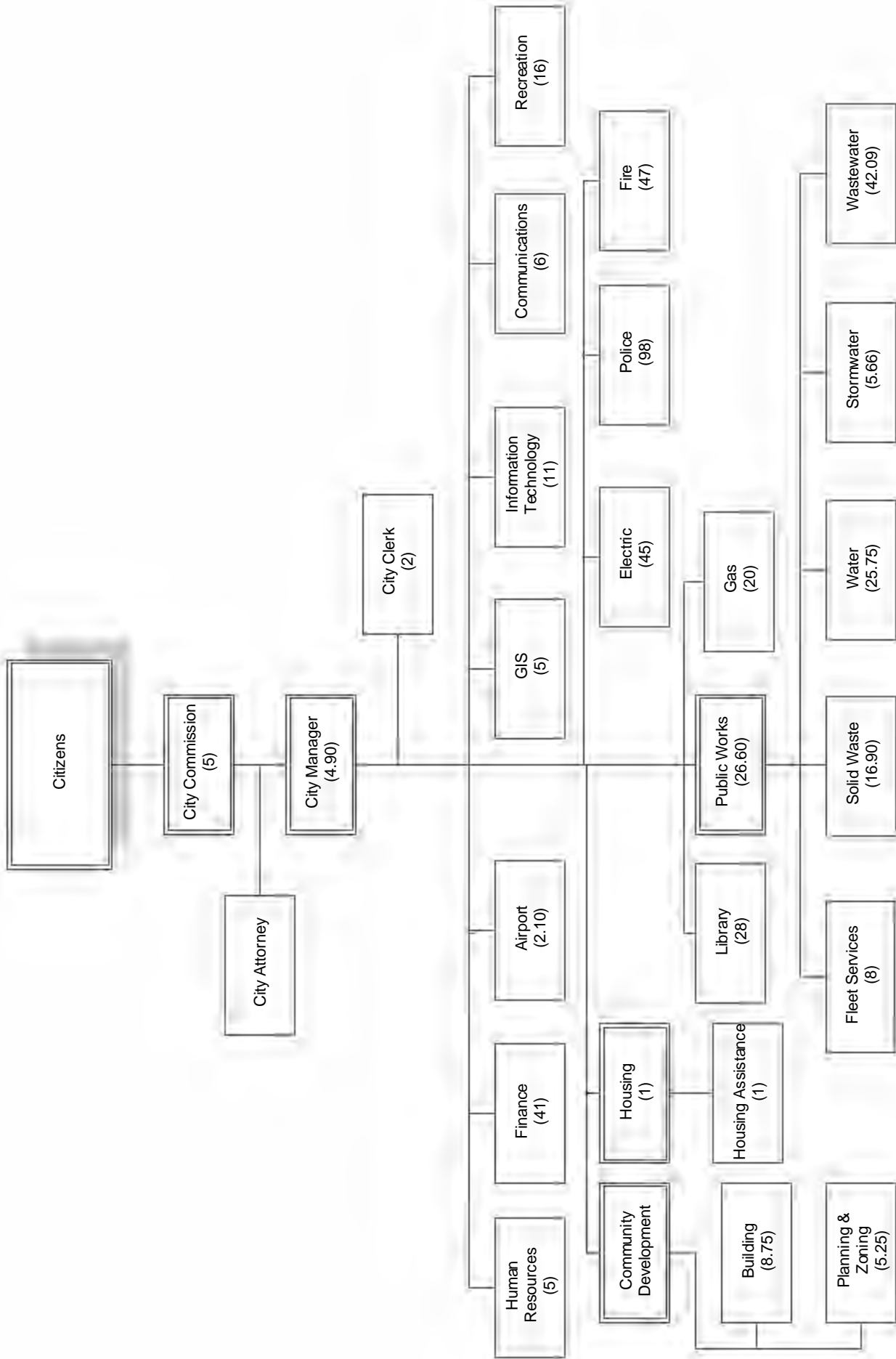
Dan Robuck, III	Mayor
John Christian	Mayor, Pro-Tem
Robert Bone, Jr.	Commissioner
Elise Dennison	Commissioner
Jay Hurley	Commissioner

APPOINTED OFFICIALS

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

EXECUTIVE STAFF

Michael Rankin	Deputy City Manager
James Williams	Finance Director
Andi Purvis	City Clerk
Melissa Arriaga	Human Resources Director
Tino Anthony	Information Technologies Director
Robert Hicks	Police Chief
David Johnson	Fire Chief
Lucy Gangone	Library Director
Travis Rima	Recreation Director
Glenn Spurlock	Electric Director
Jack Rogers, Jr.	Gas Director
D.C. Maudlin	Public Works Director



Note: The numbers shown for each department reflect full time equivalents (FTEs).



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Leesburg
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leesburg, Florida (the City) as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter - Change in Accounting Principle

As discussed in Note 20 to the financial statements, in the fiscal year ended September 30, 2018, the City adopted the provisions of Government Accounting Standards Board Statement (GASBS) Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASBS 75, the City reported a restatement for the change in accounting principle as of October 1, 2017. Our opinions are not modified with respect to this matter.

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 1, 2019

CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018

The City of Leesburg (the City), Florida's Management's Discussion and Analysis presents an overview of the City's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the letter of transmittal and the financial statements, as listed in the Table of Contents.

Financial Highlights

- The assets of the City exceed liabilities at the close of fiscal year 2018 by \$252.6 million (net position). Of this amount, \$55.8 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- In fiscal year 2018, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which improves financial reporting by giving users of financial statements essential information by requiring the immediate recognition of the entire net (or total) OPEB liability and a more comprehensive measure of OPEB expense. The City has made certain required disclosures of such in Note 14, as well as within the Required Supplementary Information. A prior period restatement of the beginning balances for fiscal year 2018 was required to implement the standard. Note 20 has more detailed information on the adoption and restatement.
- The City's total net position increased \$13.3 million, or 5.5%. Net position for governmental activities increased \$11.7 million or 41.3%, while business-type activities increased \$1.6 million or 0.8%. The increase in the governmental activities is due primarily to the sale of the Communications System (see Note 21) and the transfer of such proceeds and other assets to the General Fund. Other factors include increased residential building and permitting, and increased taxes and revenues in general due to an improving economy, while at the same time paying down debt and monitoring expenses closely. The increase in the business-type activities is due to increased customer charges and continued positive business performance of the City's various services.
- As of September 30, 2018, the City's governmental funds reported combined ending fund balance of \$35.3 million, an increase of \$7.7 million in comparison with the reported amount of \$27.6 million in the prior year.
- On September 30, 2018, unassigned fund balance for the General Fund was \$14.4 million, or 48% of total General Fund expenditures and transfers out of \$29.9 million.
- Governmental funds' fund balance increased \$7.7 million, while in the prior year fund balance decreased \$(2.3) million. The increase is mainly attributable to the sale of the Communications System and the transfer of cash and assets from the sale to the General Fund and the Capital Projects Fund. Additionally, in fiscal year 2017, the City refinanced Community Redevelopment Agency (CRA) debt in which approximately \$4 million of the City's cash on hand was used in the refinancing; such a transaction did not reoccur in fiscal year 2018.
- The Internal Service Funds' change in net position increased \$713 thousand. Internal service funds are considered governmental activities on the City-wide statements, but are included with the enterprise funds on the individual funds' statements. The primary reason for the increase was positive experience in the Workers' Compensation Insurance fund, as well as increased charges for services from the Fleet Maintenance fund to other funds of the City.
- The total Enterprise Funds' change in net position increased \$1.6 million from the previous year, for the reasons noted for the increase in business-type activities above.
- The City's total financed debt as of September 30, 2018 decreased \$(4.1) million from \$110.8 million to \$106.7 million. Along with recurring debt repayments, the City borrowed \$255 thousand for new firefighting apparatuses via a capital lease.

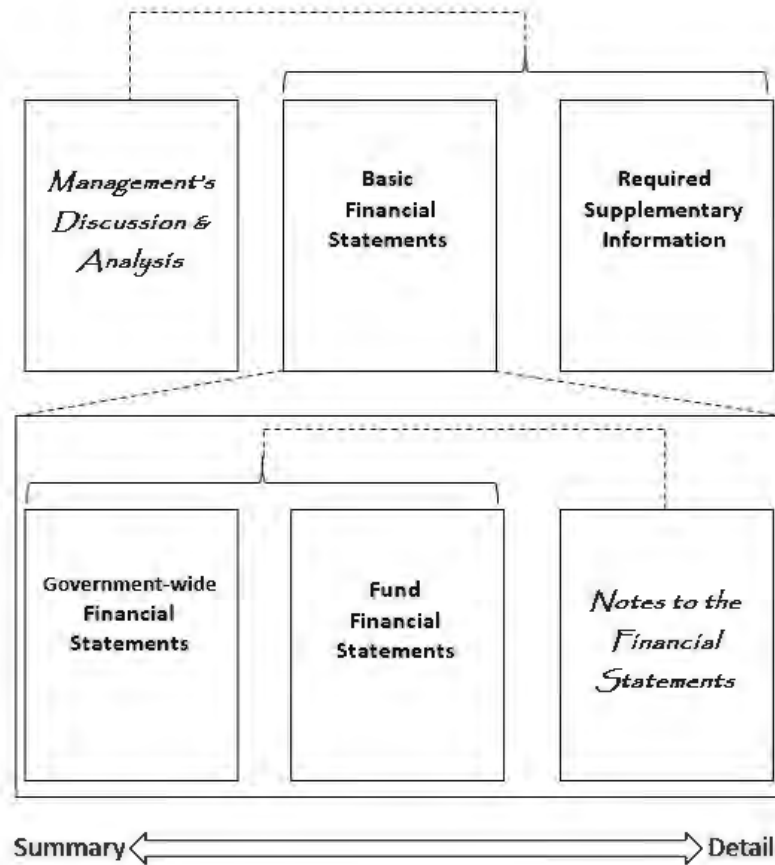
**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Overview of the Financial Statements

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

The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements.

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



CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018

City-wide Financial Statements

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

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

- The *Statement of Net Position* presents information on all of the City's assets and deferred outflows, less liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The *Statement of Activities* presents information showing how the government's net position changed during fiscal year 2018. All changes in net position are reported as soon as the occasion arises, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that result in cash flows in future fiscal periods (e.g., uncollected taxes and unused vacation leave when earned).

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

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

CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

The combining statements and budgetary comparison schedules referred to earlier, in connection with nonmajor governmental and internal service funds, are presented in the Supplemental Information section of this report.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

City-wide Financial Analysis

Statement of Net Position

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$252.6 million at the close of the fiscal year ended September 30, 2018.

At the end of fiscal year 2018, the City is able to report positive balances in all three categories of net position for governmental and business-type activities. The following table reflects the condensed Statement of Net Position for the current year as compared to the prior year:

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and Other Assets	\$ 47,225,500	\$ 38,643,839	\$ 99,605,905	\$ 97,555,730	\$ 146,831,405	\$ 136,199,569
Capital Assets (net)	57,099,621	53,718,339	225,376,281	228,845,443	282,475,902	282,563,782
Total Assets	104,325,121	92,362,178	324,982,186	326,401,173	429,307,307	418,763,351
Deferred Outflows of Resources	5,519,925	5,080,069	1,498,341	1,206,537	7,018,266	6,286,606
Liabilities						
Current and Other Liabilities	8,552,516	7,111,990	22,967,255	21,154,007	31,519,771	28,265,997
Long-Term Liabilities	58,352,489	49,684,041	89,508,977	89,424,559	147,861,466	139,108,600
Total Liabilities	66,905,005	56,796,031	112,476,232	110,578,566	179,381,237	167,374,597
Deferred Inflows of Resources	3,050,596	1,396,818	1,260,978	361,803	4,311,574	1,758,621
Net Position						
Net Investment in Capital Assets	27,512,978	25,845,388	158,815,845	159,475,980	186,328,823	185,321,368
Restricted	6,851,601	8,143,253	3,620,077	2,663,517	10,471,678	10,806,770
Unrestricted	5,524,866	5,260,757	50,307,395	54,527,844	55,832,261	59,788,601
Total Net Position	\$ 39,889,445	\$ 39,249,398	\$ 212,743,317	\$ 216,667,341	\$ 252,632,762	\$ 255,916,739

The largest portion of the City's net position is reflected in the investment in capital assets (e.g., land, buildings, and equipment) less any related outstanding debt used to acquire those assets. Net investment in capital assets totals \$186.3 million, or 43% of all assets, which total \$429.3 million. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate the debt.

A portion of the City's net position, \$10.5 million, or 4.1% of total net position, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position totaling \$55.8 million, or 22.1% of the total net position, may be used to meet the City's ongoing obligations to citizens and creditors, and provide funding for various projects.

CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018

Statement of Activities

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

Changes in Net Position

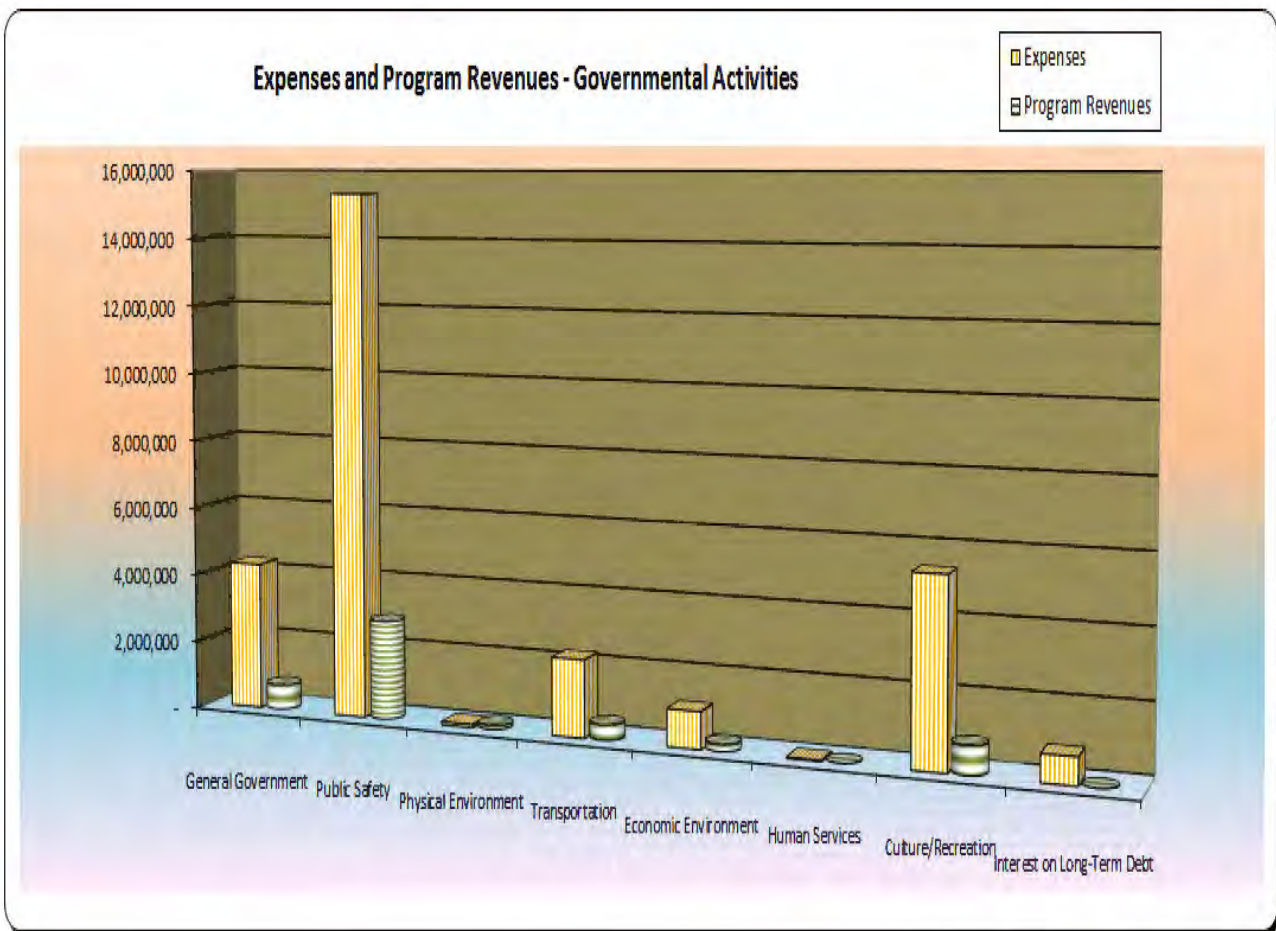
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$ 4,500,805	\$ 4,285,687	\$ 94,701,822	\$ 97,691,509	\$ 99,202,627	\$ 101,977,196
Operating Grants and Contributions	109,597	165,986	-	45,474	109,597	211,460
Capital Grants and Contributions	553,437	1,189,437	2,540,026	3,021,413	3,093,463	4,210,850
General Revenues						
Taxes						
Property Taxes	5,678,438	5,204,939	-	-	5,678,438	5,204,939
Sales Taxes	2,076,793	2,070,288	-	-	2,076,793	2,070,288
Utility Service Taxes	3,656,281	3,606,282	-	-	3,656,281	3,606,282
Communication Service Taxes	1,076,822	1,089,220	-	-	1,076,822	1,089,220
Other Taxes	813,585	867,795	-	-	813,585	867,795
State-Shared Revenues, Unrestricted	2,286,340	2,168,047	-	-	2,286,340	2,168,047
County-Shared Revenues, Unrestricted	434,453	419,755	-	-	434,453	419,755
Investment Income	388,197	266,051	843,658	562,575	1,231,855	828,626
Miscellaneous	1,166,274	230,746	2,283,381	184,151	3,449,655	414,897
Total Revenues	22,741,022	21,564,233	100,368,887	101,505,122	123,109,909	123,069,355
Expenses						
General Government	4,261,083	4,308,723	-	-	4,261,083	4,308,723
Public Safety	15,265,479	15,218,300	-	-	15,265,479	15,218,300
Physical Environment	89,114	197,267	-	-	89,114	197,267
Transportation	2,237,644	2,300,390	-	-	2,237,644	2,300,390
Economic Environment	1,064,872	868,608	-	-	1,064,872	868,608
Human Services	27,706	92,742	-	-	27,706	92,742
Culture/Recreation	5,334,338	3,962,261	-	-	5,334,338	3,962,261
Interest on Long-Term Debt	780,283	1,146,553	-	-	780,283	1,146,553
Electric Utility	-	-	53,894,931	55,636,953	53,894,931	55,636,953
Gas Utility	-	-	5,265,085	4,888,424	5,265,085	4,888,424
Water Utility	-	-	6,597,519	6,536,301	6,597,519	6,536,301
Wastewater Utility	-	-	8,206,198	8,147,865	8,206,198	8,147,865
Airport	-	-	1,996,993	1,985,875	1,996,993	1,985,875
Stormwater	-	-	990,541	976,741	990,541	976,741
Solid Waste	-	-	3,556,451	3,402,964	3,556,451	3,402,964
Communications Services	-	-	609,806	1,676,759	609,806	1,676,759
Total Expenses	29,060,519	28,094,844	81,117,524	83,251,882	110,178,043	111,346,726
Changes in Net Position Before						
Special Item and Transfers	(6,319,497)	(6,530,611)	19,251,363	18,253,240	12,931,866	11,722,629
Special Item - Note 21	-	-	339,507	-	339,507	-
Transfers	17,986,145	10,764,634	(17,986,145)	(10,764,634)	-	-
Change in Net Position	11,666,648	4,234,023	1,604,725	7,488,606	13,271,373	11,722,629
Restatement	(11,026,601)	-	(5,528,749)	-	(16,555,350)	-
Net Position - Beginning	39,249,398	35,015,375	216,667,341	209,178,735	255,916,739	244,194,110
Net Position - Ending	\$ 39,889,445	\$ 39,249,398	\$ 212,743,317	\$ 216,667,341	\$ 252,632,762	\$ 255,916,739

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Governmental Activities

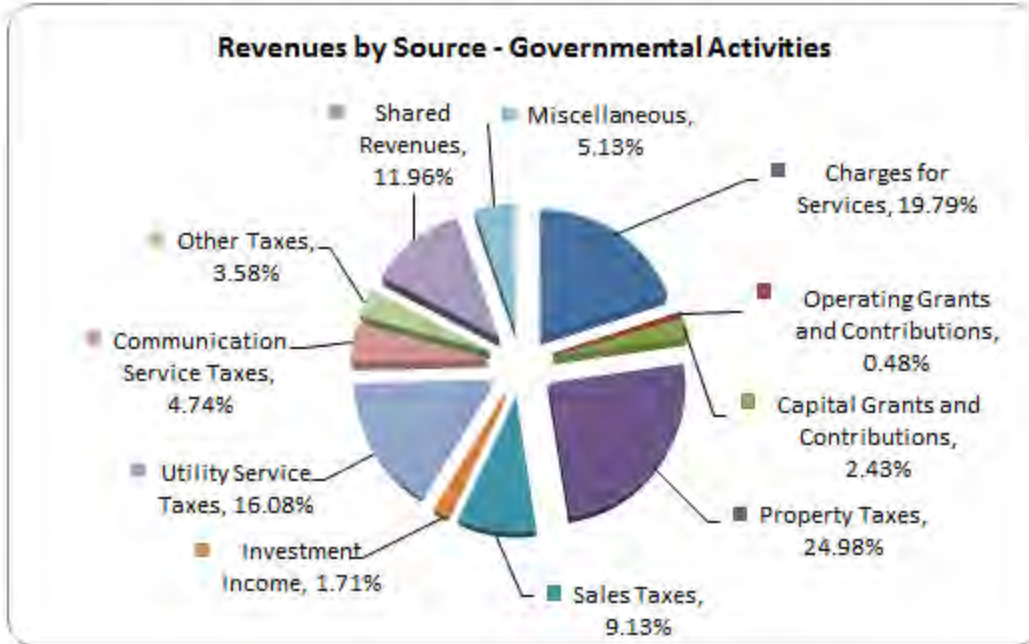
Governmental activities for the current fiscal year increased the City's net position by \$11.7 million, compared to an increase of \$4.2 million in the prior year. The primary driver of this increase was the sale of the Communications system, and the transfer of the sales proceeds and remaining assets to the General Fund. Overall, program revenues decreased \$(0.5) million. Revenue increases in charges for services increased \$0.2 million; operating grants and contributions decreased \$(56) thousand, while capital grants and contributions decreased \$(0.6) million, mainly due to the timing of grant-funded capital projects. Overall expenses increased by \$1.0 million, attributed primarily to an increase in Culture and Recreation costs. The fire and extensive damage to the City's historic Mote-Morris house, as well as demolition and work at Venetian Gardens in replacing the decades-old Community Center with a new, state-of-the-art Center and other aesthetic and structural improvements at Venetian Gardens were the causes of the increase in Culture and Recreation expenses.

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



**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

The pie chart depicting revenues by source for governmental activities reflects the percentage of individual revenue sources to total revenue sources for governmental activities.



Activities of the City’s four internal service funds are considered governmental rather than business-type activities. The net position of the four funds increased by \$713 thousand. The City’s general employee health insurance fund net position decreased by \$(2) thousand; charging employees more for their share of health insurance costs, and a slight reduction in expenses, has turned this fund around, which experienced a decrease in net position of \$(938) thousand in fiscal year 2017. The City continues to experience cost savings resulting from increased use of the City onsite wellness center, for which there is no cost to covered employees or dependents for visits, generic drugs dispensed from the center’s formulary, and X-ray and MRI services performed by a third-party imaging center. The Workers’ Compensation fund net position increased by \$162 thousand, due to a decrease in claims expense of \$(83) thousand. The City also has a Risk Management Fund, which charges the various departments an insurance fee for all costs related to General Liability, Excess Liability, Property/Casualty, Auto Physical Damage, Public Official and Employment Practices Liability. The Risk Management Fund charges City departments a fee based on factors such as number of vehicles, value of assets, and operating budget. The Fleet Maintenance fund tracks activities associated with providing vehicles and equipment services throughout the City’s operations. Net operating income for the Fleet Maintenance Fund was \$386 thousand, which is a decrease of \$(5) thousand from the previous year. Combined operating expenses of all internal service funds decreased by \$(38) thousand.

Business-type Activities

The City has several business-type activities, which are accounted for much like commercial entities. The City has separate business-type funds for electric, gas, water and reuse water, wastewater, airport, stormwater, and solid waste. Business-type activities differ from governmental activities in that charges for services are designed specifically to recover the cost of providing those services, including capital costs, such as depreciation and debt service. Business-type activities primarily generate revenue as charges to users of the services of the various activities.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Business-type activities for the current fiscal year increased the City's net position by \$1.6 million from \$211.1 million to \$212.7 million. Net operating and nonoperating revenues of \$16.7 million (an increase of \$1.5 million from prior year) were offset primarily by transfers to the governmental funds of \$(18.0) million. Transfers to the governmental funds were significantly greater this fiscal year due to the sale of the Communications system, and related transfers of remaining cash, receivables and other assets to the General Fund.

Financial Analysis of the City's Funds

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

Governmental Funds

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

As of the end of fiscal year 2018, the City's governmental funds reported combined ending fund balances of \$35.3 million, an increase of \$7.7 million from the prior year. Unassigned fund balance of the governmental funds increased \$2.5 million to \$13.5 million, which is available for spending at the City's discretion. The primary reason for the increase in unassigned fund balance was significant transfers into the General Fund from the Communications Fund after the Communications system was sold, offset by an increase in transfers to the Capital Projects Fund to fund the City's significant capital projects, the balance of which is assigned fund balance. The remainder of fund balance is classified as nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed for other uses.

The General Fund is the primary general government operating fund of the City. At the end of fiscal year 2018, the fund balance of the General Fund was \$16.2 million. This fund balance is comprised of non-spendable funds totaling \$676 thousand, restricted funds of \$0.4 million, committed funds of \$3 thousand, assigned funds of \$0.7 million, and unassigned funds of \$14.4 million. This unassigned balance is an increase of \$3.5 million from the previous year, primarily due to transfers from other funds, mainly the Communications Fund, which was closed in the current year and all remaining cash, receivables, and assets transferred to the General Fund after the sale of the Communications system.

The Greater Leesburg CRA experienced an increase of \$27 thousand in expenditures, while revenues increased \$53 thousand; increased tax increment financing (TIF) tax revenues accounted for the revenue increase. The Carver Heights/Montclair CRA revenues decreased by \$(465) thousand due to decreased receipts from an ongoing Federal CDBG grant for the Leesburg Resource Center, which was completed and opened in the current fiscal year, while expenditures increased by \$1.3 million due to increased capital outlay spending to complete and open the Center. The U.S. Highway 441 & 27 CRA experienced a year-to-year \$246 thousand increase in TIF revenues, while expenditures decreased \$(243) thousand, which was due to the refinancing of the CRA's debt in the prior fiscal year. These activities in the three CRAs combined to result in a reduction of fund balance of \$(1.3) million.

Expenditures in the Capital Projects Fund increased \$1.0 million due to significant capital improvements, primarily Venetian Gardens. Expenditures of \$4.6 million were more than offset by corresponding interfund transfers in of \$10.2 million, thus leaving fund balance with an increase of \$6.7 million.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position for business-type activities increased \$1.3 million, or 2.7%.

Fund	Unrestricted Net Position		
	2018	2017¹	Change
Electric	\$ 17,809,177	\$ 17,068,116	\$ 741,061
Gas	4,366,333	4,775,433	(409,100)
Water	8,741,433	8,394,245	347,188
Wastewater	12,430,375	11,634,651	795,724
Airport	2,644,407	1,199,562	1,444,845
Stormwater	3,373,870	2,819,803	554,067
Solid Waste	941,800	1,434,791	(492,991)
Communications	-	1,672,494	(1,672,494)
Total	\$ 50,307,395	\$ 48,999,095	\$ 1,308,300

¹Restated for Other Postemployment Benefits

The \$0.7 million increase in unrestricted net position in the Electric Fund is due to an increase in operating income of \$0.2 million, an increase in investment income of \$98 thousand, and a decrease in transfers out of \$290 thousand. The unrestricted net position for the Wastewater Fund increased \$0.8 million, a result of the continuing strong operations of the fund, which had operating income of \$3.6 million, and a change in net position of \$2.9 million. The increase in unrestricted net position in the Airport Fund of \$1.4 million is attributable to the sale of a piece of property for \$2.2 million. The Communications system was sold in the current fiscal year; see Note 21 regarding the sale and closing of the fund.

General Fund Budgetary Highlights

The final General Fund expenditures budget of \$24.6 million is an increase over the original budget of \$23.9 million.

Actual revenues and expenditures varied from revised budget estimates in some areas. Fines and forfeitures exceeded budget by \$248 thousand, which was the result of greater collection of code enforcement fines. Rental income exceeded budget by \$145 thousand due to the rental of towers formerly in the Communications Fund that were not budgeted for in the current year.

Expenditures lagged expectations in most areas. The majority of savings were in Transportation and Human Services, with variances of \$360 thousand and \$686 thousand, respectively. Savings in Transportation stemmed from cost savings in the areas of salaries, allocated utilities, and reduced repair and maintenance costs. Human Services was significantly below budget due to a local business improvement grant that was budgeted but not taken in the current year (\$500 thousand), as well as the budget for paid time off sellbacks, which is budgeted for in Human Services, but the expenditures are recorded in the various other functions (\$189 thousand).

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Capital Asset and Debt Administration

Capital Assets

Capital assets include land, buildings, improvements other than buildings, intangible assets, vehicles and equipment, infrastructure, and construction in progress. The infrastructure asset category includes long-lived capital assets, typically stationary in nature, such as roads, sidewalks and bridges. At September 30, 2018, the City had investments in capital assets of \$282.5 million (net of accumulated depreciation), a net decrease of \$(0.1) million from the previous year.

Significant changes in capital assets include the following:

	Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 4,689,692	\$ 5,188,528	\$ 15,919,529	\$ 15,919,529	\$ 20,609,221	\$ 21,108,057
Buildings	38,381,720	37,168,819	45,182,386	45,083,824	83,564,106	82,252,643
Improvements Other Than Buildings	9,996,303	9,035,844	250,543,392	254,484,795	260,539,695	263,520,639
Intangible Assets	-	-	879,076	786,424	879,076	786,424
Equipment	31,337,452	30,807,049	38,196,195	39,813,774	69,533,647	70,620,823
Infrastructure	40,934,473	39,278,567	-	-	40,934,473	39,278,567
Construction in Progress	4,027,707	3,099,339	15,509,500	9,905,806	19,537,207	13,005,145
	<u>129,367,347</u>	<u>124,578,146</u>	<u>366,230,078</u>	<u>365,994,152</u>	<u>495,597,425</u>	<u>490,572,298</u>
Less: Accumulated Depreciation	72,267,726	70,859,807	140,853,797	137,148,709	213,121,523	208,008,516
Capital Assets, Net	<u>\$ 57,099,621</u>	<u>\$ 53,718,339</u>	<u>\$ 225,376,281</u>	<u>\$ 228,845,443</u>	<u>\$ 282,475,902</u>	<u>\$ 282,563,782</u>

Governmental Activities - Total net capital assets increased \$3.4 million from the prior year, primarily due to capital projects such as the improvements to Venetian Gardens and Ski Beach, median and Gateway sign work, and the completion of the Leesburg Resource Center in the current year.

Business-type Activities – Total net capital assets decreased \$(3.5) million from the prior year, or (1.5)%. Much of the decrease is related to the sale of the Communications system and resulting sale of assets; last year, the Communications Fund had \$7.2 million in net capital assets. This decrease was offset by system improvements and additions to the Electric, Gas, and Water systems.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Expenses, including those provided below, were incurred on numerous capital projects in the business-type activities:

Electric	
Transformers	\$ 696,413
Distribution Lines	3,479,759
Lighting Projects	713,938
Reconductoring	553,819
Substation Replacements/Upgrades	178,203
Gas	
Meters	\$ 113,192
Mains	715,451
Gate Stations	553,460
Services	189,657
Water	
Mains	\$ 714,809
Wastewater	
Dewatering	\$ 607,560
Tools & Equipment	214,752
Lift Station Rehabilitation	1,046,547
Airport	
Extend Taxiway A for Seaplane Ramp	\$ 1,860,290
Resurface Lessee's Parking Lot	193,037
Stormwater	
W. Meadow Street Drainage Improvements	\$ 101,142
Airport Drainage Improvements	109,102

Additional information on the City's capital assets can be found in Note 6 of the financial statements.

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Long-Term Liabilities

At the end of fiscal year 2018, the City had total long-term liabilities outstanding of \$113.6 million, attributable to outstanding bonds, notes, compensated absences, and capital leases. \$81.3 million represents bonds secured solely by specified revenue sources. \$12.8 million of the bonds are applicable to governmental activities, and \$68.5 million is for the business-type activities. The City also has revenue notes totaling \$29.7 million, of which \$16.6 million is for governmental activities and \$13.1 million is for business-type activities.

The City's long-term liabilities also include an amount for the City's net pension liability in both the City-wide and proprietary Statements of Net Position of \$9.6 million. This amount is actuarially determined and represents the City's obligation for future pension benefits to its employees based on past service already provided. The amount is calculated net of assets available to provide for these future payments. Additional information on the City's net pension liability can be found in Note 12 of the notes to the financial statements.

Other postemployment benefits (OPEB) are considered a liability on the Statement of Net Position. This is an unfunded obligation which is calculated annually by the City's actuary. The calculated liability for fiscal year 2018 is \$31.5 million. Additional information on the City's OPEB obligation can be found in Note 14 of the notes to the financial statements.

**Long-Term Liabilities
Governmental and Business-type Activities Combined**

	<u>9/30/2018 Balance</u>	<u>9/30/2017¹ Balance</u>	<u>Net Change</u>
Revenue Bonds & Notes			
Bonds	\$ 81,254,788	\$ 84,017,185	\$ (2,762,397)
Notes	29,718,400	31,480,400	(1,762,000)
Total Revenue Bonds & Notes	<u>110,973,188</u>	<u>115,497,585</u>	<u>(4,524,397)</u>
Other Liabilities			
Compensated Absences	2,481,474	2,390,127	91,347
Capital Lease Payable	209,243	-	209,243
Landfill Postclosure Payable	-	64,545	(64,545)
Net Pension Liability	9,632,956	10,734,991	(1,102,035)
Other Postemployment Benefits	31,473,464	33,472,657	(1,999,193)
Total Other Liabilities	<u>43,797,137</u>	<u>46,662,320</u>	<u>(2,865,183)</u>
Total Long-Term Liabilities Outstanding	<u>\$ 154,770,325</u>	<u>\$ 162,159,905</u>	<u>\$ (7,389,580)</u>

¹Other Postemployment Benefits shown at restated amount

The City is under constant surveillance and scrutiny from Wall Street rating agencies. On April 19, 2018, Fitch reaffirmed the A+ credit rating on Electric, and the AA- credit rating on Utility, with stable outlooks for both. On August 8, 2018, Moody's upgraded the credit rating on Electric from A2 to Aa3. Other ratings were unchanged during fiscal year 2018.

	Rating Agencies		
	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
Capital	A1	N/A	AA-
Electric	Aa3	A	A+
Utility	Aa3	A+	AA-

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

**CITY OF LEESBURG, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018**

Economic Factors and Next Year's Budget

- The unemployment rate for Lake County at September 2018 was 2.9%, a decrease from a rate of 3.4% a year ago. This compares favorably to the State average rate of 3.0% and the national average of 3.6%.
- The millage rate for 2018 was 4.2678 mills, which was unchanged from 2016 and 2017. The City ranked 5th lowest out of the 14 cities in Lake County. The City is able to retain ad valorem rates at a minimal level due in large part from the transfers from utility fund operations.
- Population increased to 23,297 from the prior fiscal year of 21,913.
- The 2019 property values are projected to improve from 2018 levels, resulting in ad valorem revenues that are expected to increase over the 2018 level. Improving economic conditions should continue to lead to improving revenue sources.

Other

Power supply for 2018 received through the Florida Municipal Power Agency (FMPA) and the City's share of the St. Lucie Nuclear Power Plant represents 72% of the Electric Fund's annual operating expenses. More information on the City's Electric and Gas funds' purchased power agreements is in Note 7 of the financial statements.

Requests for Information

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



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CITY-WIDE FINANCIAL STATEMENTS

**CITY OF LEESBURG, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Pooled Cash and Investments	\$ 40,086,935	\$ 66,575,753	\$ 106,662,688
Restricted Assets:			
Temporarily Restricted:			
Pooled Cash and Investments	930,906	10,060,726	10,991,632
Cash with Fiscal Agent	1,256,466	4,657,680	5,914,146
Receivables (Net of Allowance for Uncollectibles)	4,369,089	12,008,061	16,377,150
Notes Receivables, Employees	14,214	-	14,214
Internal Balances	(1,200,000)	1,200,000	-
Due from Other Governments	471,878	402,022	873,900
Prepaid Items	610,844	5,998	616,842
Inventories	685,168	4,695,665	5,380,833
Capital Assets Not Being Depreciated	8,717,399	31,429,029	40,146,428
Capital Assets Being Depreciated, Net of Depreciation	48,382,222	193,947,252	242,329,474
Total Assets	<u>104,325,121</u>	<u>324,982,186</u>	<u>429,307,307</u>
Deferred Outflows of Resources			
Bond Refunding	2,092,050	1,135,564	3,227,614
Pensions	2,617,416	-	2,617,416
Other Postemployment Benefits	810,459	362,777	1,173,236
Total Deferred Outflows of Resources	<u>5,519,925</u>	<u>1,498,341</u>	<u>7,018,266</u>
Liabilities			
Accounts Payable	2,319,448	6,711,961	9,031,409
Accrued Liabilities	928,029	510,262	1,438,291
Accrued Interest Payable	479,560	1,544,676	2,024,236
Customer Advances for Construction	-	270,672	270,672
Unearned Revenue	302,179	963,405	1,265,584
Claims Payable	1,512,449	-	1,512,449
Customer Deposits	115,948	5,593,302	5,709,250
Rate Stabilization Credit	-	2,977,217	2,977,217
Due to Other Governments	87,375	294,429	381,804
Noncurrent Liabilities:			
Due Within One Year	2,807,528	4,101,331	6,908,859
Due in More Than One Year	29,243,662	78,932,015	108,175,677
Net Pension Liability	8,348,645	1,284,311	9,632,956
Other Postemployment Benefits	20,760,182	9,292,651	30,052,833
Total Liabilities	<u>66,905,005</u>	<u>112,476,232</u>	<u>179,381,237</u>
Deferred Inflows of Resources			
Pensions	1,427,252	534,338	1,961,590
Other Postemployment Benefits	1,623,344	726,640	2,349,984
Total Deferred Inflows of Resources	<u>3,050,596</u>	<u>1,260,978</u>	<u>4,311,574</u>
Net Position			
Net Investment in Capital Assets	27,512,978	158,815,845	186,328,823
Restricted for:			
Public Safety	168,599	-	168,599
Capital Projects	1,544,096	3,421,445	4,965,541
Debt Service	2,004,523	-	2,004,523
Special Revenue	3,134,383	-	3,134,383
Gas Depository Trust	-	198,632	198,632
Unrestricted	5,524,866	50,307,395	55,832,261
Total Net Position	<u>\$ 39,889,445</u>	<u>\$ 212,743,317</u>	<u>\$ 252,632,762</u>

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental Activities							
General Government	\$ 4,261,083	\$ 709,492	\$ 6,117	\$ -	\$ (3,545,474)	\$ -	\$ (3,545,474)
Public Safety	15,265,479	2,707,036	39,269	123,602	(12,395,572)	-	(12,395,572)
Physical Environment	89,114	115,105	7,558	-	33,549	-	33,549
Transportation	2,237,644	296,094	11,467	134,647	(1,795,436)	-	(1,795,436)
Economic Environment	1,064,872	910	-	200,000	(863,962)	-	(863,962)
Human Services	27,706	-	-	-	(27,706)	-	(27,706)
Culture and Recreation	5,334,338	672,168	45,186	95,188	(4,521,796)	-	(4,521,796)
Interest on Long-Term Debt	780,283	-	-	-	(780,283)	-	(780,283)
Total Governmental Activities	29,060,519	4,500,805	109,597	553,437	(23,896,680)	-	(23,896,680)
Business-Type Activities							
Electric Utility	53,894,931	61,503,288	-	576,948	-	8,185,305	8,185,305
Gas Utility	5,265,085	6,799,812	-	116,366	-	1,651,093	1,651,093
Water Utility	6,597,519	7,864,704	-	410,125	-	1,677,310	1,677,310
Wastewater Utility	8,206,198	11,123,757	-	646,067	-	3,563,626	3,563,626
Airport	1,996,993	1,195,399	-	790,520	-	(11,074)	(11,074)
Stormwater System	990,541	1,529,327	-	-	-	538,786	538,786
Solid Waste System	3,556,451	4,155,132	-	-	-	598,681	598,681
Communication Services Utility	609,806	530,403	-	-	-	(79,403)	(79,403)
Total Business-Type Activities	81,117,524	94,701,822	-	2,540,026	-	16,124,324	16,124,324
Total Primary Government	\$ 110,178,043	\$ 99,202,627	\$ 109,597	\$ 3,093,463	(23,896,680)	16,124,324	(7,772,356)
General Revenues:							
Taxes:							
Property Taxes					5,678,438	-	5,678,438
Sales Taxes					2,076,793	-	2,076,793
Utility Service Taxes					3,656,281	-	3,656,281
Communication Services Taxes					1,076,822	-	1,076,822
Other Taxes					813,585	-	813,585
State-shared Revenues, Unrestricted					2,286,340	-	2,286,340
County-shared Revenues, Unrestricted					434,453	-	434,453
Investment Income					388,197	843,658	1,231,855
Miscellaneous					1,166,274	2,283,381	3,449,655
Special Item - Note 21					-	339,507	339,507
Transfers					17,986,145	(17,986,145)	-
Total General Revenues, Special Item, and Transfers					35,563,328	(14,519,599)	21,043,729
Change in Net Position					11,666,648	1,604,725	13,271,373
Net Position, Beginning of Year, As Restated					28,222,797	211,138,592	239,361,389
Net Position, End of Year					\$ 39,889,445	\$ 212,743,317	\$ 252,632,762

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



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FUND FINANCIAL STATEMENTS



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MAJOR GOVERNMENTAL FUNDS

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

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

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

**CITY OF LEESBURG, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	Major Funds			Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Community Redevelopment Agency Funds	Capital Projects Fund		
Assets					
Pooled Cash and Investments	\$ 12,729,755	\$ 1,917,330	\$ 14,243,003	\$ 3,089,174	\$ 31,979,262
Restricted Cash	182,849	748,057	-	-	930,906
Cash with Fiscal Agent	-	90,596	-	1,165,870	1,256,466
Accounts Receivables, Net of Allowance of \$78,978	4,075,858	-	80,160	19,880	4,175,898
Notes Receivable - Employees	14,214	-	-	-	14,214
Due from Other Governments	401,869	-	-	70,009	471,878
Prepaid Items	610,844	-	-	-	610,844
Inventory	51,106	-	-	-	51,106
Total Assets	\$ 18,066,495	\$ 2,755,983	\$ 14,323,163	\$ 4,344,933	\$ 39,490,574
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ 496,801	\$ 294,963	\$ 744,131	\$ 8,201	\$ 1,544,096
Due to Other Governments	80,470	22	-	6,883	87,375
Accrued Salaries	883,238	-	-	22,255	905,493
Unearned Revenue	302,179	-	-	-	302,179
Deposits	106,007	2,600	-	7,341	115,948
Advance from Other Fund	-	1,200,000	-	-	1,200,000
Total Liabilities	1,868,695	1,497,585	744,131	44,680	4,155,091
Fund Balances					
Nonspendable:					
Prepaid Items	610,844	-	-	-	610,844
Inventory	51,106	-	-	-	51,106
Notes Receivable - Employees	14,214	-	-	-	14,214
Restricted for:					
Public Safety and Other Expenditures	168,599	-	-	-	168,599
Capital Projects	204,628	1,339,468	-	-	1,544,096
Debt Service	-	838,653	-	1,165,870	2,004,523
Special Revenue Funds	-	-	-	3,134,383	3,134,383
Committed for:					
C.U.R.E. Program	2,901	-	-	-	2,901
Capital Projects	-	-	7,558	-	7,558
Assigned for:					
Capital Projects	724,774	-	13,571,474	-	14,296,248
Unassigned	14,420,734	(919,723)	-	-	13,501,011
Total Fund Balances	16,197,800	1,258,398	13,579,032	4,300,253	35,335,483
Total Liabilities and Fund Balances	\$ 18,066,495	\$ 2,755,983	\$ 14,323,163	\$ 4,344,933	\$ 39,490,574

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

CITY OF LEESBURG, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2018

Fund balances of governmental funds		\$ 35,335,483
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Cost of the Assets (excluding capital assets of the Internal Service Funds included below)	\$ 107,635,547	
Accumulated Depreciation (excluding Internal Service Funds)	<u>(55,633,163)</u>	52,002,384
The internal service funds are used by management to charge the costs of health insurance and workers' compensation services, risk management costs and fleet operation costs to individual funds. The assets, deferred outflows, liabilities and deferred inflows of the internal service funds are included in governmental activities in the statement of net position.		11,003,945
Deferred Amounts on Refunding are not available to cover current liabilities and therefore are not considered revenue in the fund level statements.		2,092,050
Deferred Outflows are not reported in the governmental funds but will be recognized in expense on a long-term basis (excluding Internal Service Funds).		
Pensions		2,617,416
Other Postemployment Benefits		789,876
Deferred Inflows are not reported in the governmental funds but will be recognized in expense on a long-term basis (excluding Internal Service Funds).		
Pensions		(1,397,060)
Other Postemployment Benefits		(1,582,116)
Accrued interest payable is not recorded in the fund financial statements but is recorded in governmental activities.		(479,560)
Long-term liabilities are not due and payable in the current period and, accordingly, are not reported in the governmental funds. Long-term liabilities at year-end consist of:		
Capital Improvement Revenue Bonds	(12,780,000)	
Notes Payable	(16,597,400)	
Capital Lease	(209,243)	
Compensated Absences (excluding Internal Service Funds)	(1,440,882)	
Total Other Postemployment Benefits (excl. Internal Service Funds)	(21,189,372)	
Net Pension Liability (excluding Internal Service Funds)	<u>(8,276,076)</u>	<u>(60,492,973)</u>
Net position of governmental activities		\$ 39,889,445

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Major Funds			Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Community Redevelopment Agency Funds	Capital Projects Fund		
Revenues					
Taxes	\$ 11,758,798	\$ 924,016	\$ -	\$ 619,105	\$ 13,301,919
Licenses, Permits, and Assessments	1,540,698	-	-	1,084,940	2,625,638
Intergovernmental	2,600,258	200,000	134,647	178,869	3,113,774
Charges for Services	726,039	-	-	2,962	729,001
Fines and Forfeitures	356,383	-	-	19,156	375,539
Impact Fees	-	-	-	194,345	194,345
Miscellaneous:					
Interest	177,462	23,296	69,244	35,757	305,759
Rental	612,644	910	-	-	613,554
Other	113,725	-	7,558	115,105	236,388
Total Revenues	17,886,007	1,148,222	211,449	2,250,239	21,495,917
Expenditures					
Current:					
General Government	3,664,492	-	-	-	3,664,492
Public Safety	14,245,361	-	-	697,987	14,943,348
Physical Environment	86,550	-	-	-	86,550
Transportation	1,198,752	-	-	-	1,198,752
Economic Environment	191,098	291,432	-	106,473	589,003
Human Services	27,706	-	-	-	27,706
Culture and Recreation	3,322,943	-	-	-	3,322,943
Debt Service:					
Principal Payments	45,920	147,000	-	795,000	987,920
Interest and Fees	-	329,550	-	699,473	1,029,023
Capital Outlay	417,435	2,000,667	4,583,213	224,170	7,225,485
Total Expenditures	23,200,257	2,768,649	4,583,213	2,523,103	33,075,222
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,314,250)	(1,620,427)	(4,371,764)	(272,864)	(11,579,305)
Other Financing Sources (Uses)					
Sale of Capital Assets	210,105	-	-	-	210,105
Insurance Proceeds from Losses	-	-	805,740	-	805,740
Transfers from Other Funds	13,973,265	309,946	10,224,031	1,528,199	26,035,441
Transfers to Other Funds	(6,747,488)	-	-	(1,272,949)	(8,020,437)
Issuance of Debt	255,163	-	-	-	255,163
Total Other Financing Sources (Uses)	7,691,045	309,946	11,029,771	255,250	19,286,012
Net Change in Fund Balances	2,376,795	(1,310,481)	6,658,007	(17,614)	7,706,707
Fund Balances, Beginning of Year	13,821,005	2,568,879	6,921,025	4,317,867	27,628,776
Fund Balances, End of Year	\$ 16,197,800	\$ 1,258,398	\$ 13,579,032	\$ 4,300,253	\$ 35,335,483

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

**CITY OF LEESBURG, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Net change in fund balances - total governmental funds \$ 7,706,707

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This reconciling item is the amount by which capital purchases, less net book value of disposals, exceeds depreciation expense:

Capital Purchases	\$ 7,225,364	
Net Book Value of Disposals	(1,414,629)	
Depreciation Expense	(2,711,125)	3,099,610

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is a list of those repayments:

Capital Improvement Revenue Bonds	530,000	
Notes Payable	412,000	
Capital Lease	45,920	987,920

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

Issuance of Debt	(255,163)
------------------	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued Interest Payable	76,664	
Compensated Absences	(4,220)	
Change in Deferred Amount on Refunding	(125,852)	
Pension Expense	60,502	
Change in Other Postemployment Benefits Liability	(592,911)	(585,817)

The Internal Service Funds are used by management to charge the costs of activities that benefit the entire government. The net revenue (expense) of the internal service funds is reported with governmental activities.

713,391

Change in net position of governmental activities **\$ 11,666,648**

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



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MAJOR PROPRIETARY FUNDS

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

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

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

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

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

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

INTERNAL SERVICE FUNDS

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
Assets			
Current Assets:			
Pooled Cash and Investments	\$ 24,122,985	\$ 5,645,596	\$ 10,865,825
Restricted Pooled Cash and Investments:			
Customer Deposits Account	4,773,027	285,232	528,277
Prefunded Construction Projects	847,528	-	-
Cash with Fiscal Agent	1,977,406	271,361	1,232,700
Receivables:			
Customer Accounts, Unbilled	3,297,591	197,373	388,588
Customer Accounts, Billed	5,664,546	406,312	577,469
(Allowance for Doubtful Accounts)	(532,921)	(46,388)	(77,256)
Miscellaneous Receivables	-	-	-
Due from Other Governments	157,934	-	-
Advance to Other Fund	1,200,000	-	-
Prepaid Items	-	3,000	-
Inventories	4,172,655	253,382	269,628
Total Current Assets	45,680,751	7,015,868	13,785,231
Noncurrent Assets:			
Restricted Assets:			
Pooled Cash and Investments:			
Impact Fees Account	-	-	1,001,076
Depository Trust Account	-	198,632	-
Total Restricted Assets	-	198,632	1,001,076
Property, Plant, and Equipment:			
Land	3,547,105	370,111	363,470
Buildings	2,667,340	560,896	9,943,258
Improvements Other Than Buildings	123,529,438	17,027,933	45,015,303
Machinery and Equipment	16,535,162	1,650,161	5,946,330
Less Accumulated Depreciation and Amortization	(54,752,698)	(8,227,709)	(24,823,531)
Intangible Assets	92,652	-	748,274
Construction in Progress	6,138,494	1,138,923	723,669
Total Property, Plant, and Equipment	97,757,493	12,520,315	37,916,773
Total Noncurrent Assets	97,757,493	12,718,947	38,917,849
Total Assets	143,438,244	19,734,815	52,703,080
Deferred Outflows of Resources			
Deferred Amounts on Bond Refunding	-	190,461	396,175
Deferred Outflows: OPEB	110,633	46,312	51,458
Total Deferred Outflows of Resources	110,633	236,773	447,633

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

Business-type Activities - Enterprise Funds				Governmental
Major Funds				Activities
Wastewater Utility Fund	Airport Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 16,868,360	\$ 3,550,536	\$ 5,522,451	\$ 66,575,753	\$ 8,107,673
2,550	-	4,035	5,593,121	-
-	-	-	847,528	-
1,176,213	-	-	4,657,680	-
548,525	-	277,231	4,709,308	-
997,217	54,573	441,756	8,141,873	-
(121,564)	-	(64,991)	(843,120)	-
-	-	-	-	193,191
-	233,388	10,700	402,022	-
-	-	-	1,200,000	-
-	2,998	-	5,998	-
-	-	-	4,695,665	634,062
<u>19,471,301</u>	<u>3,841,495</u>	<u>6,191,182</u>	<u>95,985,828</u>	<u>8,934,926</u>
2,420,369	-	-	3,421,445	-
-	-	-	198,632	-
<u>2,420,369</u>	<u>-</u>	<u>-</u>	<u>3,620,077</u>	<u>-</u>
6,180,607	4,698,649	759,587	15,919,529	-
24,263,495	7,733,541	13,856	45,182,386	564,988
29,806,809	24,104,314	11,059,595	250,543,392	148,127
13,747,685	96,944	219,913	38,196,195	20,559,925
(33,600,288)	(15,196,453)	(4,253,118)	(140,853,797)	(16,634,563)
38,150	-	-	879,076	-
2,059,963	3,051,970	2,396,481	15,509,500	458,760
<u>42,496,421</u>	<u>24,488,965</u>	<u>10,196,314</u>	<u>225,376,281</u>	<u>5,097,237</u>
44,916,790	24,488,965	10,196,314	228,996,358	5,097,237
<u>64,388,091</u>	<u>28,330,460</u>	<u>16,387,496</u>	<u>324,982,186</u>	<u>14,032,163</u>
548,928	-	-	1,135,564	-
97,770	5,146	51,458	362,777	20,583
<u>646,698</u>	<u>5,146</u>	<u>51,458</u>	<u>1,498,341</u>	<u>20,583</u>

(Continued)

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018
(Concluded)

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
Liabilities			
Current Liabilities:			
Accounts and Retainage Payable	\$ 3,597,174	\$ 150,335	\$ 742,906
Rate Stabilization Credit	2,977,217	-	-
Due to Other Governments	277,598	16,057	-
Other Accrued Expenses	239,776	60,098	55,669
Claims Payable	-	-	-
Compensated Absences	263,583	56,828	72,988
Other Postemployment Benefits	133,963	56,078	62,308
Unearned Revenue	253,950	30,770	64,004
	<u>7,743,261</u>	<u>370,166</u>	<u>997,875</u>
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	4,773,208	285,232	528,277
Customer Advances for Construction	270,672	-	-
Accrued Interest Payable	714,405	93,788	400,439
Bonds and Notes Payable - Current Portion	1,263,000	177,572	832,260
Current Liabilities Payable from Restricted Assets	<u>7,021,285</u>	<u>556,592</u>	<u>1,760,976</u>
Total Current Liabilities	<u>14,764,546</u>	<u>926,758</u>	<u>2,758,851</u>
Noncurrent Liabilities:			
Claims Payable	-	-	-
Electric Utility Revenue Bond 2007B	8,110,000	-	-
Electric Utility Refunding Revenue Note 2016	7,093,000	-	-
Electric Utility Refunding Revenue Bond 2016	20,376,554	-	-
Revenue Bonds Payable, Series 2007	-	-	-
Utility Revenue Refunding Note Payable 2010	-	-	2,268,102
Utility Revenue Refunding Bond Payable 2013	-	2,928,586	6,091,697
Utility Revenue Refunding Bond 2016	-	2,221,831	12,730,383
Compensated Absences	215,660	46,495	59,717
Other Postemployment Benefits	2,833,928	1,186,296	1,318,107
Net Pension Liability	563,482	202,291	127,756
Total Noncurrent Liabilities	<u>39,192,624</u>	<u>6,585,499</u>	<u>22,595,762</u>
Total Liabilities	<u>53,957,170</u>	<u>7,512,257</u>	<u>25,354,613</u>
Deferred Inflows of Resources			
Deferred Inflows-Pension Related	234,438	84,163	53,153
Deferred Inflows: OPEB	221,599	92,763	103,069
Total Deferred Inflows of Resources	<u>456,037</u>	<u>176,926</u>	<u>156,222</u>
Net Position			
Net Investment in Capital Assets	71,326,493	7,717,440	17,897,369
Restricted for:			
Capital Improvements	-	-	1,001,076
Gas Depository Trust	-	198,632	-
Unrestricted	17,809,177	4,366,333	8,741,433
Total Net Position	<u>\$ 89,135,670</u>	<u>\$ 12,282,405</u>	<u>\$ 27,639,878</u>

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

Business-type Activities - Enterprise Funds				Governmental Activities
Major Funds				
Wastewater Utility Fund	Airport Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 1,383,510	\$ 757,850	\$ 80,186	\$ 6,711,961	\$ 479,808
-	-	-	2,977,217	-
-	18	756	294,429	-
93,749	5,753	55,217	510,262	22,536
-	-	-	-	824,901
96,178	6,671	52,808	549,056	23,270
118,386	6,231	62,309	439,275	24,923
338,681	276,000	-	963,405	-
<u>2,030,504</u>	<u>1,052,523</u>	<u>251,276</u>	<u>12,445,605</u>	<u>1,375,438</u>
2,550	-	4,035	5,593,302	-
-	-	-	270,672	-
336,044	-	-	1,544,676	-
840,168	-	-	3,113,000	-
<u>1,178,762</u>	<u>-</u>	<u>4,035</u>	<u>10,521,650</u>	<u>-</u>
<u>3,209,266</u>	<u>1,052,523</u>	<u>255,311</u>	<u>22,967,255</u>	<u>1,375,438</u>
-	-	-	-	983,092
-	-	-	8,110,000	-
-	-	-	7,093,000	-
-	-	-	20,376,554	-
820,000	-	-	820,000	-
2,726,898	-	-	4,995,000	-
8,440,471	-	-	17,460,754	-
4,675,266	-	-	19,627,480	-
78,691	5,458	43,206	449,227	19,039
2,504,403	131,811	1,318,106	9,292,651	527,243
242,897	1,508	146,377	1,284,311	72,569
<u>19,488,626</u>	<u>138,777</u>	<u>1,507,689</u>	<u>89,508,977</u>	<u>1,601,943</u>
<u>22,697,892</u>	<u>1,191,300</u>	<u>1,763,000</u>	<u>112,476,232</u>	<u>2,977,381</u>
101,057	627	60,900	534,338	30,192
195,832	10,307	103,070	726,640	41,228
<u>296,889</u>	<u>10,934</u>	<u>163,970</u>	<u>1,260,978</u>	<u>71,420</u>
27,189,264	24,488,965	10,196,314	158,815,845	5,097,237
2,420,369	-	-	3,421,445	-
-	-	-	198,632	-
12,430,375	2,644,407	4,315,670	50,307,395	5,906,708
<u>\$ 42,040,008</u>	<u>\$ 27,133,372</u>	<u>\$ 14,511,984</u>	<u>\$ 212,743,317</u>	<u>\$ 11,003,945</u>

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
Operating Revenues			
Charges for Services	\$ 59,799,147	\$ 6,641,341	\$ 7,681,524
Other	1,704,141	158,471	183,180
Total Operating Revenues	<u>61,503,288</u>	<u>6,799,812</u>	<u>7,864,704</u>
Operating Expenses			
Personal Services	3,336,722	1,313,716	1,460,416
Purchased Energy	37,929,113	2,138,168	-
Supplies and Materials	372,629	187,753	728,253
Maintenance Costs	746,375	82,583	263,663
Contracted Services	1,488,633	94,012	341,463
Other Services and Charges	4,380,389	811,253	1,650,229
Depreciation and Amortization	4,224,064	450,050	1,403,729
Change in Decommissioning/ Postclosure Estimate	-	-	-
Claims Expense	-	-	-
Insurance Premiums	-	-	-
Total Operating Expenses	<u>52,477,925</u>	<u>5,077,535</u>	<u>5,847,753</u>
Operating Income (Loss)	<u>9,025,363</u>	<u>1,722,277</u>	<u>2,016,951</u>
Nonoperating Revenues (Expenses)			
Investment Income	348,493	70,801	127,504
Gain (Loss) on Sale of Assets	71,610	-	-
Interest Expense	(1,417,006)	(187,550)	(749,766)
Total Nonoperating Revenues (Expenses)	<u>(996,903)</u>	<u>(116,749)</u>	<u>(622,262)</u>
Income (Loss) Before Contributions, Special Item, and Transfers	<u>8,028,460</u>	<u>1,605,528</u>	<u>1,394,689</u>
Capital Contributions, Special Item, and Transfers			
Capital Contributions	576,948	116,366	410,125
Special Item - Note 21	-	-	-
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(5,346,259)	(818,383)	(988,106)
Total Capital Contributions, Special Item, and Transfers	<u>(4,769,311)</u>	<u>(702,017)</u>	<u>(577,981)</u>
Change in Net Position	3,259,149	903,511	816,708
Net Position, Beginning of Year (Not Restated)	87,516,294	12,059,037	27,419,775
Prior Period Restatement	(1,639,773)	(680,143)	(596,605)
Net Position, Beginning of Year (Restated)	<u>85,876,521</u>	<u>11,378,894</u>	<u>26,823,170</u>
Net Position, End of Year	<u>\$ 89,135,670</u>	<u>\$ 12,282,405</u>	<u>\$ 27,639,878</u>

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

Business-type Activities - Enterprise Funds				Governmental
Major Funds				Activities
Wastewater Utility Fund	Airport Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 10,874,574	\$ 148,828	\$ 6,149,600	\$ 91,295,014	\$ 9,944,027
249,183	1,046,571	65,192	3,406,738	428,025
11,123,757	1,195,399	6,214,792	94,701,752	10,372,052
2,321,624	136,337	1,536,155	10,104,970	563,249
-	-	-	40,067,281	-
306,510	10,776	300,138	1,906,059	170,369
545,668	107,676	538,892	2,284,857	682,479
360,245	164,779	1,378,768	3,827,900	932,659
2,534,239	209,178	1,122,633	10,707,921	49,947
1,479,136	1,368,247	335,057	9,260,283	991,376
-	-	(64,545)	(64,545)	-
-	-	-	-	5,262,742
-	-	-	-	1,206,241
7,547,422	1,996,993	5,147,098	78,094,726	9,859,062
3,576,335	(801,594)	1,067,694	16,607,026	512,990
184,608	4,258	107,994	843,658	82,438
-	2,211,771	-	2,283,381	98,803
(658,776)	-	(9,630)	(3,022,728)	-
(474,168)	2,216,029	98,364	104,311	181,241
3,102,167	1,414,435	1,166,058	16,711,337	694,231
646,067	790,520	-	2,540,026	48,019
-	-	339,507	339,507	-
-	-	28,859	28,859	-
(879,012)	-	(9,983,244)	(18,015,004)	(28,859)
(232,945)	790,520	(9,614,878)	(15,106,612)	19,160
2,869,222	2,204,955	(8,448,820)	1,604,725	713,391
40,608,129	25,054,715	24,009,391	216,667,341	10,774,905
(1,437,343)	(126,298)	(1,048,587)	(5,528,749)	(484,351)
39,170,786	24,928,417	22,960,804	211,138,592	10,290,554
\$ 42,040,008	\$ 27,133,372	\$ 14,511,984	\$ 212,743,317	\$ 11,003,945

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 62,858,818	\$ 6,697,544	\$ 7,854,943
Payments to Suppliers for Goods and Services	(45,799,791)	(3,309,621)	(2,946,392)
Cash Paid for Insurance Claims	-	-	-
Cash Paid to Employees for Services	(3,447,093)	(1,294,091)	(1,499,767)
Net Cash Provided by (Used in) Operating Activities	13,611,934	2,093,832	3,408,784
Cash Flows from Noncapital Financing Activities			
Transfers to Other Funds	(5,346,259)	(818,383)	(988,106)
Issuance of Interfund Loan	(1,200,000)	-	-
Principal Paid on Noncapital Debt	(405,000)	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(6,951,259)	(818,383)	(988,106)
Cash Flows from Capital and Related Financing Activities			
Interest Paid on Revenue Bonds and Customer Deposits	(1,534,945)	(197,805)	(812,040)
Acquisition and Construction of Capital Assets	(5,952,152)	(1,603,939)	(142,012)
Proceeds from the Disposition of Capital Assets	71,610	-	-
Proceeds from the Sale of the Communications System	-	-	-
Costs related to the Sale of the Communications System	-	-	-
Principal Paid on Capital Debt	(815,000)	(170,276)	(799,739)
Capital Contributions	464,488	116,366	410,125
Return of Customer Advances	(1,115,048)	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(8,881,047)	(1,855,654)	(1,343,666)
Cash Flows from Investing Activities			
Interest Received	348,493	70,801	127,504
Net Cash Provided by (Used in) Investing Activities	348,493	70,801	127,504
Net Increase (Decrease) in Cash and Cash Equivalents	(1,871,879)	(509,404)	1,204,516
Cash and Cash Equivalents, Beginning of Year	33,592,825	6,910,225	12,423,362
Cash and Cash Equivalents, End of Year	\$ 31,720,946	\$ 6,400,821	\$ 13,627,878

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

Business-type Activities - Enterprise Funds				Governmental
Major Funds				Activities
Wastewater Utility Fund	Airport Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 11,136,621	\$ 1,280,978	\$ 6,522,878	\$ 96,351,782	\$ 9,915,550
(3,695,486)	(335,343)	(3,445,675)	(59,532,308)	(3,211,201)
-	-	-	-	(4,748,293)
(2,372,480)	(133,377)	(1,658,206)	(10,405,014)	(584,606)
<u>5,068,655</u>	<u>812,258</u>	<u>1,418,997</u>	<u>26,414,460</u>	<u>1,371,450</u>
(879,012)	-	(5,653,318)	(13,685,078)	-
-	-	-	(1,200,000)	-
(30,000)	-	-	(435,000)	-
<u>(909,012)</u>	<u>-</u>	<u>(5,653,318)</u>	<u>(15,320,078)</u>	<u>-</u>
(672,856)	-	(14,844)	(3,232,490)	-
(916,744)	(1,841,789)	(280,167)	(10,736,803)	(1,623,849)
250,000	2,211,771	-	2,533,381	182,186
-	-	3,500,000	3,500,000	-
-	-	(658,052)	(658,052)	-
(774,985)	-	(345,000)	(2,905,000)	-
646,067	927,860	919,405	3,484,311	-
(1,700)	-	-	(1,116,748)	-
<u>(1,470,218)</u>	<u>1,297,842</u>	<u>3,121,342</u>	<u>(9,131,401)</u>	<u>(1,441,663)</u>
<u>184,608</u>	<u>4,258</u>	<u>81,431</u>	<u>817,095</u>	<u>82,438</u>
<u>184,608</u>	<u>4,258</u>	<u>81,431</u>	<u>817,095</u>	<u>82,438</u>
2,874,033	2,114,358	(1,031,548)	2,780,076	12,225
<u>17,593,459</u>	<u>1,436,178</u>	<u>6,558,034</u>	<u>78,514,083</u>	<u>8,095,448</u>
<u>\$ 20,467,492</u>	<u>\$ 3,550,536</u>	<u>\$ 5,526,486</u>	<u>\$ 81,294,159</u>	<u>\$ 8,107,673</u>

(Continued)

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

CITY OF LEESBURG, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(Concluded)

	Business-type Activities - Enterprise Funds		
	Major Funds		
	Electric Utility Fund	Gas Utility Fund	Water Utility Fund
<u>Reconciliation of Cash and Cash Equivalents to Balance Sheet</u>			
Total Unrestricted Equity in Pooled Cash and Cash Equivalents	\$ 24,122,985	\$ 5,645,596	\$ 10,865,825
Total Restricted Equity in Pooled Cash and Cash Equivalents & Cash with Fiscal Agent	7,597,961	755,225	2,762,053
Total Cash and Cash Equivalents, End of Year	<u>\$ 31,720,946</u>	<u>\$ 6,400,821</u>	<u>\$ 13,627,878</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ 9,025,363	\$ 1,722,277	\$ 2,016,951
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	4,224,064	450,050	1,403,729
Decrease (Increase) in Assets:			
Customer Accounts (Net of Allowances)	368,467	3,203	(17,936)
Miscellaneous Receivables	-	-	-
Prepaid Items	-	1,654	2,717
Inventory	(85,229)	55,994	24,321
Decrease (Increase) in Deferred Outflows: OPEB	(9,749)	(4,081)	(4,535)
Increase (Decrease) in Liabilities:			
Accounts Payable	(788,444)	(9,266)	10,178
Unearned Revenue	-	-	-
Due to Other Governments	(8,979)	(306)	-
Accrued Expenses	33,019	(37,314)	11,186
Claims Payable	-	-	-
Rate Stabilization Credit	1,057,042	-	-
Other Postemployment Benefits Liability	(188,522)	(78,915)	(87,684)
Net Pension Liability	(330,307)	(53,211)	(67,015)
Decommissioning/Postclosure Payable	-	-	-
Other Liabilities	18,740	(87,564)	(4,578)
Increase (Decrease) in Deferred Inflows: Pension	74,870	38,548	18,381
Increase (Decrease) in Deferred Inflows: OPEB	221,599	92,763	103,069
Net Cash Provided by (Used in) Operating Activities	<u>\$ 13,611,934</u>	<u>\$ 2,093,832</u>	<u>\$ 3,408,784</u>

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

Business-type Activities - Enterprise Funds				Governmental Activities
Major Funds				
Wastewater Utility Fund	Airport Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 16,868,360	\$ 3,550,536	\$ 5,522,451	\$ 66,575,753	\$ 8,107,673
3,599,132	-	4,035	14,718,406	-
<u>\$ 20,467,492</u>	<u>\$ 3,550,536</u>	<u>\$ 5,526,486</u>	<u>\$ 81,294,159</u>	<u>\$ 8,107,673</u>
\$ 3,576,335	\$ (801,594)	\$ 1,067,694	\$ 16,607,026	\$ 512,990
1,479,136	1,368,247	335,057	9,260,283	991,376
18,677	(28,421)	311,398	655,388	-
-	-	-	-	(28,477)
-	-	6,939	11,310	-
-	-	45,842	40,928	(113,576)
(8,617)	(454)	(4,535)	(31,971)	(1,814)
51,176	157,064	(157,047)	(736,339)	(131,077)
-	114,000	-	114,000	-
-	2	(978)	(10,261)	-
16,979	954	(69,129)	(44,305)	3,085
-	-	-	-	161,571
-	-	-	1,057,042	-
(166,599)	(8,768)	(87,684)	(618,172)	(35,074)
(132,952)	(719)	(71,727)	(655,931)	(35,065)
-	-	(64,545)	(64,545)	-
4,731	1,411	(17,320)	(84,580)	(4,693)
33,957	229	21,962	187,947	10,976
195,832	10,307	103,070	726,640	41,228
<u>\$ 5,068,655</u>	<u>\$ 812,258</u>	<u>\$ 1,418,997</u>	<u>\$ 26,414,460</u>	<u>\$ 1,371,450</u>

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



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FIDUCIARY FUNDS

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

**CITY OF LEESBURG, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2018**

	<u>Employee Retirement Funds</u>
Assets	
Cash	\$ <u>2,026,247</u>
Investments, at Fair Value:	
U.S. Government, Agency, and Municipal Securities	8,139,406
Foreign Bonds	357,084
Corporate Bonds	5,703,449
Corporate Stocks	27,087,795
Collateralized Mortgage Obligations	1,216,403
Alternative Investments	11,944,588
Money Market	2,311,511
Mutual Funds	<u>20,983,273</u>
Total Investments	<u>77,743,509</u>
Interest Receivable	<u>155,973</u>
Total Assets	<u><u>79,925,729</u></u>
Net Position	
Restricted for:	
Employees' Pension Benefits	<u><u>\$ 79,925,729</u></u>

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

**CITY OF LEESBURG, FLORIDA
STATEMENT OF CHANGES IN FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Employee Retirement Funds
Additions	
Contributions:	
Employer	\$ 2,311,371
State	340,575
Employee	472,783
Total Contributions	3,124,729
Investment Income:	
Net Increase (Decrease) in Fair Value of Investments	4,625,329
Interest and Dividend Income	1,713,533
Other Income	206,691
Less: Investment Expenses	(354,883)
Total Investment Income	6,190,670
Total Additions	9,315,399
Deductions	
Benefit Payments	4,737,935
Refund of Contributions	290,480
Administrative Expense	223,029
Total Deductions	5,251,444
Change in Plan Net Position	4,063,955
Net Position Restricted for Employees'	
Pension Benefits:	
Beginning of Year	75,861,774
End of Year	\$ 79,925,729

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



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NOTES TO THE FINANCIAL STATEMENTS

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

This report includes all funds, departments, agencies, boards and commissions, and other organizational units that are administered by the City Manager and/or controlled by or dependent upon the City Commission as set forth in the City Charter. In GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and: (1) the ability of the City to impose its will on that organization; or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

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

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

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

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

The CRA's sole purpose is to administer funds distributed via state law for blighted areas within the City. The Governing Boards are composed of the City Commission plus two members appointed by the City Commission; therefore the City Commission has absolute influence over the CRA board. Additionally, the City provides financial support to the CRA, so a financial benefit/burden relationship exists. In accordance with 163.387, Florida Statutes, the supplemental schedule details the following: the amount and source of revenues, the amount and purpose of expenditures, including the amount of debt principal and interest paid during the current year. The CRA is reported as a major special revenue fund. The remaining amounts of indebtedness to which revenues of the fund are pledged are detailed in Note 8.

B. Recent Governmental Accounting Standards Board (GASB) Statements

In fiscal year 2018, the City implemented several new GASB statements. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, significantly affects accounting and financial reporting by state and local governments for other postemployment benefits (OPEB) by requiring the immediate recognition of the entire net OPEB liability and a more comprehensive measure of OPEB expense. The City has made certain required disclosures of such in Note 14 and the Required Supplementary Information section of the CAFR. Additionally, a prior period restatement has been made to restate beginning net position balances, as required by the standard (Note 20). The other GASB statements implemented by the City this fiscal year had little or no impact on the City's financial statements.

C. Basic Financial Statements

The basic financial statements include both City-wide and fund level statements. The City-wide financial statements report on all activities of the City and its blended component unit except those that are fiduciary in nature.

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

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

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

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

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

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

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

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

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

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

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

The City charges centralized services through the General Fund and Internal Service Funds to functional activities through various charge methods. Expenses reported for functional activities include these indirect expenses, including an administrative component.

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

E. Major Governmental Funds

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

F. Major Enterprise Funds

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

G. Internal Service Funds

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

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

H. Fiduciary Funds

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

I. Encumbrances

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

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

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

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

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

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

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Capital asset purchases are recorded as capital outlay expenditures in the fund level governmental funds in the year of acquisition. Property, plant, and equipment with initial, individual costs that equal or exceed \$5,000 with estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs equal or exceed \$25,000 as long as they possess estimated useful lives of more than one year. For intangible assets, the City maintains a \$100,000 threshold for related assets. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the fair value of the assets or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of major business-type activities is included as part of the capitalized value of the assets constructed. During 2018, there was no capitalized interest.

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

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

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

- Deferred Outflows/Inflows of Resources** - In addition to assets and liabilities, the Statements of Net Position report a separate section for deferred outflows/inflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources until then. The City has three items that qualify for reporting in this category: 1) the deferred amounts on refunding reported in the City-wide and proprietary statements of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price, and is recognized as a component of interest expense in a systematic manner over the shorter of the life of the refunded or refunding debt; 2) the deferred amounts on pension obligations reported in the City-wide and proprietary statements of net position; and 3) the deferred amounts on other postemployment benefits reported in the City-wide and proprietary statements of net position. The deferred amounts on pension obligations and other postemployment benefits result from expenses recognized over defined future periods.

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

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

7. **Interfund Activity** - Interfund activity within and among the City's three fund categories (governmental, proprietary, and fiduciary) are classified as reciprocal interfund activity and non-reciprocal interfund activity.

Reciprocal interfund activity flows between funds with an expectation of repayment and is reported as interfund receivables and payables.

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

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

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

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

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

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

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

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

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

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

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

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

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

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

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

16. **Electric Rate Stabilization** - The City purchases bulk power from the Florida Municipal Power Agency (FMPA) and resells it to the electric utility customers. The Bulk Power Cost Adjustment can vary significantly from month to month. The Electric Rate Stabilization is designed to smooth out the electric utility rates paid by the electric utility customers. This stabilization process serves to minimize variances in the purchased power component of the City's electric utility service charge by passing along a more stable cost over time, even though the actual costs incurred by the City can vary. When bulk power costs are higher than usual, previously collected funds are used to stabilize the cost passed along to electric utility consumers. The converse occurs when actual costs are less than the amount charged since the difference between the actual cost and that charged consumers is reserved for future application.
17. **Reclassifications** - Certain 2017 amounts have been reclassified to conform to the 2018 presentation.

**CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

NOTE 2 - BUDGET AND BUDGETARY DATA

A. Budget Policy

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

An annual operating budget is prepared by the departments for the General, Special Revenue, Enterprise, Capital Projects and Debt Service Funds. This is then reviewed by the City Manager, Finance Director, and Budget Manager. In July, the City Manager submits to the City Commission the proposed budget for the ensuing fiscal year.

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

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

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

B. Excess of Expenditures Over Appropriations

The Police Forfeitures Fund, Police Education Fund, and Police Impact Fee Fund contained excesses of expenditures over appropriations during the fiscal year ended September 30, 2018.

No other individual fund contained an excess of total expenditures over total appropriations during the fiscal year ended September 30, 2018, except for insignificant variances. However, within various funds, there may be an excess of expenditures over appropriations at the line item level.

C. Deficit Fund Balance/Net Position

The Carver Heights/Montclair Area Community Redevelopment Agency Fund shows a deficit fund balance at September 30, 2018.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 3 - PROPERTY TAXES

The City is permitted under its charter to levy up to \$10 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on general long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. Additional taxes assessed for the payment of general long-term debt issues of the City must be approved by the public. The tax rate assessed by the City for the year ended September 30, 2018 was \$4.2678 per \$1,000 of assessed property value. Current tax collections (inclusive of legally available early payment discounts) for the City were 96.74% of the total tax levy. The property calendar provides for the tax revenue to be billed and collected within the applicable fiscal year.

Calendar of Property Tax Events

Tax Collection

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

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

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

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

**CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

NOTE 4 - DEPOSITS AND INVESTMENTS

A. Pooling of Cash and Investments

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

As of September 30, 2018, deposits and investments are classified in the accompanying financial statements as follows:

City-wide Cash and Investments

Statement of Net Position

Cash and Cash Equivalents	\$ 106,662,688
Restricted:	
Cash and Cash Equivalents	16,905,778

Statement of Fiduciary Net Position

Cash Equivalents	2,026,247
Investments	77,743,509

Total Cash and Investments	\$ 203,338,222
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Deposits and investments consist of the following:

Governmental and Business-Type Activities

Cash Deposits	\$ 23,721,719
Investments	93,733,969
Investments with Fiscal Agent:	
Debt Service Fund	1,256,467
Utilities Debt Service Account	4,657,679
Utilities Gas Deposit Account	198,632

Fiduciary Fund Assets

Cash	2,026,247
Defined Benefit Pension Plan Investments	77,743,509

Total Cash and Investments	\$ 203,338,222
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**CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Primary Government Activities

1. Investments and Investment Practices

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

As of September 30, 2018, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1- 2 Years	2 -3 Years
Local Government Investment Pools	\$ 16,911,809	\$ 16,911,809	\$ -	\$ -
Bank Certificates of Deposit	3,292,207	2,019,653	1,272,554	-
U.S. Government and Agencies	52,385,714	25,960,768	24,354,808	2,070,138
Corporate Fixed Income	21,144,239	13,728,667	6,430,225	985,347
Total	\$ 93,733,969	\$ 58,620,897	\$ 32,057,587	\$ 3,055,485

2. Custodial Credit Risk

As of September 30, 2018, the carrying amount of the City's deposits was \$23,721,719. Monies on deposit with financial institutions in the form of demand deposit accounts and time deposit accounts are defined as public deposits. The entire City's public deposits are held in "qualified public depositories" as required by Chapter 280, Florida Statutes, "Security for Public Deposits" (the "Act"), and covered by federal depository insurance. In addition, all qualified public depositories must deposit with the State Chief Financial Officer eligible collateral in such amounts as required by the Act. Qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Chief Financial Officer would implement procedures for payment of losses according to the validated claims of the City.

3. Interest Rate Risk

Interest rate risk is the risk that as market rates change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The City's formal investment policy ensures that securities mature to meet operating cash requirements to avoid the need to sell on the open market prior to maturity. In addition, the policy calls for investing operating funds primarily in shorter-term securities, mutual funds or investment pools from which funds can be readily withdrawn without penalty and which limit the average maturity of the portfolio from 90 days to three years. Reserve funds and other funds with longer-term investment horizons may be invested in securities not exceeding five years. As of September 30, 2018 the weighted average maturity of the City's investments was .97 years.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

4. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating agency. Authorized investments are outlined in Section 218.415, Florida Statutes, and are generally limited to: (a) the State of Florida Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01, Florida Statutes; (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating; (c) interest-bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes; and (d) direct obligations of the U.S. Treasury.

5. Concentration of Credit Risk

The City's investments are guaranteed by the U.S. Government, or are highly-rated agency, State or corporate debt instruments, or held in FLSAFE, FLCLASS and FP local government investment pools as described below.

6. Local Government Investment Pools

For the fiscal year ended September 30, 2018, the City invested in the Florida Surplus Asset Fund Trust (FLSAFE), Florida Cooperative Liquid Assets Securities System (FLCLASS) and Florida Prime (FP) local government investment pools. The investment pools operate under investment guidelines established by Sections 215.47 and 218.415, Florida Statutes. None of the investment pools are registrants with the Securities and Exchange Commission; however, they have adopted operating procedures consistent with the requirements for a 2a-7-like fund and the fair value of the positions in the pools are equal to the value of the pool shares. The City's investments in FLSAFE, FLCLASS and FP were rated AAAM by Standard & Poor's.

All three investment pools in which the City is a participant have elected to measure their investments at amortized cost. In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the City is required to disclose the presence of any limitations or restrictions on withdrawals.

FLCLASS and FLSAFE allow for daily redemptions from their funds. The investment pools may temporarily suspend or postpone the right of redemption under extraordinary circumstances such as (a) war, emergency or act of God; (b) suspension of trading on major stock exchanges or a general banking moratorium; or (c) when an emergency exists such that the investment pools may not dispose of their investments because of substantial losses or it is not reasonably practical for the pools to value their net assets. As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's daily access to 100 percent of the account values.

FP's rules regarding redemption and penalties and redemption fees are governed by Section 218.409, Florida Statutes, which notes that the Executive Director of the FP may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations, limit contributions or withdrawals. The Trustees of the pool may extend this for an additional 15 days. Section 218.409(4), Florida Statutes, provides for the FP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials; at present, no such disclosure has been made. As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's daily access to 100 percent of the account value.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

7. Fair Value

The City has adopted GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investments in government and agencies and corporate fixed income are high-quality bonds that are valued using a matrix pricing model (Level 2). Investments in local government investment pools and non-negotiable certificates of deposit are exempt from the GASB 72 fair value hierarchy disclosures per paragraph 69 of GASB 72, and are valued at the City's cost and any accrued interest on these investments.

B. Fiduciary Activities

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

1. Credit Rating – All Fiduciary Funds

As of September 30, 2018, ratings for the fiduciary funds' corporate and agency obligations by Standard & Poor's follows:

Rating	General Employees'	Municipal Police Officers'	Municipal Firemen's	Total
AAA	\$ -	\$ 14,694	\$ 139,691	\$ 154,385
AA+	4,410,776	2,682,848	2,089,909	9,183,533
AA	-	-	98,417	98,417
AA-	-	41,974	168,592	210,566
A+	-	50,786	220,060	270,846
A	406,683	170,646	284,389	861,718
A-	815,492	359,280	389,284	1,564,056
BBB+	204,701	555,080	794,360	1,554,141
BBB	203,722	479,437	459,880	1,143,039
BBB-	-	40,337	55,357	95,694
B	-	3,947	-	3,947
Not rated	-	149,994	126,006	276,000
	<u>\$ 6,041,374</u>	<u>\$ 4,549,023</u>	<u>\$ 4,825,945</u>	<u>\$ 15,416,342</u>

All of the Plan's investments in debt securities, other than the above described corporate and agency obligations, are backed by the U.S. government.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

2. General Employees' Retirement Plan

City of Leesburg General Employees' Retirement Plan
Distribution by Asset Type
September 30, 2018

Investment Type	Investment Maturities (In Years)			
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years
Money Market	\$ 662,842	\$ 662,842	\$ -	\$ -
Mutual Funds, UITs and ETFs	2,852,182	2,852,182	-	-
U.S. Government and Agencies	4,410,776	544,266	2,648,920	1,217,590
Corporate Obligations	1,630,598	-	1,427,124	203,474
Total	9,556,398	\$ 4,059,290	\$ 4,076,044	\$ 1,421,064
Corporate Stock	21,169,098			
Alternative Investments*	8,103,219			
Total	\$ 38,828,715			

*Alternative Investments include partnerships and hedge fund.

a. Custodial Credit Risk

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

b. Interest Rate Risk

Interest rate risk is the risk that as market rates change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The Plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates. As of September 30, 2018, the Plan's investments weighted average maturity was 3.71 years.

c. Credit Risk

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

d. Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. Investments in corporate common stock and convertible bonds are limited to 60% of Plan assets. No more than 10% of Plan assets shall be invested in one company. Except for U.S. Government and agency obligations, no more than 10% of Plan assets can be invested in one issuer. No investments exceeded these thresholds at September 30, 2018.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

e. Foreign Currency

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

f. Fair Value

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Plan's investments in government and agencies and corporate obligations are primarily bonds that are valued using a matrix pricing model (Level 2). Investments in corporate stock, mutual funds, unit investment trusts (UITs) and exchange traded funds (ETFs), which are deemed actively traded, are valued using quoted market prices (Level 1). Investments in money market funds are exempt from the GASB 72 fair value hierarchy disclosures per paragraph 69 of GASB 72, and are valued at the Plan's cost of these investments.

The Plan's alternative investments are two partnerships and a hedge fund and are valued at net asset value (NAV):

Alternative Investments Redemption						
Style	Fund Name	Deposit or Commitment	Fair Value	Unfunded Commitment	Frequency (if currently eligible)	Redemption Notice Period
Global equity/directional hedge funds						
	Pine Grove Partners	\$ 666,170	\$ 1,048,969	\$ -	Quarterly	95 Days Notice
	Weatherlow Off I Ltd Cl NI	1,425,000	2,127,684	-	Quarterly	65 Days Notice
	UBS Trumbull Property	3,069,184	4,926,566	-	Quarterly *	60 Days Notice
	Total	\$ 5,160,354	\$ 8,103,219	\$ -		

*UBS has quarterly redemptions subject to available liquidity.

3. Municipal Police Officers' Retirement Plan

City of Leesburg Municipal Police Officers' Retirement Plan
Distribution by Asset Type
September 30, 2018

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 694,102	\$ 694,102	\$ -	\$ -	-
Mutual Funds	12,094,966	12,094,966	-	-	-
U.S. Government and Agencies	2,717,368	-	590,511	502,210	1,624,647
Corporate Obligations	1,831,655	35,881	1,070,159	610,157	115,458
Total	17,338,091	\$ 12,824,949	\$ 1,660,670	\$ 1,112,367	\$ 1,740,105
Alternative Investment*	1,920,216				
Total	\$ 19,258,307				

*Alternative Investment is a real estate partnership.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

a. Custodial Credit Risk

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

b. Interest Rate Risk

Interest rate risk is the risk that as market rates change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The Plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates. As of September 30, 2018, the Plan's investments weighted average maturity was 11.94 years.

c. Credit Risk

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

d. Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. Investments in corporate common stock may not exceed 70% of Plan assets. No more than 5% of Plan assets may be invested in the common stock of any one company. Foreign investments are limited to 10% of Plan assets. Investments in domestic fixed income obligations are limited to 45% of Plan assets. No investments exceeded these thresholds at September 30, 2018.

e. Foreign Currency

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

f. Fair Value

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

The Plan's investments in government and agencies and corporate obligations are primarily bonds that are valued using a matrix pricing model (Level 2). Investments in corporate stock, mutual funds, unit investment trusts (UITs) and exchange traded funds (ETFs), which are deemed actively traded, are valued using quoted market prices (Level 1). Investments in money market funds are exempt from the GASB 72 fair value hierarchy disclosures per paragraph 69 of GASB 72, and are valued at the Plan's cost of these investments.

The Plan's alternative investment is a real estate investment trust limited partnership and is valued at net asset value (NAV). The Plan has no unfunded commitments in regards to this investment, and it is open for contributions and distributions on a quarterly basis.

4. Municipal Firemen's Retirement Plan

City of Leesburg Municipal Firemen's Retirement Plan
Distribution by Asset Type
September 30, 2018

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Money Market	\$ 954,567	\$ 954,567	\$ -	\$ -	\$ -
Mutual Funds, UITs and ETFs	6,036,125	6,036,125	-	-	-
U.S. Government and Agencies	1,011,262	40	414,698	267,497	329,027
Collateralized Mortgage Obligations	1,216,403	-	-	308,379	908,024
Corporate Obligations	2,241,196	-	1,421,968	433,221	386,007
Foreign Bonds	357,084	-	116,228	202,739	38,117
Total	11,816,637	\$ 6,990,732	\$ 1,952,894	\$ 1,211,836	\$ 1,661,175
Corporate Stock	5,918,697				
Alternative Investment *	1,921,153				
Total	<u>\$ 19,656,487</u>				

*Alternative Investment is an investment limited partnership.

a. Custodial Credit Risk

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

b. Interest Rate Risk

Interest rate risk is the risk that as market rates change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The Plan does not have a policy related to limiting its exposure to fair value losses arising from rising interest rates. As of September 30, 2018, the Plan's investments weighted average maturity was 17.14 years.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

c. Credit Risk

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

d. Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. Investments in corporate common stock and convertible bonds are limited to 60% of Plan assets. No more than 5% of Plan assets may be invested in one company. Foreign investments are limited to 10% of Plan assets. No investments exceeded these thresholds at September 30, 2018.

e. Foreign Currency

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

f. Fair Value

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Plan's investments in government and agencies and corporate obligations are primarily bonds that are valued using a matrix pricing model (Level 2). Investments in corporate stock, mutual funds, unit investment trusts (UITs) and exchange traded funds (ETFs), which are deemed actively traded, are valued using quoted market prices (Level 1). Investments in money market funds are exempt from the GASB 72 fair value hierarchy disclosures per paragraph 69 of GASB 72, and are valued at the Plan's cost of these investments.

The Plan's alternative investment is an investment trust limited partnership and is valued at net asset value (NAV). The Plan has no unfunded commitments in regards to this investment, and it is open for contributions and distributions on a quarterly basis.

**CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

NOTE 5 - INTERFUND ADVANCES, RECEIVABLES AND PAYABLES, AND TRANSFERS

As of September 30, 2018, the composition of interfund balances is as follows:

a. Interfund Advances

On September 10, 2018, the City Commission approved an interfund loan from the Electric Utility Fund to the Community Redevelopment Agency Fund (CRA Fund) to finance the construction of the Leesburg Resource Center by the CRA Fund. The interfund loan in the amount of \$1,200,000 will be repaid over fifteen years with annual repayments at 2.50% interest. The balance of the interfund loan as of September 30, 2018 is \$1,200,000.

b. Interfund Receivables and Payables

There were no interfund receivables or payables as of September 30, 2018.

c. Interfund Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
Governmental:		
General Fund	\$ 13,973,265	\$ 6,747,488
Community Redevelopment Agencies	309,946	-
Capital Projects	10,224,031	-
Enterprise:		
Electric Utility	-	5,346,259
Gas Utility	-	818,383
Water Utility	-	988,106
Wastewater Utility	-	879,012
Airport	-	-
Internal Service	-	28,859
Nonmajor Funds:		
Governmental	1,528,199	1,272,949
Enterprise	28,859	9,983,244
	<u>\$ 26,064,300</u>	<u>\$ 26,064,300</u>

Interfund transfers represent a major source of funding in the General Fund. The amount of utility contribution to the General Fund may not exceed 10% of the enterprise fund's estimated operating revenues and is determined by applying an established percentage against each enterprise fund's charges for services excluding surcharge revenue, gross receipts tax, and franchise fees. In addition to the Annual Operating Transfer, surcharge revenue, which is collected from customers outside the corporate limits at the same rate as Public Service Tax, is collected in the Electric, Gas, and Water Funds and transferred to the General Fund. Transfers into the Capital Projects Fund were associated with the following projects: park improvements, median improvements, facility/building improvements, and road resurfacing. Transfers made into the nonmajor governmental funds were associated with debt service payments. Additionally, there were transfers out of the nonmajor enterprise funds and into the General Fund and Capital Projects Fund related to the sale of the Communications system and closing of the Communications Fund; see Note 21 for more details regarding the sale and transfers related to the Communications Fund.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

A. Governmental Activities

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not being Depreciated:				
Land	\$ 5,188,528	\$ -	\$ 498,836	\$ 4,689,692
Construction in Progress	3,099,339	8,485,726	7,557,358	4,027,707
Total Capital Assets Not Being Depreciated	8,287,867	8,485,726	8,056,194	8,717,399
Capital Assets Being Depreciated:				
Buildings	37,168,819	2,643,900	1,430,999	38,381,720
Improvements Other than Buildings	9,035,844	1,407,891	447,432	9,996,303
Equipment	30,807,049	1,783,478	1,253,075	31,337,452
Infrastructure (Roads and Streets)	39,278,567	1,721,970	66,064	40,934,473
Total Capital Assets Being Depreciated	116,290,279	7,557,239	3,197,570	120,649,948
Less Accumulated Depreciation for:				
Buildings	12,389,703	697,201	769,525	12,317,379
Improvements Other than Buildings	5,331,859	436,939	264,679	5,504,119
Equipment	25,437,624	1,280,178	1,206,994	25,510,808
Infrastructure (Roads and Streets)	27,700,621	1,288,183	53,384	28,935,420
Total Accumulated Depreciation	70,859,807	3,702,501	2,294,582	72,267,726
Total Capital Assets Being Depreciated, Net	45,430,472	3,854,738	902,988	48,382,222
Governmental Activities Capital Assets, Net	\$ 53,718,339	\$ 12,340,464	\$ 8,959,182	\$ 57,099,621

B. Business-type Activities

Business-type Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not being Depreciated:				
Land	\$ 15,919,529	\$ -	\$ -	\$ 15,919,529
Construction in Progress	9,905,806	12,918,633	7,314,939	15,509,500
Total Capital Assets Not Being Depreciated	25,825,335	12,918,633	7,314,939	31,429,029
Capital Assets Being Depreciated:				
Buildings	45,083,824	98,562	-	45,182,386
Improvements Other than Buildings	254,484,795	5,724,819	9,666,222	250,543,392
Intangible Assets	786,424	92,652	-	879,076
Equipment	39,813,774	248,578	1,866,157	38,196,195
Total Capital Assets Being Depreciated	340,168,817	6,164,611	11,532,379	334,801,049
Less Accumulated Depreciation for:				
Buildings	12,314,930	997,889	-	13,312,819
Improvements Other than Buildings	97,559,163	6,925,760	4,121,562	100,363,361
Intangible Assets	290,358	119,115	-	409,473
Equipment	26,984,258	1,217,519	1,433,633	26,768,144
Total Accumulated Depreciation	137,148,709	9,260,283	5,555,195	140,853,797
Total Capital Assets Being Depreciated, Net	203,020,108	(3,095,672)	5,977,184	193,947,252
Business-type Capital Assets, Net	\$ 228,845,443	\$ 9,822,961	\$ 13,292,123	\$ 225,376,281

**CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

C. Depreciation Expense

Depreciation Expense - Governmental Activities	
General Government and Administration	\$ 526,866
Public Safety	256,669
Physical Environment	2,553
Transportation	1,038,497
Economic Environment	177,941
Culture and Recreation	708,599
Fleet Services	991,376
Total Depreciation Expense -Governmental Activities	<u><u>\$ 3,702,501</u></u>
Depreciation Expense - Business-type Activities	
Electric Utility	\$ 4,224,064
Gas Utility	450,050
Water Utility	1,403,729
Wastewater Utility	1,479,136
Airport Utility	1,368,247
Stormwater	193,674
Solid Waste Utility	21,909
Communication Services	119,474
Total Depreciation Expense - Business-type Activities	<u><u>\$ 9,260,283</u></u>

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 7 - PURCHASED POWER AGREEMENTS

A. Florida Municipal Power Agency

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

1. St. Lucie No. 2 Power Purchase Agreement

The City, through FMPA's joint ownership agreement with Florida Power and Light Corporation has an entitlement share to a small portion of the output of the St. Lucie No. 2 nuclear power plant. The City's entitlement share totaled 2.1 megawatts of generating capacity from the St. Lucie No. 2 nuclear power plant. The annual entitlement shares amount is based on the City's percent participation in the St. Lucie FMPA Project applied to the output of the plant over the same period. The operating license for Unit No. 2 is due to expire in 2043.

2. All-Requirement Power Supply Project Agreement

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

B. Florida Gas Utility

Florida Gas Utility (FGU) was established between and among several Florida municipal entities for the purpose of achieving savings through joint services. There are currently 23 members. Among the services utilized by the City are coordination and management of firm and interruptible transportation entitlements, the purchase of gas, the performance of gas flow balancing between FGU members and customers receipt and delivery points, large customer bill reviews, and project consultation and management. FGU is governed by its Board of Directors, which consists of one representative from each member organization.

The City purchases firm transportation services from Florida Gas Transmission (FGT) pursuant to two contracts. FTS-1 provides for a maximum annual quantity of 1,614,435 Dth. FTS-2 provides for a maximum annual quantity of 182,500 Dth. These contracts have been assigned to FGU to facilitate day-to-day scheduling and management of the City's gas needs.

Sabal Trail is a transportation organization similar to FGT. The City will eventually enter into an agreement for either interruptible or firm transportation services with Sabal Trail. FGU will manage these contracts and gas purchases in a similar manner to their current agreement with the City.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 8 – LONG-TERM LIABILITIES

A. Long-term liability activity for the year ended September 30, 2018 was as follows:

	<u>Beginning Balance¹</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
<u>Revenue Bonds:</u>					
Capital Improve Refunding Rev Bonds - 2013	\$ 13,310,000	\$ -	\$ 530,000	\$ 12,780,000	\$ 545,000
Total Revenue Bonds	<u>13,310,000</u>	<u>-</u>	<u>530,000</u>	<u>12,780,000</u>	<u>545,000</u>
<u>Notes Payable:</u>					
Note Payable - 2009 Capital Improve Rev	4,632,400	-	265,000	4,367,400	280,000
Note Payable - 2015 Greater Leesburg CRA	874,000	-	77,000	797,000	79,000
Note Payable - 2016 441/27 CRA	11,503,000	-	70,000	11,433,000	80,000
Total Revenue Notes	<u>17,009,400</u>	<u>-</u>	<u>412,000</u>	<u>16,597,400</u>	<u>439,000</u>
Total Revenue Bonds and Notes	<u>30,319,400</u>	<u>-</u>	<u>942,000</u>	<u>29,377,400</u>	<u>984,000</u>
<u>Other Liabilities:</u>					
Compensated Absences	1,483,664	1,599,460	1,599,933	1,483,191	815,755
Capital Lease Payable	-	255,163	45,920	209,243	26,417
Net Pension Liability	8,708,421	1,976,290	2,336,066	8,348,645	-
Other Postemployment Benefits	22,682,129	981,356	1,921,947	21,741,538	981,356
Total Other Liabilities	<u>32,874,214</u>	<u>4,812,269</u>	<u>5,903,866</u>	<u>31,782,617</u>	<u>1,823,528</u>
Total Governmental Activities	<u>\$ 63,193,614</u>	<u>\$ 4,812,269</u>	<u>\$ 6,845,866</u>	<u>\$ 61,160,017</u>	<u>\$ 2,807,528</u>
<u>Business-type Activities:</u>					
<u>Revenue Bonds:</u>					
Utility System Rev Bond - Series 2007A	\$ 430,000	\$ -	\$ 430,000	\$ -	\$ -
Taxable Utility System Rev Bond - 2007B	885,000	-	30,000	855,000	35,000
Taxable Electric System Rev Bond - 2007B	8,995,000	-	430,000	8,565,000	455,000
Utility System Refund Rev Bonds - 2013	18,270,000	-	725,000	17,545,000	755,000
Electric System Refund Rev Bonds - 2016	19,290,000	-	375,000	18,915,000	385,000
Utility System Refund Rev Bonds - 2016	18,115,000	-	-	18,115,000	450,000
Add: Premium, Less: Discount	4,722,185	-	242,397	4,479,788	-
Total Revenue Bonds	<u>70,707,185</u>	<u>-</u>	<u>2,232,397</u>	<u>68,474,788</u>	<u>2,080,000</u>
<u>Notes Payable:</u>					
Capital Improve Rev Refunding Note - 2009	345,000	-	345,000	-	-
Utility System Rev Refunding Note - 2010	6,195,000	-	590,000	5,605,000	610,000
Electric System Refunding Rev Note - 2016	7,931,000	-	415,000	7,516,000	423,000
Total Revenue Notes	<u>14,471,000</u>	<u>-</u>	<u>1,350,000</u>	<u>13,121,000</u>	<u>1,033,000</u>
Total Revenue Bonds and Notes Payable	<u>85,178,185</u>	<u>-</u>	<u>3,582,397</u>	<u>81,595,788</u>	<u>3,113,000</u>
<u>Other Liabilities:</u>					
Landfill Postclosure Care Costs	64,545	-	64,545	-	-
Compensated Absences	906,463	902,723	810,903	998,283	549,056
Net Pension Liability	2,026,570	21,341	763,600	1,284,311	-
Other Postemployment Benefits	10,790,528	439,275	1,497,877	9,731,926	439,275
Total Other Liabilities	<u>13,788,106</u>	<u>1,363,339</u>	<u>3,136,925</u>	<u>12,014,520</u>	<u>988,331</u>
Total Business-type Activities	<u>\$ 98,966,291</u>	<u>\$ 1,363,339</u>	<u>\$ 6,719,322</u>	<u>\$ 93,610,308</u>	<u>\$ 4,101,331</u>

¹Restated for Other Postemployment Benefits

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

B. The following is a schedule of bonds and notes outstanding at September 30, 2018:

<u>Description of Bonds/Notes</u>	<u>Purpose of Issue</u>	<u>Issued</u>	<u>Outstanding</u>	<u>Rates</u>
Governmental Activities:				
Revenue Bonds and Revenue Notes:				
Capital Improvement Revenue Note - 2009	Capital Improvement	\$ 6,227,400	\$ 4,367,400	4.73%
Capital Improvement Refunding Revenue Bonds - 2013	Capital Improvement	15,345,000	12,780,000	.4%-3.78%
Note Payable - Greater Leesburg CRA - 2015	Capital Improvement	1,000,000	797,000	2.91%
Note Payable - 441/27 CRA - 2016	Capital Improvement	11,563,000	11,433,000	2.59%
Total Governmental Activities		\$ 34,135,400	\$ 29,377,400	
Business-type Activities:				
Taxable Electric System Revenue Bond - 2007B	Electric	\$ 11,710,000	\$ 8,565,000	5.64% - 5.90%
Electric System Refunding Revenue Note - 2016	Electric	8,318,000	7,516,000	2.35%
Electric System Refunding Revenue Bonds - 2016	Electric	19,290,000	18,915,000	2.00% - 5.00%
Taxable Utility System Revenue Bond - 2007B	Wastewater	1,070,000	855,000	5.90%
Utility System Revenue Refunding Note - 2010	Water/Wastewater	8,000,000	5,605,000	4.68%
Utility System Refunding Revenue Bonds - 2013	Gas/Water/Wastewater	21,010,000	17,545,000	2.00% - 5.00%
Utility System Refunding Revenue Bonds - 2016	Gas/Water/Wastewater	18,115,000	18,115,000	2.00% - 5.00%
Total Business-type Activities		\$ 87,513,000	\$ 77,116,000	

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

Fiscal Year	Bonds Payable			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 545,000	\$ 466,988	\$ 2,080,000	\$ 2,619,164
2020	565,000	450,338	2,145,000	2,544,300
2021	580,000	430,263	2,230,000	2,451,308
2022	605,000	403,538	2,335,000	2,349,927
2023	630,000	372,663	2,435,000	2,248,102
2024-2028	3,620,000	1,418,353	13,870,000	9,489,316
2029-2033	4,295,000	741,734	17,115,000	6,155,739
2034-2038	1,940,000	70,869	21,785,000	2,059,279
Total	\$ 12,780,000	\$ 4,354,746	\$ 63,995,000	\$ 29,917,135

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Notes Payable				
Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 439,000	\$ 518,114	\$ 1,033,000	\$ 419,654
2020	571,000	500,115	1,069,000	380,456
2021	598,000	478,488	1,104,000	339,842
2022	1,013,000	455,809	1,139,000	297,822
2023	1,045,000	422,066	1,175,000	254,387
2024-2028	5,671,000	1,561,379	4,799,000	643,029
2029-2033	4,722,400	673,800	2,802,000	167,673
2034-2037	2,538,000	\$ 132,608		
Total	\$ 16,597,400	\$ 4,742,379	\$ 13,121,000	\$ 2,502,863

D. Governmental Activities Liabilities

A summary of all governmental activities long-term debt as of September 30, 2018, except for Net Pension Liability (Note 12) and Other Postemployment Benefits (Note 14), is as follows:

1. Capital Improvement Revenue Refunding Note – 2009

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

2. Capital Improvement Revenue Refunding Bonds, Series 2013

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

3. Greater Leesburg Community Redevelopment Agency Note – 2015

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

4. 441/27 Community Redevelopment Agency Note - 2016

On December 8, 2016, the City issued a note in the amount of \$11,563,000 pursuant to Resolution No. 9922. Proceeds from the note were used to refund the Tax Increment Revenue Bonds, Series 2009, and to pay costs of issuing the bonds. The note carries an interest rate of 2.59% and matures on May 1, 2036. The note is secured by tax increment revenues and a covenant to budget and appropriate from legally available non-ad valorem revenues of the City.

5. Fire Capital Lease - 2018

On May 29, 2018, the City executed a Capital Lease dated April 24, 2018 with Community First National Bank to acquire breathing apparatuses and various equipment for the Fire Department at a total acquisition cost of \$255,163. The City paid \$45,920 at the beginning of the lease, and the remaining amount of \$209,243 is due over 7 years at 4.094% interest. Annual payments are \$34,983.

6. Compensated Absences

Compensated absences reported as governmental activities in the Statement of Net Position are liquidated by the General Fund, the Building Permits Fund special revenue fund, and the Fleet Maintenance internal service fund.

E. Business-type Activities Liabilities

A summary of all business-type activities long-term debt as of September 30, 2018, except for Net Pension Liability (Note 12) and Other Postemployment Benefits (Note 14), is as follows:

1. Taxable Electric System Revenue Bonds, Series 2007B

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

2. Electric System Refunding Revenue Note – 2016

On June 16, 2016, the City issued a note in the amount of \$8,318,000 pursuant to Resolution No. 9816. Proceeds from the note were used to refund the Electric System Refunding Revenue Note —2013 and to pay costs of issuing the note. The note is payable from and secured solely by net revenues of the City's electric system on parity with the City's outstanding Electric System Revenue Bonds, Taxable Series 2007B as well as the Electric System Refunding Revenue Bonds, Series 2016. The note bears interest at 2.35%, with the final payment due October 1, 2032.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

3. Electric System Refunding Revenue Bonds – 2016

On June 23, 2016, the City issued bonds in the amount of \$19,290,000 pursuant to Resolution Nos. 9792 and 9793. Proceeds from the bonds were used to refund the Electric System Revenue Bonds, Series 2007A and the Electric System Refunding Revenue Note—2014, and to pay costs of issuing the bonds. City funds of approximately \$4,990,000 were also used in connection with the refunding of the aforementioned debt. The bonds were issued at a premium, with an effective interest rate of 2.56%. The bonds are payable from and secured solely by net revenues of the City's electric system on parity with the City's outstanding Electric System Revenue Bonds, Series 2007B as well as the Electric System Refunding Revenue Note, Series 2016.

4. Utility System Revenue Bonds, Series 2007A and Taxable Utility System Revenue Bonds, Series 2007B

The City has issued \$22,425,000 and \$1,070,000, respectively, in Utility System Revenue Bonds, Series 2007A and Taxable Utility System Revenue Bonds, Series 2007B. Both issues are fully registered. Bonds are payable solely from the net revenues of the gas, water, and wastewater systems on parity with the City's outstanding Utility System Revenue Refunding Note – 2010, Utility System Refunding Revenue Bonds, Series 2013 and Utility System Refunding Revenue Bonds, Series 2016. The Series 2007 bonds are subject to early redemption prior to maturity. The bond resolutions provide for a sinking fund. On June 22, 2016, the City issued bonds to refund all of the Series 2007A maturing on or after October 1, 2018.

5. Utility System Revenue Refunding Note – 2010

On July 8, 2010, the City issued an \$8,000,000 note to be used solely to refinance the City's Bond Anticipation Note (BAN), 2006. The original BAN was used to acquire a water and wastewater utility system from the Plantation of Leesburg Limited Partnership. The note is payable solely from the net revenues of the gas, water, and wastewater systems on parity with the City's outstanding Utility System Revenue Bonds, Series 2007A and Taxable Utility System Revenue Bonds, 2007B, Utility System Refunding Revenue Bonds, Series 2013 and Utility System Refunding Revenue Bonds, Series 2016.

SunTrust, the note holder, enacted the 'Adjustment of Rate of Interest for Change in the Maximum Corporate Tax Rate', also known as a Coprorate Tax Gross-Up, provision of the Loan Agreement in response to the Tax Cuts and Jobs Act effective January 1, 2018. This provision provides the note holder the right to increase the interest rate on a tax exempt issue if the federal corporate tax rate decreases. As a result of enacting this provision, the interest rate on the note increased from 3.85% to 4.68%, which increases the interest expense \$206,836 over the life of the note.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

6. Utility System Refunding Revenue Bonds, Series 2013

On April 30, 2013, the City issued bonds in the amount of \$21,010,000 pursuant to Resolution No. 9184. Proceeds from the bonds were used to refund the Utility System Revenue Bonds – 2004. The Bonds are fully registered bonds and are collateralized by a pledge of the net gas, water, and wastewater system revenues on parity with the City's outstanding Utility System Revenue Bonds, Series 2007A and Taxable Utility System Revenue Bonds, 2007B, Utility System Revenue Refunding Note – 2010, and Utility System Refunding Revenue Bonds, Series 2016. Bond ordinances provide for a current sinking fund and the bonds are callable at various dates at 100% of face value.

7. Utility System Refunding Revenue Bonds, Series 2016

On June 22, 2016, the City issued bonds in the amount of \$18,115,000 pursuant to Resolution Nos. 9794 and 9795. Proceeds from the bonds were used to refund the Utility System Revenue Bonds, Series 2007A maturing on or after October 1, 2018, and to pay the costs of issuing the bonds. The bonds were issued at a premium, with an effective interest rate of 2.38%. Bonds are payable solely from the net revenues of the gas, water, and wastewater systems on parity with the City's outstanding Utility System Revenue Bonds, Series 2007A and Taxable Utility System Revenue Bonds, Series 2007B, Utility System Revenue Refunding Note – 2010, and Utility System Refunding Revenue Bonds, Series 2013.

8. Landfill Closure and Postclosure Care Costs

On March 18, 1998, the City's landfill commenced long-term care for a period of 20 years. During the long-term care period, the City was required to maintain financial assurance, gas monitoring, semi-annual water quality monitoring, maintain the effectiveness and integrity of the final cover, and submit to annual inspections conducted by the Florida Department of Environmental Protection (FDEP).

On September 18, 2018, the FDEP released the City from the long-term care of the City's closed landfill. Gas monitoring is no longer required at the facility. Additionally, the City is no longer required to demonstrate financial assurance, and the escrow fund account required by the Florida Administrative Code in regards to the landfill has been closed. It is now the City's responsibility to maintain the closed landfill to protect the environment and public health.

9. Compensated Absences

Compensated absences reported as business-type activities in the Statement of Net Position and the various enterprise funds are liquidated by the funds reporting such liabilities.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

F. Pledged Revenues

The City pledged certain revenues to repay certain bonds and notes outstanding as of September 30, 2018. The following tables report the revenues pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2018:

Debt Description	Governmental Activities					Debt Service Payments Until Debt Maturity	Pledged Through
	Half Cent Sales Tax ¹	Guaranteed Entitlement ²	Public Service Tax ³	Tax Increment Revenue ⁴			
				GLCRA	441/27CRA ⁵		
2009 Capital Improvement Refunding Promissory Note	\$ 477,845	-				\$ 5,718,293	2030
2013 Capital Improvement Bonds	887,956	\$ 125,157				17,134,746	2035
2015 Greater Leesburg (GL) CRA Note				\$ 101,313		905,790	2027
2016 441/27 CRA Note					\$ 367,928	14,715,696	2036
Total Debt Service	\$ 1,365,801	\$ 125,157	\$ -	\$ 101,313	\$ 367,928	\$ 38,474,525	
Total pledged revenues available for fiscal year 2018 debt service	\$ 1,365,801	\$ 309,234	\$ 3,656,281	\$ 355,287	\$ 336,972		
Total pledged revenues used for fiscal year 2018 debt service	1,365,801	125,157	-	101,313	336,972		
Fiscal year 2018 pledged revenues used as a percentage of revenues available	100.00%	40.47%	-%	28.52%	100.00%		

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

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

³**Public Service Tax** - is levied and collected pursuant to Section 166.231, Florida Statutes. A municipality may levy a tax on the purchase of electricity, metered natural gas, liquefied petroleum gas and water service not to exceed ten percent (10%) of the payments received by the seller.

⁴**Tax Increment Revenues** of the Community Redevelopment Agencies for the Greater Leesburg CRA and the U.S. Highway 441 & 27 CRA are the generally applicable taxes attributable to increases in assessed values within the redevelopment areas of the respective Agencies.

⁵**Tax Increment Revenue** for the 2016 441/27 Community Redevelopment Agency debt is \$336,972 and the principal and interest totaled \$367,928. the remaining balance of \$30,956 was paid from cash on hand.

CITY OF LEESBURG, FLORIDA
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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Debt Description	Business-type Activities					Total Gas, Water, Wastewater Revenues	Debt Service Payments Until Debt Maturity	Pledged Through
	Electric Revenues ¹	Gas Revenues ²	Water Revenues ²	Wastewater Revenues ²				
2007 B Utility System Revenue Bonds				80,445		80,445	1,318,593	2034
2007 B Electric System Revenue Bonds	\$ 935,335						12,251,763	2032
2013 Utility System Refunding Revenue Bonds		234,307	487,379	675,295		1,396,981	23,414,078	2035
2016 Electric System Refunding Revenue Bonds ³	1,131,850						29,249,125	2038
2016 Utility System Refunding Revenue Bonds ⁴		130,842	749,684	275,323		1,155,849	27,678,575	2038
2010 Utility System Revenue Note		-	390,800	469,851		860,651	6,706,603	2026
2016 Electric System Refunding Revenue Note ⁵	599,626						8,917,258	2033
Total Debt Service	\$ 2,666,811	\$ 365,149	\$ 1,627,863	\$ 1,500,914	\$ 3,493,926	\$ 109,535,995		
Total pledged revenues available for fiscal year 2018 debt service	\$ 13,669,530	\$ 2,243,128	\$ 3,548,184	\$ 5,240,079	\$ 11,031,391			
Total pledged revenues used for fiscal year 2018 debt service	2,666,811	365,149	1,627,863	1,500,914	3,493,926			
Fiscal year 2018 pledged revenues used as a percentage of revenues available	19.51%	16.28%	45.88%	28.64%	31.67%			

Definitions:

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

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

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

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

³**2016 Electric System Refunding Revenue Bonds** - a refunding of the 2007A Electric System Revenue Bond and the 2014 Electric System Refunding Revenue Note.

⁴**2016 Utility System Refunding Revenue Bonds** - a refunding of the 2007A Utility System Revenue Bonds maturing on or after October 1, 2018.

⁵**2016 Electric System Refunding Revenue Note** - a refunding of the 2013 Electric System Refunding Revenue Note.

G. Defeased Debt

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

Utility System Refunding Revenue Bonds, Series 1999 A/B	\$	15,360,000
Tax Increment Revenue Bonds, Series 2009		13,445,000

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 9 – CONDUIT DEBT

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

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

As of September 30, 2018, the City had an aggregate principal amount of hospital and not-for-profit revenue refunding bonds of approximately \$98,745,000. The amount of bonds outstanding for The Villages Tri-County Medical Center was \$30,000,000. The amount of bonds outstanding for Leesburg Regional Medical Center and The Villages Tri-County Medical Center as a combined entity was \$58,745,000. The amount of bonds outstanding for LifeStream Behavioral Center, Inc. was \$10,000,000.

NOTE 10 – ARBITRAGE REBATE

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

There is no arbitrage rebate liability as of September 30, 2018.

NOTE 11 – OPERATING LEASE REVENUES

The City is lessor on various leases of facilities located at the Leesburg Regional Airport and other leases for property owned by the City. Estimated amounts for leased assets are: cost \$10,582,427 and accumulated depreciation \$2,328,431. The following is a schedule of minimum future lease income on non-cancelable operating leases:

Fiscal Year	Amount
2019	\$ 685,494
2020	615,883
2021	561,957
2022	538,168
2023	518,529
2024-2028	1,870,759
2029-2033	1,122,919
Total Minimum Lease Payment Revenues	\$ 5,913,709

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 12 – DEFINED BENEFIT PENSION PLANS (PLANS)

A. Plan Descriptions and Contribution Information

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

B. Basis of Accounting

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

C. Methods Used to Value Investments

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

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

SCHEDULE OF FIDUCIARY NET POSITION AS OF SEPTEMBER 30, 2018

	General Employees' Retirement Plan	Municipal Police Officers' Retirement Plan	Municipal Firemen's Retirement Plan	Total
Assets				
Cash	\$ 26,247	\$ 2,000,000	\$ -	\$ 2,026,247
Investments, at Fair Value:				
U.S. Government Securities	4,410,776	2,717,368	1,011,262	8,139,406
Foreign Bonds	-	-	357,084	357,084
Corporate Bonds	1,630,598	1,831,655	2,241,196	5,703,449
Corporate Stocks	21,169,098	-	5,918,697	27,087,795
Collateralized Mortgage Obligations	-	-	1,216,403	1,216,403
Alternative Investments	8,103,219	1,920,216	1,921,153	11,944,588
Money Market	662,842	694,102	954,567	2,311,511
Mutual Funds	2,852,182	12,094,966	6,036,125	20,983,273
Total Investments	<u>38,828,715</u>	<u>19,258,307</u>	<u>19,656,487</u>	<u>77,743,509</u>
Interest Receivable	112,739	-	43,234	155,973
Total Assets	<u>\$ 38,967,701</u>	<u>\$ 21,258,307</u>	<u>\$ 19,699,721</u>	<u>\$ 79,925,729</u>
Net Position Restricted for Employees' Pension Benefits	<u>\$ 38,967,701</u>	<u>\$ 21,258,307</u>	<u>\$ 19,699,721</u>	<u>\$ 79,925,729</u>

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION AS OF SEPTEMBER 30, 2018

	General Employees' Retirement Plan	Municipal Police Officers' Retirement Plan	Municipal Firemen's Retirement Plan	Total
Additions				
Contributions:				
Employer	\$ 1,090,938	\$ 526,010	\$ 694,423	\$ 2,311,371
State	-	199,426	141,149	340,575
Employee	-	303,473	169,310	472,783
Total Contributions	1,090,938	1,028,909	1,004,882	3,124,729
Investment Income:				
Net Increase (Decrease) in				
Fair Value of Investments	3,031,699	1,143,294	450,336	4,625,329
Interest and Dividend Income	647,666	526,829	539,038	1,713,533
Other Income	1,495	76,748	128,448	206,691
Less: Investment Expenses	(200,826)	(37,781)	(116,276)	(354,883)
Total Investment Income	3,480,034	1,709,090	1,001,546	6,190,670
Total Additions	4,570,972	2,737,999	2,006,428	9,315,399
Deductions				
Benefit Payments	2,647,147	951,784	1,139,004	4,737,935
Refund of Contributions	30,134	166,507	93,839	290,480
Administrative Expense	85,994	76,737	60,298	223,029
Total Deductions	2,763,275	1,195,028	1,293,141	5,251,444
Change in Plan Net Position	1,807,697	1,542,971	713,287	4,063,955
Net Position Restricted for Employees'				
Pension Benefits:				
Beginning of Year	37,160,004	19,715,336	18,986,434	75,861,774
End of Year	\$ 38,967,701	\$ 21,258,307	\$ 19,699,721	\$ 79,925,729

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

1. General Employees' Retirement Plan (GERP)

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

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

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

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Normal Retirement Benefit – 2% of average compensation times credited service prior to October 1, 2008, with a maximum of 45 years of credited service.

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

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

Pre-Retirement Death Benefit – Monthly benefit provided by the greater of (i) or (ii), where (i) is the single sum value of the deferred monthly retirement income commencing at normal retirement date which has accrued to the date of death, and (ii) is the smaller of (a) 18 times average final compensation at the date of death and (b) 100 times the anticipated monthly retirement income at normal retirement.

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

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

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

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

Cost of Living Adjustment – Retirees (other than vested terminated members) and their beneficiaries receive a 2% increase in benefits each year October 1st commencing 3 years after their otherwise normal retirement date.

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

DROP Participation: Not to exceed 60 months.

DROP Rate of Return: At member's election: (1) actual net rate of investment return (total return net of brokerage commissions, transaction costs, and management fees) or (2) 6.5% per annum compounded quarterly.

BAC-DROP - Eligibility: Satisfaction of normal retirement requirements.

BAC-DROP Period: Not to exceed 60 months.

BAC-DROP Rate of Return: 2.5% per annum compounded quarterly.

The DROP balance as of September 30, 2018 is \$23,108.

**CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

2. Municipal Police Officers' Retirement Plan (MPRP)

The plan covers full-time sworn police officers (other Police Department employees are covered in the GERP). Employees contribute 7.65% of their reportable W-2 compensation, less Christmas bonuses, but including lump sum payment of accrued sick leave, accrued annual leave, or accrued compensatory leave, plus all tax deferred (IRC Section 414(h)(2) and IRC Section 457 contributions) and tax exempt (IRC Section 125) items of income. Effective January 22, 2013, salary shall not include more than 300 hours of overtime per year. Additionally, salary will include the lesser of the amount of unused sick and annual leave time accrued as of January 22, 2013, or the actual amount of sick and vacation leave time for which the retiree receives payment at the time of retirement. The State of Florida collects and remits a 0.85% excise tax on gross premiums from casualty insurance policies covering property within the corporate limits to the fund pursuant to the provisions of Section 185.08, Florida Statutes.

Plan Administration – The plan is administered by a Board of Trustees comprised of: two City residents appointed by the City Commission, two full-time police officers elected by a majority of the members of the plan and a fifth Trustee chosen by a majority of the first four Trustees.

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

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

Normal Retirement Benefit – 3% of average final compensation times credited service prior to May 27, 2003; 2% for each year between May 27, 2003 and September 30, 2009; and 2.5% for each year of credited service between October 1, 2009 and September 30, 2015; and 3% for each year of credited service thereafter.

Early Retirement– Age 50 (age 45 for members who will be eligible for early retirement as of October 1, 2015 under prior provisions) and completion of 10 years of credited service.

Early Retirement Benefit – Accrued benefit, reduced 3% per year.

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

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

Pre-Retirement Death Benefit – Service connected: beneficiary receives a monthly benefit which can be provided by the greater of: (1) present value of member's accrued benefit, or (2) lesser of 24 times the member's average final compensation, or 100 times the member's anticipated normal retirement benefit. Non-service connected: if less than 10 years of service, beneficiary receives a refund of member contributions; otherwise, same as service connected benefits.

Contributions – Employee: 7.65% of salary; City: amount required after State premium tax refunds in order to pay current costs and amortize unfunded past service cost, as provided in Part VII, Chapter 112, Florida Statutes.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Deferred Retirement Option Program (DROP) – Eligibility: Satisfaction of normal retirement requirements.

DROP Participation: Not to exceed 60 months.

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

The DROP balance as September 30, 2018 is \$335,233.

3. Municipal Firemen's Retirement Plan (MFRP)

The plan covers firefighters who have completed one year of employment. Firefighters contribute 6.5% of their annual compensation to the plan. The State of Florida collects and remits a 1.85% excise tax on gross premiums from fire insurance covering property within the corporate limits to the fund pursuant to the provisions of Section 175.101, Florida Statutes.

Plan Administration – The plan is administered by a Board of Trustees comprised of: two City appointees, two members of the department elected by the membership, and a member elected by the other four and appointed by the City Commission.

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

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

Normal Retirement Benefit – 3% of average monthly earnings times credited service.

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

Early Retirement Benefit – Accrued benefit, reduced 3% for each year prior to normal retirement date.

Disability – Eligibility - Total and permanent as determined by Board of Trustees, and for at least a period of 5 months if not service-incurred. Not-line-of-duty benefit amount: Less than 10 years: The monthly income which can be provided by the greater of (A) or (B), where: (A) is the actuarial present value of the accrued benefit at date of disability; and (B) is two times the basic compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 60% of the member's anticipated monthly retirement income at their normal retirement date. More than 10 years: The monthly income which is the greater of (A) or (B), where: (A) is the monthly income which can be provided by the actuarial present value of the accrued benefit at date of disability; and (B) is 30% of the participant's basic compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 100% of the member's anticipated monthly retirement income at their normal retirement date. Line-of-Duty benefit amount: A monthly income equal to 50% of the basic compensation paid in the calendar year preceding the date of disability. This amount is limited to the actuarial present value of the member's anticipated monthly retirement income at their normal retirement date.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Pre-Retirement Death Benefit – The monthly income, payable to designated beneficiary for 10 years certain and life thereafter, which can be provided by the greater of (A) or (B), where: (A) is the actuarial present value of the accrued benefit at date of death; and (B) is two times the basic compensation paid in the calendar year preceding the date of death, but no greater than the actuarial present value of the member’s anticipated monthly retirement income at their normal retirement date.

Contributions – Employee: 6.5% of basic compensation; Premium Tax: 1.85% tax on fire insurance premiums; City: remaining amount necessary for payment of normal (current year's) cost and amortization of the accrued past service liability, as provided in Part VII, Chapter 112, Florida Statutes.

D. Membership

Membership of each Plan consisted of the following:

Membership as of:	10/1/2017	10/1/2017	10/1/2017
	GERP	MPRP	MFRP
Retirees and Beneficiaries Receiving Benefits	236	35	30
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	243	9	7
Active Plan Members	173	62	44
Total	652	106	81

E. Investment Policy

The following were the Boards' adopted asset allocation policies as of September 30, 2018:

Asset Class	GERP	MPRP	MFRP
	Target Allocation	Target Allocation	Target Allocation
Domestic Equity	50%	45%	35%
International Equity	10%	15%	15%
Broad Market Fixed Income	20%	20%	25%
Global Fixed Income	0%	5%	0%
TIPS	0%	5%	3%
Convertibles	0%	0%	10%
Real Estate	12.5%	10%	7%
Hedge Funds	7.5%	0%	0%
Infrastructure	0%	0%	5%
Total	100%	100%	100%

F. Concentrations

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

G. Rate of Return

GERP– For the year ended September 30, 2018 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.56 percent.

MPRP – For the year ended September 30, 2018 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.60 percent.

MFRP – For the year ended September 30, 2018 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.95 percent.

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

H. Net Pension Liability of Sponsor

The components of the net pension liability of the sponsor as of September 30, 2018 were as follows:

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Total Pension Liability	\$ 41,651,766	\$ 24,054,997	\$ 23,852,123
Plan Fiduciary Net Position	<u>(38,967,701)</u>	<u>(21,258,507)</u>	<u>(19,699,722)</u>
Sponsor's Net Pension Liability	<u>\$ 2,684,065</u>	<u>\$ 2,796,490</u>	<u>\$ 4,152,401</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>93.56%</u>	<u>88.37%</u>	<u>82.59%</u>

Actuarial Assumptions:

The measurement date is September 30, 2018 for all three pension plans. The measurement period for the pension expense was October 1, 2017 to September 30, 2018. The reporting period is October 1, 2017 through September 30, 2018.

The total pension liability for all plans was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions applied to all measurement periods.

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Inflation	2%	2.5%	2.7%
Salary Increases	None (frozen)	Service based	4%-6%
Discount Rate	7.45%	7.65%	7.5%
Investment Rate of Return	7.45%	7.65%	7.5%

Mortality rates (healthy lives) for all three plans were based on the RP2000 Generational Table, Scale BB, with collar and annuitant adjustments. Mortality rates (disables lives) for all three plans were based on RP2000 Disabled Male Table and RP2000 Disabled Female Table, with male set back four years and female set forward two years; MPRP and MFRP were at 60% with collar adjustments and no projection scale, and GERP was at 100%.

CITY OF LEESBURG, FLORIDA
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For the General Employees' Fund, actuarial assumptions used were based on the results of an actuarial experience study dated September 3, 2007. The actuarial assumptions used for Police Officers' Fund were based on the results of an actuarial experience study dated September 13, 2016. The actuarial assumptions used for Firemen's Fund were based on the results of an actuarial experience study dated March 7, 2014.

I. Long Term Expected Rate of Return—All Plans

The long-term expected rate of return on all pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset Class	GERP	MPRP	MFRP
	Long Term Expected Real Rate of Return	Long Term Expected Real Rate of Return	Long Term Expected Real Rate of Return
Domestic Equity	6.93%	7.50%	8.10%
International Equity	6.36%	8.50%	3.40%
Broad Market Fixed Income	2.45%	2.50%	3.60%
Global Fixed Income	-	3.50%	-
TIPS	-	2.50%	2.70%
Convertibles	-	-	6.70%
Real Estate	3.36%	4.50%	4.90%
Hedge Funds	3.07%	-	-
Infrastructure	-	-	9.10%

J. Discount Rate

The discount rates used to measure the General Employees' pension liability was 7.45%, the Police Officers' pension liability was 7.65%, and the Firemen's pension liability was 7.50%.

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

K. Net Pension Liability

General Employees' Plan

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2017	\$ 41,274,233	\$ 37,159,369	\$ 4,114,864
Changes for the year:			
Service cost	112,163	-	112,163
Interest	2,983,558	-	2,983,558
Differences between Expected and Actual Experience	(40,907)	-	(40,907)
Contributions - Employer	-	1,090,938	(1,090,938)
Net Investment Income	-	3,480,669	(3,480,669)
Benefit Payments, including Refunds of Employee Contributions	(2,677,281)	(2,677,281)	-
Administrative Expense	-	(85,994)	85,994
Net Changes	377,533	1,808,332	(1,430,799)
Balances at September 30, 2018	<u>\$ 41,651,766</u>	<u>\$ 38,967,701</u>	<u>\$ 2,684,065</u>

Police Officers' Plan

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2017	\$ 22,520,679	\$ 19,715,477	\$ 2,805,202
Changes for the year:			
Service cost	562,191	-	562,191
Interest	1,723,065	-	1,723,065
Differences between Expected and Actual Experience	367,350	-	367,350
Contributions - Employer	-	526,010	(526,010)
Contributions - State	-	199,426	(199,426)
Contributions - Employee	-	303,473	(303,473)
Net Investment Income	-	1,687,710	(1,687,710)
Benefit Payments, including Refunds of Employee Contributions	(1,118,288)	(1,118,288)	-
Administrative Expense	-	(55,301)	55,301
Net Changes	1,534,318	1,543,030	(8,712)
Balances at September 30, 2018	<u>\$ 24,054,997</u>	<u>\$ 21,258,507</u>	<u>\$ 2,796,490</u>

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Firemen's Plan

	NET PENSION LIABILITY		
	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2017	\$ 22,811,716	\$ 18,996,791	\$ 3,814,925
Changes for the year:			
Service cost	503,047	-	503,047
Interest	1,702,512	-	1,702,512
Differences between Expected and Actual Experience	23,441	-	23,441
Contributions - Employer	-	694,423	(694,423)
Contributions - State	-	141,149	(141,149)
Contributions - Employee	-	169,310	(169,310)
Contributions - Buy Back	40,613	40,613	-
Net Investment Income	-	931,592	(931,592)
Benefit Payments, including Refunds of Employee Contributions	(1,229,206)	(1,229,206)	-
Administrative Expense	-	(44,950)	44,950
Net changes	1,040,407	702,931	337,476
Balances at September 30, 2018	\$ 23,852,123	\$ 19,699,722	\$ 4,152,401

Sensitivity of the Net Pension Liability to changes in discount rate:

General Employees' Plan

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Plan's Net Pension Liability	\$ 7,221,968	\$ 2,684,065	\$ (1,129,534)

Police Officers' Plan

	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
Plan's Net Pension liability	\$ 5,699,594	\$ 2,796,490	\$ 376,063

Firemen's Plan

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Plan's Net Pension Liability	\$ 7,006,296	\$ 4,152,401	\$ 1,769,719

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

Pension expense for the fiscal year ended September 30, 2018 was: 1) General Employees' Plan \$42,218; 2) Police Officers' Plan \$1,014,519; and 3) Firemen's Plan \$940,894 (total \$1,997,631). On September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

General Employees' Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 20,454
Net Difference between Projected and Actual Earnings	-	1,096,251
Total	<u>\$ -</u>	<u>\$ 1,116,705</u>

Police Officers' Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 1,526,652	\$ 363,860
Changes of Assumptions	148,086	-
Net Difference between Projected and Actual Earnings	-	152,558
Total	<u>\$ 1,674,738</u>	<u>\$ 516,418</u>

Firemen's Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 320,903	\$ 328,467
Changes of Assumptions	362,664	-
Net Difference between Projected and Actual Earnings	259,111	-
Total	<u>\$ 942,678</u>	<u>\$ 328,467</u>

Deferred Inflows/Outflows Schedule for Future Years:

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

<u>Total year ended September 30:</u>	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firemen's</u>
2019	\$ (78,276)	\$ 606,518	\$ 315,930
2020	(469,245)	292,360	15,710
2021	(414,266)	222,974	102,496
2022	(154,918)	36,468	176,168
2023	-	-	3,907

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 13 - DEFINED CONTRIBUTION PENSION PLAN

General employees of the City participate in the 401(a) Defined Contribution Pension Plan (401(a) Plan) administered by MassMutual Financial Group. The 401(a) Plan was authorized by City Commission Resolution. New employees become fully vested over a four-year period. For the year ended September 30, 2018, the City Commission approved a contribution rate of 5% of compensation. Total contributions amounted to \$715,581, or 100% of the amount authorized.

Employees may not contribute to the 401(a) Plan. Investments in 401(a) Plan assets are directed by individual employees.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description and Benefits Provided

In accordance with Section 112.0801, Florida Statutes, the City allows retirees the option of continuing to participate in the City's group health insurance coverage at a premium cost of no more than the premium cost applicable to active employees. The City provides postretirement health care benefits, in accordance with City ordinance, to all employees who retire from the City with at least fifteen years of continuous service. Benefit provisions for the Plan are established by the City Commission and may be amended by the City Commission. Employees retiring before age fifty-five may remain in the City's plan and pay all premium costs. Employees who retire between the ages of fifty-five and fifty-eight and continue health coverage will become eligible for employer subsidized premiums at age fifty-eight. Employees retiring on or after attaining age fifty-eight with at least fifteen years of service remain in the plan with all employee premiums paid by the City up to a maximum of \$400 per month; if the cost to the City for health insurance coverage on the retired employee exceeds \$400 per month, the retiree will bear the cost over and above \$400; this \$400 per month stipend is no longer available to employees who were hired on or after October 1, 2008. This explicit City subsidy is available only for retiree coverage and is not available in whole or in part as an explicit subsidy for spouse or dependent coverage. In July 2018, the City began to offer the \$400 per month stipend as a cash benefit to retirees eligible for such who no longer remain in the City's health insurance plan. The plan does not issue a publicly available financial report.

B. Funding Policy

Currently, the City's OPEB benefits are unfunded. That is, there is no separate Trust Fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation. Therefore, the ultimate subsidies which are provided over time are financed directly by general assets of the City. For the fiscal year ended September 30, 2018, retiree contributions for amounts not covered by the \$400 per month described in "Plan Description" above totaled \$333,049.

C. Employees Covered by Benefit Terms

At September 30, 2017, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	114
Active Plan Members	378
Total	<u>492</u>

**CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

D. Total OPEB Liability

The City's total OPEB liability of \$31,473,464 was measured as of September 30, 2017, and was determined by an actuarial valuation as of September 30, 2017. The beginning OPEB liability for the year ended September 30, 2018 was adjusted due to the implementation of GASB 75. See Note 20 for more details on the prior period restatement.

E. Significant Actuarial Assumptions and Other Inputs

The total OPEB liability determined in the September 30, 2017 actuarial valuation used the following significant actuarial assumptions and other inputs:

Inflation Rate	2.50%
Salary Increase Rate(s)	Varies by Service
Discount Rate	3.64%
Initial Healthcare Trend Rate	8.50%
Ultimate Healthcare Trend Rate	4.00%
Years to Ultimate	55

Mortality - All mortality rates based on the RP-2000 mortality tables.

Active Lives - For female lives, 100% of the Combined Healthy White-Collar table was used. For male (non-special risk) lives, a 50% Combined Healthy White-Collar table, 50% Healthy Blue-Collar table blend was used. For male special risk lives, a 10% Combined Healthy White-Collar table, 90% Combined Healthy Blue-Collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB.

Inactive Active Lives - For female lives, 100% of the Annuitant White-Collar table was used. For male (non-special risk) lives, a 50% Annuitant White-Collar table, 50% Annuitant Blue-Collar table blend was used. For male special risk lives, a 10% Annuitant White-Collar table, 90% Annuitant Blue-Collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB.

Disabled Lives - For female (non-special risk) lives, 100% of the Disabled Female table was used, set forward two years. For female special risk lives, a 60% Disabled Female table, 40% Annuitant White-Collar table with no setback blend was used. For male (non-special risk) lives, 100% of the Disabled Male table was used, set back four years. For male special risk lives, a 60% Disabled Male table, 40% Annuitant White-Collar table with no setback blend was used. Disabled mortality has not been adjusted for mortality improvements.

Discount Rate - Given the City's decision not to fund the OPEB plan, all future benefit payments were discounted using a high quality bond rate of 3.64%. The high quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of roughly 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Financial Services LLC's AA rating.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

E. Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at September 30, 2017, as Restated	\$ 33,472,657
Changes for the Fiscal Year:	
Service Cost	780,397
Interest on the Total OPEB Liability	1,031,898
Changes of Assumptions	(2,741,648)
Benefit Payments	<u>(1,069,840)</u>
Net Changes	<u>(1,999,193)</u>
Balance at September 30, 2018	<u>\$ 31,473,464</u>

Changes in assumptions reflect a change in the discount rate from 3.06% for the fiscal year ended September 30, 2017, to 3.64% for the fiscal year ended September 30, 2018.

E. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

	1% Decrease	Current Discount Rate	1% Increase
	2.64%	3.64%	4.64%
Total OPEB Liability	<u>\$ 36,441,769</u>	<u>\$ 31,473,464</u>	<u>\$ 27,499,380</u>

F. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

	1% Decrease	Healthcare Costs Trend Rates	1% Increase
	3.00% - 7.50%	4.00% - 8.50%	5.00% - 9.50%
Total OPEB Liability	<u>\$ 28,580,779</u>	<u>\$ 31,473,464</u>	<u>\$ 35,138,033</u>

**CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB expense for the fiscal year ended September 30, 2018 was \$1,420,631. On September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ 2,349,984
Employer Contributions Subsequent to the Measurement Date	1,173,236	-
Total	\$ 1,173,236	\$ 2,349,984

H. Deferred Outflows/Inflows of Resources Schedule for Future Years

\$1,173,236 reported as deferred outflows of resources related to OPEB resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in fiscal year 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:		
2019	\$	(391,664)
2020		(391,664)
2021		(391,664)
2022		(391,664)
2023		(391,664)
Thereafter		(391,664)

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 15 - SELF-INSURANCE FUND

A. Employee Health Insurance Fund

The City maintains a self-insurance program for the payment of employee health and medical claims. The program provides for the payment of City and employee contributions into a self-insurance fund, which is managed by the City. Individual claims up to \$125,000 per claimant are paid from the assets of the self-insurance fund. Individual claims above \$125,000 are paid by the reinsurance up to an unlimited lifetime maximum. This coverage includes all amount for claims, regardless of the condition or disease, for this claimant during the policy period. In addition, the total of all claims (less reimbursements for the specific claims) are paid after the aggregate excess attachment point has been reached. Claims above this amount are reimbursed up to \$1,000,000 per fiscal year by the reinsurance policy purchased by the City. The City employs a third party claims administrator to manage claims. Each year, an actuarial analysis of the Health Insurance Fund is conducted in order to assure the financial soundness of the fund.

B. Workers' Compensation Insurance Fund

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

Changes in claims liabilities for the last two years follow:

	<u>Balance October 1, 2017</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>(Claims Paid)</u>	<u>Balance September 30, 2018</u>
Employee Health Insurance Fund	\$ 250,170	\$ 4,661,531	\$ (4,616,157)	\$ 295,544
Workers' Compensation Insurance Fund	<u>1,396,252</u>	<u>248,333</u>	<u>(132,136)</u>	<u>1,512,449</u>
	<u>\$ 1,646,422</u>	<u>\$ 4,909,864</u>	<u>\$ (4,748,293)</u>	<u>\$ 1,807,993</u>

	<u>Balance October 1, 2016</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>(Claims Paid)</u>	<u>Balance September 30, 2017</u>
Employee Health Insurance Fund	\$ 387,439	\$ 4,961,039	\$ (5,098,308)	\$ 250,170
Workers' Compensation Insurance Fund	<u>1,837,676</u>	<u>(101,623)</u>	<u>(339,801)</u>	<u>1,396,252</u>
	<u>\$ 2,225,115</u>	<u>\$ 4,859,416</u>	<u>\$ (5,438,109)</u>	<u>\$ 1,646,422</u>

Claim liabilities are calculated based on actuarial valuations, which include consideration of non-incremental claims adjustment expenses. Management estimates that \$529,357 of Workers' Compensation and \$295,544 of Employee Health Insurance claim liabilities are payable within one year. The amount of settlements have not exceeded insurance coverage in each of the past three fiscal years.

**CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

NOTE 16 – CONTINGENCIES AND COMMITMENTS

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

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

NOTE 17 – ENCUMBRANCES

The City has outstanding encumbrances on various contracts for construction and other projects. These encumbrances, as of September 30, 2018, in the respective funds are as follows:

General Fund	\$	117,240
Community Redevelopment Agency Funds		148,821
Capital Projects Fund		2,507,685
Nonmajor Governmental Funds		25
Electric Utility Fund		75,469
Gas Utility Fund		104,356
Water Utility Fund		339,905
Wastewater Utility Fund		854,411
Airport Fund		618,245
Nonmajor Enterprise Funds		14,287
Internal Service Funds		695
Total	\$	<u>4,781,139</u>

Long-term purchase contract obligations for the purchase of electric power are disclosed in Note 7. Long-term contracts are not included in the above outstanding encumbrance balances.

NOTE 18 – RISK MANAGEMENT

The City’s self-insurance programs are accounted for in separate nonmajor internal service funds. Additionally, the City maintains insurance coverages for the following exposures:

- General and Automotive Liability
- Property Damage, including Inland Marine and Auto Physical Damage insurance
- Crime
- Law Enforcement Liability
- Public Officials and Employment Practices Liability
- Pollution Liability
- Excess Workers’ Compensation Insurance
- Excess Health Insurance
- Unemployment Compensation
- Federal Flood Insurance
- Basic Life Insurance

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

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 19 – TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses under Article VII, Section 3(c) of the Florida Constitution and City Ordinance 12-42, which were approved by City voters on November 6, 2012, for the purpose of encouraging economic development and establishing new jobs in the City. City ad valorem taxes are abated for businesses that meet certain hiring, sales and/or productive output increases and file for such exemption with the Lake County Property Appraiser. The temporary exemption applies to new buildings and new equipment built or purchased by a qualifying business after the application for exemption is filed of up to 100% of ad valorem taxes on the new buildings and equipment for up to ten years; each exemption is granted on a case-by-case basis. A business which does not achieve the performance requirements specified in the individual authorizing ordinance could have the ad valorem tax exemption revoked in whole or in part. The City has elected to disclose all tax abatement agreements.

Currently, the City has an agreement with Coreslab to abate ad valorem property taxes on new buildings and equipment recently constructed and installed from tax years 2018-2022 (fiscal years 2019-2023). The City has not had any ad valorem tax revenues reduced in the current fiscal year; the amount of the abatement under the agreement is estimated to be \$37,000 in fiscal year 2019, which is 100% of the ad valorem taxes on such new buildings and equipment. The City also has an agreement to sell additional property to Coreslab, and has committed to negotiate tax abatements in relation to new buildings and equipment placed on the additional property.

NOTE 20 - PRIOR PERIOD RESTATEMENT

Change in Accounting Principle - The City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the fiscal year ending September 30, 2018. The implementation of the statement required the City to record beginning total OPEB liability and the effects on net position of benefit payments paid by the City related to OPEB during the measurement period. Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for the governmental activities decreased \$11,026,601 and \$5,528,749 for the business-type activities.

CITY OF LEESBURG, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 21 – SPECIAL ITEM - SALE OF COMMUNICATION SYSTEM

On January 12, 2018, the City finalized the sale of the fiber optic infrastructure assets and certain related equipment and inventory, along with customer accounts, to Summit Broadband Inc. ("Summit") for \$7,250,000, as approved by the City Commission on November 27, 2017. Payment of \$3,500,000 was received by the City on January 12, 2018, and the City will receive payments of \$2,000,000 on December 1, 2018 and \$1,750,000 on December 1, 2019, with interest on the future payments to accrue at 1%. The final gain on the sale of the assets has been presented as a Special Item in the Communications Services Fund as per GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This gain includes the amount from the sale transaction less the book value of the assets sold and write-off of certain other assets and liabilities of the Communications Services Fund, as well as certain costs incurred by the City that are directly attributable to the sale of the system.

The City used some of the proceeds of the sale to pay off the Capital Improvement Revenue Refunding Note – 2009 in the amount of \$235,000, which was secured by Communications Services Fund Revenues.

The Communications Services Fund has been closed as of September 30, 2018, and all assets and liabilities of the fund have either been sold to Summit, written off as part of the Special Item noted above, or transferred to other funds of the City; \$3,500,000 was transferred to the Capital Projects fund to fund various City capital projects, and approximately \$5.4 million was transferred to the General Fund, comprising of approximately \$1.0 million in cash, the \$3,750,000 receivable from Summit, the Indefeasible Right of Use noted below, and various other receivables and prepaids.

Coinciding with the sale, the City paid Summit \$575,742 to establish an Indefeasible Right of Use of the sold assets for the City's communications and internet needs. The City also agreed to pay Summit \$400 per month for the operations and maintenance of the assets for thirty years, after which the monthly amount may increase by up to 3% annually. The Indefeasible Right of Use terminates 99 years after the sale. This amount has been recorded as a prepaid asset in the City's General Fund, and will be amortized over 99 years.

NOTE 22 – SUBSEQUENT EVENT

On November 8, 2018, the City finalized the sale of 1,127 acres of land near the Florida's Turnpike to The Villages Land Company, LLC, for approximately \$7.5 million. As a portion of this land was deeded to the City several decades ago by the federal government, the City had to reimburse the United States Environmental Protection Agency (U.S. EPA) approximately \$3.3 million of the sale proceeds. After closing costs, the City received cash of approximately \$4.1 million on the sale.

In conjunction with the sale of the land, the City signed an agreement with South Sumter Utility Company, LLC (SSUC) to treat and handle 3 million gallons per day (MGD) of wastewater treatment capacity. SSUC will pay the City \$9 million for the reservation of the wastewater capacity, paid over time as SSUC reaches certain MGD average daily flow thresholds into the City's wastewater treatment system. It is expected that the City will use the \$9 million to increase treatment capacity at the City's wastewater treatment plant near the Florida's Turnpike. SSUC will also pay a monthly fee for treatment of the wastewater accepted into the City's wastewater treatment system based on each 1,000 gallons of wastewater accepted by the City.



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REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Taxes	\$ 11,767,387	\$ 11,767,387	\$ 11,758,798	\$ (8,589)
Licenses, Permits, and Assessments	1,477,550	1,477,550	1,540,698	63,148
Intergovernmental	2,561,970	2,610,188	2,600,258	(9,930)
Charges for Services	738,834	738,834	726,039	(12,795)
Fines and Forfeitures	108,600	108,600	356,383	247,783
Miscellaneous:				
Interest	80,000	80,000	177,462	97,462
Rental	468,060	468,060	612,644	144,584
Other	86,731	86,731	113,725	26,994
Total Revenues	<u>17,289,132</u>	<u>17,337,350</u>	<u>17,886,007</u>	<u>548,657</u>
Expenditures				
Current:				
General Government	3,775,037	3,871,815	3,664,492	207,323
Public Safety	14,354,382	14,316,217	14,245,361	70,856
Physical Environment	105,967	105,967	86,550	19,417
Transportation	1,552,232	1,558,602	1,198,752	359,850
Economic Environment	276,274	341,610	191,098	150,512
Human Services	206,423	713,923	27,706	686,217
Culture and Recreation	3,361,086	3,387,438	3,322,943	64,495
Principal Payments	-	50,000	45,920	4,080
Capital Outlay	223,000	274,354	417,435	(143,081)
Total Expenditures	<u>23,854,401</u>	<u>24,619,926</u>	<u>23,200,257</u>	<u>1,419,669</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,565,269)</u>	<u>(7,282,576)</u>	<u>(5,314,250)</u>	<u>1,968,326</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	5,000	5,000	210,105	205,105
Transfers from Other Funds	8,857,129	8,880,711	13,973,265	5,092,554
Transfers to Other Funds	(2,296,860)	(6,751,809)	(6,747,488)	4,321
Issuance of Debt	-	-	255,163	255,163
Fund Balance Appropriated	-	5,148,674	-	(5,148,674)
Total Other Financing Sources (Uses)	<u>6,565,269</u>	<u>7,282,576</u>	<u>7,691,045</u>	<u>408,469</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>2,376,795</u>	<u>2,376,795</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>13,821,005</u>	<u>13,821,005</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,197,800</u>	<u>\$ 16,197,800</u>

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

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 923,388	\$ 923,388	\$ 924,016	\$ 628
Intergovernmental	-	200,000	200,000	-
Miscellaneous:				
Interest	32,057	32,057	23,296	(8,761)
Rental	-	-	910	910
Total Revenues	<u>955,445</u>	<u>1,155,445</u>	<u>1,148,222</u>	<u>(7,223)</u>
Expenditures				
Current:				
Economic Environment	320,662	416,711	291,432	125,279
Debt Service:				
Principal Payments	239,500	149,000	147,000	2,000
Interest and Fees	322,696	322,696	329,550	(6,854)
Capital Outlay	-	2,035,713	2,000,667	35,046
Total Expenditures	<u>882,858</u>	<u>2,924,120</u>	<u>2,768,649</u>	<u>155,471</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>72,587</u>	<u>(1,768,675)</u>	<u>(1,620,427)</u>	<u>148,248</u>
Other Financing Sources (Uses)				
Transfers from Other Funds	-	309,946	309,946	-
Issuance of Debt	-	1,364,562	-	(1,364,562)
Fund Balance Appropriated	(72,587)	94,167	-	(94,167)
Total Other Financing Sources (Uses)	<u>(72,587)</u>	<u>1,768,675</u>	<u>309,946</u>	<u>(1,458,729)</u>
Net Change in Fund Balance	-	-	(1,310,481)	(1,310,481)
Fund Balance, Beginning of Year	-	-	2,568,879	2,568,879
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,258,398</u>	<u>\$ 1,258,398</u>

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



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

	2013	2014	2015	2016	2017	2018
Total Pension Liability						
Service Cost	\$ 194,388	\$ 208,967	\$ 152,878	\$ 141,911	\$ 122,811	\$ 112,163
Interest	2,883,831	2,926,654	2,944,455	2,831,625	2,976,831	2,983,558
Differences Between Expected and Actual Experience	-	-	(1,744,070)	(22,731)	(367,628)	(40,907)
Changes of Assumptions	-	-	-	1,913,430	-	-
Benefit payments, Including Refunds of Member Contributions	(2,352,214)	(2,691,425)	(2,992,933)	(2,700,483)	(2,584,858)	(2,677,281)
Net Change in Total Pension Liability	726,005	444,196	(1,639,670)	2,163,752	147,156	377,533
Total Pension Liability - Beginning	39,432,794	40,158,799	40,602,995	38,963,325	41,127,077	41,274,233
Total Pension Liability - Ending (a)	<u>\$ 40,158,799</u>	<u>\$ 40,602,995</u>	<u>\$ 38,963,325</u>	<u>\$ 41,127,077</u>	<u>\$ 41,274,233</u>	<u>\$ 41,651,766</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,250,669	\$ 1,456,725	\$ 1,435,084	\$ 1,166,446	\$ 1,010,847	\$ 1,090,938
Net Investment Income	3,036,199	3,281,074	502,864	2,751,242	3,840,395	3,480,669
Benefit Payments, Including Refunds of Member Contributions	(2,352,214)	(2,691,425)	(2,992,933)	(2,700,483)	(2,584,858)	(2,677,281)
Administrative Expense	(63,599)	(81,087)	(73,823)	(70,197)	(74,124)	(85,994)
Net Change in Plan Fiduciary Net Position	1,871,055	1,965,287	(1,128,808)	1,147,008	2,192,260	1,808,332
Plan Fiduciary Net Position - Beginning	31,112,567	32,983,622	34,948,909	33,820,101	34,967,109	37,159,369
Plan Fiduciary Net Position - Ending (b)	<u>\$ 32,983,622</u>	<u>\$ 34,948,909</u>	<u>\$ 33,820,101</u>	<u>\$ 34,967,109</u>	<u>\$ 37,159,369</u>	<u>\$ 38,967,701</u>
City's Net Pension Liability - Ending (a) - (b)	<u>\$ 7,175,177</u>	<u>\$ 5,654,086</u>	<u>\$ 5,143,224</u>	<u>\$ 6,159,968</u>	<u>\$ 4,114,864</u>	<u>\$ 2,684,065</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.13%	86.07%	86.80%	85.02%	90.03%	93.56%
Covered-Employee Payroll	N/A	N/A	\$ 11,184,611	\$ 10,350,154	\$ 9,771,298	\$ 9,804,536
City's Net Pension Liability as a Percentage of the Covered-Employee Payroll	N/A	N/A	45.98%	59.52%	42.11%	27.38%

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System.

The investment rate of return was lowered from 7.50% to 7.45%, net of investment related expenses.

NOTE: This schedule is intended to show information for ten years; however, data was unavailable prior to 2013. Additional years' information will be presented as they become available.

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

	2013	2014	2015	2016	2017	2018
Total Pension Liability						
Service cost	\$ 568,199	\$ 612,234	\$ 583,726	\$ 531,469	\$ 535,415	\$ 562,191
Interest	1,219,007	1,299,397	1,401,184	1,386,584	1,517,690	1,723,065
Changes of Benefit Terms	-	-	390,863	-	-	-
Differences Between Expected and Actual Experience	-	-	(1,091,580)	615,885	1,644,031	367,350
Changes of Assumptions	-	-	-	370,217	-	-
Benefit Payments, Including Refunds of Member Contributions	(765,084)	(822,819)	(1,098,375)	(960,560)	(960,266)	(1,118,288)
Net Change in Total Pension Liability	1,022,122	1,088,812	185,818	1,943,595	2,736,870	1,534,318
Total Pension Liability - Beginning	15,543,462	16,565,584	17,654,396	17,840,214	19,783,809	22,520,679
Total Pension Liability - Ending (a)	\$ 16,565,584	\$ 17,654,396	\$ 17,840,214	\$ 19,783,809	\$ 22,520,679	\$ 24,054,997
Plan Fiduciary Net Position						
Contributions - Employer	\$ 406,147	\$ 371,964	\$ 248,486	\$ 255,920	\$ 335,142	\$ 526,010
Contributions - State	155,997	160,225	168,105	183,761	182,473	199,426
Contributions - Employee	276,198	258,985	250,545	277,064	298,174	303,473
Net Investment Income	1,685,318	1,868,068	(211,259)	1,042,752	2,068,871	1,687,710
Benefit Payments, Including Refunds of Member Contributions	(765,084)	(822,819)	(1,098,375)	(960,560)	(960,266)	(1,118,288)
Administrative Expense	(31,140)	(43,005)	(46,291)	(50,968)	(49,199)	(55,301)
Net Change in Plan Fiduciary Net Position	1,727,436	1,793,418	(688,789)	747,969	1,875,195	1,543,030
Plan Fiduciary Net Position - Beginning	14,260,248	15,987,684	17,781,102	17,092,313	17,840,282	19,715,477
Plan Fiduciary Net Position - Ending (b)	\$ 15,987,684	\$ 17,781,102	\$ 17,092,313	\$ 17,840,282	\$ 19,715,477	\$ 21,258,507
City's Net Pension Liability - Ending (a) - (b)	\$ 577,900	\$ (126,706)	\$ 747,901	\$ 1,943,527	\$ 2,805,202	\$ 2,796,490
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.51%	100.72%	95.81%	90.18%	87.54%	88.37%
Covered-Employee Payroll *	\$ 3,610,429	\$ 3,385,424	\$ 3,476,535	\$ 3,621,754	\$ 3,895,135	\$ 3,969,532
City's Net Pension Liability as a Percentage of the Covered-Employee Payroll	16.01%	(3.74)%	21.51%	53.66%	72.02%	70.45%

NOTE: This schedule is intended to show information for ten years; however, data was unavailable prior to 2013. Additional years' information will be presented as they become available.

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

Notes to Schedule:

* The Covered Employee Payroll amounts shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of benefit terms:

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

Changes of assumptions:

For measurement date 09/30/2016, amounts reported as changes of assumptions resulted of the September 13, 2016 Experience Study, the Board adopted the following changes:

1. The investment return assumption was lowered from 7.75% to 7.65% net of investment related expenses.
2. The mortality rates were changed from the RP2000 Combined Healthy table to the tables used by the Florida Retirement System (FRS) for special risk lives in their July 1, 2015 actuarial valuation report. This change was required by Chapter 2015-157, Laws of Florida.
3. The retirement assumption was changed to the following table:

Early Retirement with less than 25 years of Credited Service:	10.0% (previously 2%) per year.
Normal Retirement with 25 years of Credited Service:	100%
Normal Retirement with < 25 yrs at 55	75%
Normal Retirement with < 25 yrs at 56	25%
Normal Retirement with < 25 yrs at 57	25%
Normal Retirement with < 25 yrs at 58	25%
Normal Retirement with < 25 yrs at 59	25%
Normal Retirement with < 25 yrs at 60+	100%
4. The withdrawal rates were changed to continue to use the current assumption for more than 10 years of service and assuming a 9.0% turnover rate each of the first 10 years.
5. The assumed rates of individual salary increase was changed from a flat 5.2% to the following rates based upon credited service:

< 5 Years of Service	7.0% per year
5 – 14 Years of Service	5.0% per year
15+ Years of Service	4.5% per year

CITY OF LEESBURG, FLORIDA
MUNICIPAL FIREMEN'S PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS

	2013	2014	2015	2016	2017	2018
Total Pension Liability						
Service Cost	\$ 504,910	\$ 542,778	\$ 512,330	\$ 409,225	\$ 488,956	\$ 503,047
Interest	1,339,445	1,419,978	1,483,143	1,509,178	1,594,814	1,702,512
Share Plan Allocation	-	51,032	55,931	40,135	36,366	-
Differences Between Expected and Actual Experience	-	-	(267,086)	(428,003)	452,051	23,441
Changes of Assumptions	-	-	-	725,327	-	-
Contributions - Buy Back	-	-	-	-	46,909	40,613
Benefit Payments, Including Refunds of Member Contributions	(780,467)	(836,424)	(1,445,857)	(1,222,312)	(1,165,231)	(1,229,206)
Net Change in Total Pension Liability	1,063,888	1,177,364	338,461	1,033,550	1,453,865	1,040,407
Total Pension Liability - Beginning	17,744,588	18,808,476	19,985,840	20,324,301	21,357,851	22,811,716
Total Pension Liability - Ending (a)	\$ 18,808,476	\$ 19,985,840	\$ 20,324,301	\$ 21,357,851	\$ 22,811,716	\$ 23,852,123
Plan Fiduciary Net Position						
Contributions - Employer	\$ 827,920	\$ 866,635	\$ 609,819	\$ 540,916	\$ 639,746	\$ 694,423
Contributions - State	156,635	161,481	166,380	150,584	146,815	141,149
Contributions - Employee	187,674	190,151	178,693	163,470	169,905	169,310
Contributions - Buy Back	-	-	-	-	46,909	40,613
Net Investment Income	1,792,048	1,362,537	(244,332)	1,636,931	1,728,242	931,592
Benefit Payments, Including Refunds of Member Contributions	(780,467)	(836,424)	(1,445,857)	(1,222,312)	(1,165,231)	(1,229,206)
Administrative Expense	(34,748)	(46,621)	(50,322)	(36,378)	(44,712)	(44,950)
Net Change in Plan Fiduciary Net Position	2,149,062	1,697,759	(785,619)	1,233,211	1,521,674	702,931
Plan Fiduciary Net Position - Beginning	13,180,704	15,329,766	17,027,525	16,241,906	17,475,117	18,996,791
Plan Fiduciary Net Position - Ending (b)	\$ 15,329,766	\$ 17,027,525	\$ 16,241,906	\$ 17,475,117	\$ 18,996,791	\$ 19,699,722
City's Net Pension Liability - Ending (a) - (b)	\$ 3,478,710	\$ 2,958,315	\$ 4,082,395	\$ 3,882,734	\$ 3,814,925	\$ 4,152,401
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.50%	85.20%	79.91%	81.82%	83.28%	82.59%
Covered-Employee Payroll*	\$ 2,887,291	\$ 2,925,402	\$ 2,901,491	\$ 2,514,924	\$ 2,613,920	\$ 2,604,765
City's Net Pension Liability as a Percentage of the Covered-Employee Payroll	120.48%	101.13%	140.70%	154.39%	145.95%	159.42%

NOTE: This schedule is intended to show information for ten years; however, data was unavailable prior to 2013. Additional years' information will be presented as they become available.

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

Notes to Schedule:

* The Covered Employee Payroll amounts shown are in compliance with GASB 82, except for the 09/30/2015 measurement period.

Changes of assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

Additionally, in anticipation of future experience, the assumed retirement ages were changed to assume that at 55 or older with at least 10 years of service, there is a 100% probability of retirement; and that at age 52 or older with at least 30 years of service, there is a 100% probability of retirement; and that at ages 52 to 54 with between 25 and 30 years of service, there is a 50% probability of retirement at the first and second years of eligibility for Normal Retirement, and 100% probability of retirement at the third year of eligibility.

The inflation assumption rate was lowered from 3.00% to 2.70%, matching the long-term inflation assumption utilized by the Plan's investment consultant.



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

	2013	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 1,435,084	\$ 1,456,725	\$ 1,435,084	\$ 1,166,446	\$ 1,010,847	\$ 1,090,938
Contributions in Relation To The Actuarially Determined Contributions	1,435,084	1,456,725	1,435,084	1,166,446	1,010,847	1,090,938
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	N/A	N/A	\$ 11,184,611	\$ 10,350,154	\$ 9,771,298	\$ 9,804,536
Contributions as a Percentage Of Covered-Employee payroll	N/A	N/A	12.83%	11.27%	10.35%	11.13%

Valuation Date: 10/1/2016

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

Methods and assumptions used to determine contribution rates:

Funding method	Entry Age Normal Method
Mortality	RP 2000 Generational, Female 100% Annuitant White Collar, Male 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB. Disabled lives, Female 100% RP2000 Disabled Female set forward two years, Male 100% RP2000 Disabled Male setback four years.
Termination Rates	See Table below.
Disability Rates	See Table below.

Retirement Rates:

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

Interest Rate	7.45% per year, compounded annually, net of investment related expenses.
Salary Increases	None (frozen plan)
Payroll Increases	None (frozen plan)
Cost-of-Living Adjustment	2.0% per year after 3 years (none for VT's)
Actuarial Asset Method	Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average market value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below market value.

Other Information

Termination and Disability Rate Table		
Age	% Terminating During the Year	% Becoming Disabled During the Year
20	25.0%	0.05%
30	12.4%	0.06%
40	9.5%	0.12%
50	7.5%	0.43%
60	5.5%	1.61%

NOTE: This schedule is intended to show information for ten years; however, data was unavailable prior to 2013. Additional years' information will be presented as they become available.

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

	2013	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 562,144	\$ 532,189	\$ 416,591	\$ 439,681	\$ 517,274	\$ 722,852
Contributions In Relation To The Actuarially Determined Contributions	562,144	532,189	416,591	439,681	517,615	725,436
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (341)</u>	<u>\$ (2,584)</u>
Covered-Employee Payroll*	\$ 3,610,429	\$ 3,385,424	\$ 3,476,535	\$ 3,621,754	\$ 3,895,135	\$ 3,969,532
Contributions as a Percentage of Covered-Employee Payroll	15.57%	15.72%	11.98%	12.14%	13.29%	18.28%

*The Covered-Employee Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: 10/1/2016

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

Methods and assumptions used to determine contribution rates:

Funding Method	Frozen Entry Age Actuarial Cost Method
Mortality	RP 2000 Generational, Female 100% Annuitant White Collar, Male 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB. Disabled lives, Female 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale, Male 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projection scale.
Interest Rate	7.65% per year compounded annually, net of investment related expenses.
Retirement Age	See Table below.
Early Retirement	Commencing at eligibility for Early Retirement. Members are assumed to retire with an immediate benefit at the rate of 2% per year.
Disability Rates	See Table on next page. It is assumed that 75% of disablements and active member deaths are service related.
Termination Rates	See Table on next page.
Salary Increases	See Table on next page.
Cost-of-Living Adjustment	None
Payroll growth assumption	0% annually for amortizing UAAL
Asset Valuation	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Retirement Age:	Age/Service	Probability
	25 Yrs of Service	100%
	< 25 Yrs, Age 55	75%
	< 25 Yrs, Age 56	25%
	< 25 Yrs, Age 57	25%
	< 25 Yrs, Age 58	25%
	< 25 Yrs, Age 59	25%
	< 25 Yrs, Age 60	100%

This is based on the results of the September 13, 2016 experience study.

NOTE: This schedule is intended to show information for ten years; however, data was unavailable prior to 2013. Additional years' information will be presented as they become available.

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

Notes to Schedule (continued)
Other Information

Termination and Disability Rate Table		
Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.00%	0.07%
30	7.50%	0.11%
40	3.90%	0.19%
50	1.20%	0.51%

Salary Increases:

Credited Service	Assumed Rate
<5 Yrs of Service	7.0% per year
5-14 Yrs of Service	5.0% per year
15+ Yrs of Service	4.5% per year

Projected salary at retirement is increased individually to account for non-regular compensation. This is based on the results of the September 13, 2016 experience study.

**CITY OF LEESBURG, FLORIDA
MUNICIPAL FIREMEN'S PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST SIX FISCAL YEARS**

	2013	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 938,370	\$ 977,084	\$ 720,269	\$ 651,365	\$ 750,195	\$ 804,872
Contributions In Relation To The Actuarially Determined Contributions	938,370	977,084	720,269	651,365	750,195	835,572
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,700)
Covered-Employee Payroll*	\$ 2,887,291	\$ 2,925,402	\$ 2,901,491	\$ 2,514,924	\$ 2,613,920	\$ 2,604,765
Contributions as a Percentage of Covered-Employee Payroll	32.50%	33.40%	24.82%	25.90%	28.70%	32.08%

* The Covered-Employee Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period.

Notes to Schedule

Valuation Date: 10/1/2016

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

Methods and assumptions used to determine contribution rates:

Funding Method	Entry Age Normal Cost Method.
Mortality	RP 2000 Generational, Female 100% Annuitant White Collar, Male 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB. Disabled lives, Female 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale, Male 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projection scale.
Termination Rates	25% in year one; 10% in years 2 through 5; 3% in years 6 through 10; and 2% in years 11 and up.
Disability Rates	See Table below. 75% of disabilities are assumed to occur in the line of duty.
Retirement Age	100% at age 55+ with 10+ years of service. 100% at age 52 to 54 with 30+ years of service. Otherwise, 50% at first eligibility for normal retirement. 50% in second year of eligibility. 100% in third year of eligibility.
Early Retirement	5% per year eligible
Interest Rate	7.50% per year compounded annually, net of investment-related expenses
Salary Increases	6% in years 1 through 5; 5% in years 6 through 10; 4% in years 11 and up.
Payroll Growth	0.9% for amortizing UAAL
Asset Valuation Method	Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average market value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below market value of assets.

Other Information

Disability Rate Table	
Age	% Becoming Disabled During the Year
20	0.05%
30	0.06%
40	0.12%
50	0.43%

NOTE: This schedule is intended to show information for ten years; however, data was unavailable prior to 2013. Additional years' information will be presented as they become available.

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

GENERAL EMPLOYEES' PENSION PLAN

	2013	2014	2015	2016	2017	2018
Annual Money-Weighted Rate of Return, Net of Investment Expenses	9.94%	10.13%	1.47%	8.31%	11.22%	9.56%

MUNICIPAL POLICE OFFICERS' PENSION PLAN

	2013	2014	2015	2016	2017	2018
Annual Money-Weighted Rate of Return, Net of Investment Expenses	11.80%	11.76%	-1.21%	6.19%	11.72%	8.60%

MUNICIPAL FIREMEN'S PENSION PLAN

	2013	2014	2015	2016	2017	2018
Annual Money-Weighted Rate of Return, Net of Investment Expenses	13.41%	8.82%	-1.45%	10.27%	10.01%	4.95%

NOTE: This schedule is intended to show information for ten years; however, data was unavailable prior to 2013. Additional years' information will be presented as they become available.

**CITY OF LEESBURG, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY
AND RELATED RATIOS**

Reporting Period Ending	9/30/2018
Measurement Date	9/30/2017
Total OPEB Liability	
Service Cost	\$ 780,397
Interest	1,031,898
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	(2,741,648)
Benefit Payments	(1,069,840)
Net Change in Total OPEB Liability.	(1,999,193)
Total OPEB Liability - Beginning (as Restated)	33,472,657
Total OPEB Liability - Ending	\$ 31,473,464
Covered-Employee Payroll	\$ 22,252,459
Total OPEB Liability as a Percentage of Covered- Employee Payroll	70.70%

Notes to Schedule:

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

FY2018	3.64%
FY2017	3.06%

No assets are accumulated in a trust that meets the criteria detailed in GASB 75, paragraph 4 to pay related benefits.

NOTE: This schedule is intended to show information for ten years; however, data was unavailable prior to 2018. Additional years' information will be presented as they become available.

SUPPLEMENTAL INFORMATION

The following supplemental schedules present combining nonmajor fund statements and individual fund budgetary schedules.



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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

DEBT SERVICE FUND

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

**CITY OF LEESBURG, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	Special Revenue Funds				
	Housing Assistance Fund	Police Forfeitures Fund	Police Education Fund	Gas Tax Fund	Police Impact Fee Fund
Assets					
Pooled Cash and Investments	\$ 467,977	\$ 65,824	\$ 2,983	\$ 186,190	\$ 222,488
Cash with Fiscal Agent	-	-	-	-	-
Accounts Receivables, Net	19,880	-	-	-	-
Due from Other Governments	-	-	421	69,588	-
Total Assets	\$ 487,857	\$ 65,824	\$ 3,404	\$ 255,778	\$ 222,488
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ 6,396	\$ 3	\$ -	\$ 7	\$ 6
Due to Other Governments	-	-	-	-	-
Accrued Salaries	1,819	-	-	-	-
Deposits	7,341	-	-	-	-
Total Liabilities	15,556	3	-	7	6
Fund Balances					
Restricted for:					
Debt Service	-	-	-	-	-
Special Revenue Funds	472,301	65,821	3,404	255,771	222,482
Total Fund Balances (Deficit)	472,301	65,821	3,404	255,771	222,482
Total Liabilities and Fund Balances	\$ 487,857	\$ 65,824	\$ 3,404	\$ 255,778	\$ 222,488

Special Revenue Funds			Debt Service	Total
Fire Impact Fee Fund	Recreation Impact Fee Fund	Building Permits Fund	Debt Service Fund	Nonmajor Governmental Funds
\$ 3,395	\$ 106,017	\$ 2,034,300	\$ -	\$ 3,089,174
-	-	-	1,165,870	1,165,870
-	-	-	-	19,880
-	-	-	-	70,009
<u>\$ 3,395</u>	<u>\$ 106,017</u>	<u>\$ 2,034,300</u>	<u>\$ 1,165,870</u>	<u>\$ 4,344,933</u>

\$ -	\$ 3	\$ 1,786	\$ -	\$ 8,201
-	-	6,883	-	6,883
-	-	20,436	-	22,255
-	-	-	-	7,341
<u>-</u>	<u>3</u>	<u>29,105</u>	<u>-</u>	<u>44,680</u>

-	-	-	1,165,870	1,165,870
3,395	106,014	2,005,195	-	3,134,383
<u>3,395</u>	<u>106,014</u>	<u>2,005,195</u>	<u>1,165,870</u>	<u>4,300,253</u>

<u>\$ 3,395</u>	<u>\$ 106,017</u>	<u>\$ 2,034,300</u>	<u>\$ 1,165,870</u>	<u>\$ 4,344,933</u>
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CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Special Revenue Funds</u>				
	<u>Housing Assistance Fund</u>	<u>Police Forfeitures Fund</u>	<u>Police Education Fund</u>	<u>Gas Tax Fund</u>	<u>Police Impact Fee Fund</u>
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 619,105	\$ -
Licenses, Permits, and Assessments	-	-	-	-	-
Intergovernmental	-	-	-	178,869	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	12,489	6,667	-	-
Impact Fees	-	-	-	-	107,733
Miscellaneous:					
Interest	5,811	615	-	5,818	3,218
Other	115,105	-	-	-	-
Total Revenues	<u>120,916</u>	<u>13,104</u>	<u>6,667</u>	<u>803,792</u>	<u>110,951</u>
Expenditures					
Current:					
Public Safety	-	45	5,078	-	21,961
Economic Environment	106,473	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest and Fees	-	-	-	-	-
Capital Outlay	-	-	-	-	198,090
Total Expenditures	<u>106,473</u>	<u>45</u>	<u>5,078</u>	<u>-</u>	<u>220,051</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,443</u>	<u>13,059</u>	<u>1,589</u>	<u>803,792</u>	<u>(109,100)</u>
Other Financing Sources (Uses)					
Transfers from Other Funds	-	-	-	-	-
Transfers to Other Funds	-	(9,467)	-	(1,212,452)	(7,680)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(9,467)</u>	<u>-</u>	<u>(1,212,452)</u>	<u>(7,680)</u>
Net Change in Fund Balance	14,443	3,592	1,589	(408,660)	(116,780)
Fund Balance, Beginning of Year	457,858	62,229	1,815	664,431	339,262
Fund Balance, End of Year	<u>\$ 472,301</u>	<u>\$ 65,821</u>	<u>\$ 3,404</u>	<u>\$ 255,771</u>	<u>\$ 222,482</u>

Special Revenue Funds			Debt Service	
Fire Impact Fee Fund	Recreation Impact Fee Fund	Building Permits Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 619,105
-	-	1,084,940	-	1,084,940
-	-	-	-	178,869
-	-	2,962	-	2,962
-	-	-	-	19,156
3,380	83,232	-	-	194,345
14	748	17,058	2,475	35,757
-	-	-	-	115,105
<u>3,394</u>	<u>83,980</u>	<u>1,104,960</u>	<u>2,475</u>	<u>2,250,239</u>
-	-	670,903	-	697,987
-	-	-	-	106,473
-	-	-	795,000	795,000
-	-	-	699,473	699,473
-	-	26,080	-	224,170
<u>-</u>	<u>-</u>	<u>696,983</u>	<u>1,494,473</u>	<u>2,523,103</u>
<u>3,394</u>	<u>83,980</u>	<u>407,977</u>	<u>(1,491,998)</u>	<u>(272,864)</u>
-	-	20,660	1,507,539	1,528,199
(180)	(43,170)	-	-	(1,272,949)
<u>(180)</u>	<u>(43,170)</u>	<u>20,660</u>	<u>1,507,539</u>	<u>255,250</u>
3,214	40,810	428,637	15,541	(17,614)
181	65,204	1,576,558	1,150,329	4,317,867
<u>\$ 3,395</u>	<u>\$ 106,014</u>	<u>\$ 2,005,195</u>	<u>\$ 1,165,870</u>	<u>\$ 4,300,253</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 192,208	\$ 134,647	\$ (57,561)
Miscellaneous:			
Interest	-	69,244	69,244
Other	-	7,558	7,558
Total Revenues	<u>192,208</u>	<u>211,449</u>	<u>19,241</u>
Expenditures			
Current:			
General Government	13,228,129	4,059,841	9,168,288
Transportation	2,104,982	523,372	1,581,610
Culture and Recreation	2,680,000	-	2,680,000
Total Expenditures	<u>18,013,111</u>	<u>4,583,213</u>	<u>13,429,898</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,820,903)</u>	<u>(4,371,764)</u>	<u>13,449,139</u>
Other Financing Sources (Uses)			
Insurance Proceeds from Losses	725,580	805,740	80,160
Transfers from Other Funds	10,224,031	10,224,031	-
Fund Balance Appropriated	6,871,292	-	(6,871,292)
Total Other Financing Sources (Uses)	<u>17,820,903</u>	<u>11,029,771</u>	<u>(6,791,132)</u>
Net Change in Fund Balance	-	6,658,007	6,658,007
Fund Balance, Beginning of Year	-	6,921,025	6,921,025
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 13,579,032</u>	<u>\$ 13,579,032</u>

**CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
HOUSING ASSISTANCE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Miscellaneous:			
Interest	\$ 3,250	\$ 5,811	\$ 2,561
Other	111,000	115,105	4,105
Total Revenues	<u>114,250</u>	<u>120,916</u>	<u>6,666</u>
Expenditures			
Current:			
Economic Environment	114,250	106,473	7,777
Total Expenditures	<u>114,250</u>	<u>106,473</u>	<u>7,777</u>
Net Change in Fund Balance	-	14,443	14,443
Fund Balance, Beginning of Year	-	457,858	457,858
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 472,301</u>	<u>\$ 472,301</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE FORFEITURES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ -	\$ 12,489	\$ 12,489
Miscellaneous:			
Interest	-	615	615
Total Revenues	<u>-</u>	<u>13,104</u>	<u>13,104</u>
Expenditures			
Current:			
Public Safety	-	45	(45)
Total Expenditures	<u>-</u>	<u>45</u>	<u>(45)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>13,059</u>	<u>13,059</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	(9,467)	(9,467)	-
Fund Balance Appropriated	9,467	-	(9,467)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(9,467)</u>	<u>(9,467)</u>
Net Change in Fund Balance	-	3,592	3,592
Fund Balance, Beginning of Year	<u>-</u>	<u>62,229</u>	<u>62,229</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 65,821</u>	<u>\$ 65,821</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE EDUCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ -	\$ 6,667	\$ 6,667
Total Revenues	<u>-</u>	<u>6,667</u>	<u>6,667</u>
Expenditures			
Current:			
Public Safety	5,000	5,078	(78)
Total Expenditures	<u>5,000</u>	<u>5,078</u>	<u>(78)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,000)</u>	<u>1,589</u>	<u>6,589</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	5,000	-	(5,000)
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net Change in Fund Balance	-	1,589	1,589
Fund Balance, Beginning of Year	<u>-</u>	<u>1,815</u>	<u>1,815</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 3,404</u>	<u>\$ 3,404</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GAS TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 597,011	\$ 619,105	\$ 22,094
Intergovernmental	202,156	178,869	(23,287)
Miscellaneous:			
Interest	-	5,818	5,818
Total Revenues	<u>799,167</u>	<u>803,792</u>	<u>4,625</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>799,167</u>	<u>803,792</u>	<u>4,625</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	(1,212,452)	(1,212,452)	-
Fund Balance Appropriated	413,285	-	(413,285)
Total Other Financing Sources (Uses)	<u>(799,167)</u>	<u>(1,212,452)</u>	<u>(413,285)</u>
Net Change in Fund Balance	-	(408,660)	(408,660)
Fund Balance, Beginning of Year	<u>-</u>	<u>664,431</u>	<u>664,431</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 255,771</u>	<u>\$ 255,771</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
POLICE IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ -	\$ 107,733	\$ 107,733
Miscellaneous:			
Interest	-	3,218	3,218
Total Revenues	<u>-</u>	<u>110,951</u>	<u>110,951</u>
Expenditures			
Current:			
Public Safety	21,917	21,961	(44)
Capital Outlay	198,000	198,090	(90)
Total Expenditures	<u>219,917</u>	<u>220,051</u>	<u>(134)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(219,917)</u>	<u>(109,100)</u>	<u>110,817</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	-	(7,680)	(7,680)
Fund Balance Appropriated	219,917	-	(219,917)
Total Other Financing Sources (Uses)	<u>219,917</u>	<u>(7,680)</u>	<u>(227,597)</u>
Net Change in Fund Balance	-	(116,780)	(116,780)
Fund Balance, Beginning of Year	-	339,262	339,262
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 222,482</u>	<u>\$ 222,482</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ -	\$ 3,380	\$ 3,380
Miscellaneous:			
Interest	-	14	14
Total Revenues	<u>-</u>	<u>3,394</u>	<u>3,394</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>3,394</u>	<u>3,394</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	-	(180)	(180)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(180)</u>	<u>(180)</u>
Net Change in Fund Balance	-	3,214	3,214
Fund Balance, Beginning of Year	<u>-</u>	<u>181</u>	<u>181</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 3,395</u>	<u>\$ 3,395</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
RECREATION IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees	\$ -	\$ 83,232	\$ 83,232
Miscellaneous:			
Interest	-	748	748
Total Revenues	<u>-</u>	<u>83,980</u>	<u>83,980</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>83,980</u>	<u>83,980</u>
Other Financing Sources (Uses)			
Transfers to Other Funds	(39,115)	(43,170)	(4,055)
Fund Balance Appropriated	39,115	-	(39,115)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(43,170)</u>	<u>(43,170)</u>
Net Change in Fund Balance	<u>-</u>	<u>40,810</u>	<u>40,810</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>65,204</u>	<u>65,204</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 106,014</u>	<u>\$ 106,014</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BUILDING PERMITS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Licenses, Permits, and Assessments	\$ 909,000	\$ 1,084,940	\$ 175,940
Charges for Services	1,900	2,962	1,062
Miscellaneous:			
Interest	5,000	17,058	12,058
Total Revenues	<u>915,900</u>	<u>1,104,960</u>	<u>189,060</u>
Expenditures			
Current:			
Public Safety	900,500	670,903	229,597
Capital Outlay	25,000	26,080	(1,080)
Total Expenditures	<u>925,500</u>	<u>696,983</u>	<u>228,517</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,600)</u>	<u>407,977</u>	<u>417,577</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	9,600	20,660	11,060
Total Other Financing Sources (Uses)	<u>9,600</u>	<u>20,660</u>	<u>11,060</u>
Net Change in Fund Balance	-	428,637	428,637
Fund Balance, Beginning of Year	-	1,576,558	1,576,558
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 2,005,195</u>	<u>\$ 2,005,195</u>

CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Miscellaneous:			
Interest	\$ -	\$ 2,475	\$ 2,475
Total Revenues	<u>-</u>	<u>2,475</u>	<u>2,475</u>
Expenditures			
Debt Service:			
Principal Payments	825,000	795,000	30,000
Interest and Fees	686,860	699,473	(12,613)
Total Expenditures	<u>1,511,860</u>	<u>1,494,473</u>	<u>17,387</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,511,860)</u>	<u>(1,491,998)</u>	<u>19,862</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	1,511,860	1,507,539	(4,321)
Total Other Financing Sources (Uses)	<u>1,511,860</u>	<u>1,507,539</u>	<u>(4,321)</u>
Net Change in Fund Balance	-	15,541	15,541
Fund Balance, Beginning of Year	<u>-</u>	<u>1,150,329</u>	<u>1,150,329</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 1,165,870</u>	<u>\$ 1,165,870</u>



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NONMAJOR ENTERPRISE FUNDS

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

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

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

Communication Services Fund accounts for the provision of communication services, such as Internet, fiber optic communications, and cellular telephone tower rental. As noted in Note 21 to the financial statements, the Communications System was sold in the current year.

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>			Total Nonmajor Enterprise Funds
	<u>Stormwater Fund</u>	<u>Solid Waste Fund</u>	<u>Communication Services Fund</u>	
Assets				
Current Assets:				
Pooled Cash and Investments	\$ 3,574,028	\$ 1,948,423	\$ -	\$ 5,522,451
Restricted Pooled Cash and Investments:				
Customer Deposits Account	-	4,035	-	4,035
Receivables:				
Customer Accounts, Unbilled	73,901	203,330	-	277,231
Customer Accounts, Billed	123,469	318,287	-	441,756
(Allowance for Doubtful Accounts)	(19,809)	(45,182)	-	(64,991)
Due from Other Governments	10,700	-	-	10,700
Total Current Assets	<u>3,762,289</u>	<u>2,428,893</u>	<u>-</u>	<u>6,191,182</u>
Noncurrent Assets:				
Property, Plant and Equipment:				
Land	730,887	28,700	-	759,587
Buildings	-	13,856	-	13,856
Improvements Other Than Buildings	10,867,904	191,691	-	11,059,595
Machinery and Equipment	80,187	139,726	-	219,913
Less Accumulated Depreciation and Amortization	(3,961,450)	(291,668)	-	(4,253,118)
Construction in Progress	2,396,481	-	-	2,396,481
Total Property, Plant and Equipment	<u>10,114,009</u>	<u>82,305</u>	<u>-</u>	<u>10,196,314</u>
Total Noncurrent Assets	<u>10,114,009</u>	<u>82,305</u>	<u>-</u>	<u>10,196,314</u>
Total Assets	<u>13,876,298</u>	<u>2,511,198</u>	<u>-</u>	<u>16,387,496</u>
Deferred Outflows of Resources				
Deferred Outflows: OPEB	10,292	41,166	-	51,458

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>			Total Nonmajor Enterprise Funds
	<u>Stormwater Fund</u>	<u>Solid Waste Fund</u>	<u>Communication Services Fund</u>	
Liabilities				
Current Liabilities:				
Accounts and Retainage Payable	\$ 41,900	\$ 38,286	\$ -	\$ 80,186
Due to Other Governments	-	756	-	756
Other Accrued Expenses	12,311	42,906	-	55,217
Compensated Absences	4,328	48,480	-	52,808
Other Postemployment Benefits	12,462	49,847	-	62,309
	<u>71,001</u>	<u>180,275</u>	<u>-</u>	<u>251,276</u>
Current Liabilities Payable from Restricted Assets:				
Customer Deposits	-	4,035	-	4,035
Total Current Liabilities Payable from Restricted Assets	-	4,035	-	4,035
Total Current Liabilities	<u>71,001</u>	<u>184,310</u>	<u>-</u>	<u>255,311</u>
Noncurrent Liabilities:				
Compensated Absences	3,541	39,665	-	43,206
Other Postemployment Benefits	263,621	1,054,485	-	1,318,106
Net Pension Liability	28,201	118,176	-	146,377
Total Noncurrent Liabilities	<u>295,363</u>	<u>1,212,326</u>	<u>-</u>	<u>1,507,689</u>
Total Liabilities	<u>366,364</u>	<u>1,396,636</u>	<u>-</u>	<u>1,763,000</u>
Deferred Inflows of Resources				
Deferred Inflows-Pension Related	11,733	49,167	-	60,900
Deferred Inflows: OPEB	20,614	82,456	-	103,070
Total Deferred Inflows of Resources	<u>32,347</u>	<u>131,623</u>	<u>-</u>	<u>163,970</u>
Net Position				
Net Investment in Capital Assets	10,114,009	82,305	-	10,196,314
Unrestricted	3,373,870	941,800	-	4,315,670
Total Net Position	<u>\$ 13,487,879</u>	<u>\$ 1,024,105</u>	<u>\$ -</u>	<u>\$ 14,511,984</u>



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CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>			Total Nonmajor Enterprise Funds
	<u>Stormwater Fund</u>	<u>Solid Waste Fund</u>	<u>Communication Services Fund</u>	
Operating Revenues				
Charges for Services	\$ 1,513,416	\$ 4,105,781	\$ 530,403	\$ 6,149,600
Other	15,911	49,281	-	65,192
Total Operating Revenues	<u>1,529,327</u>	<u>4,155,062</u>	<u>530,403</u>	<u>6,214,792</u>
Operating Expenses				
Personal Services	240,790	1,085,965	209,400	1,536,155
Supplies and Materials	28,916	268,132	3,090	300,138
Maintenance Costs	109,986	373,658	55,248	538,892
Contracted Services	128,920	1,154,506	95,342	1,378,768
Other Services and Charges	288,255	716,756	117,622	1,122,633
Depreciation and Amortization	193,674	21,909	119,474	335,057
Change in Decommissioning/ Postclosure Estimate	-	(64,545)	-	(64,545)
Total Operating Expenses	<u>990,541</u>	<u>3,556,381</u>	<u>600,176</u>	<u>5,147,098</u>
Operating Income	<u>538,786</u>	<u>598,681</u>	<u>(69,773)</u>	<u>1,067,694</u>
Nonoperating Revenues (Expenses)				
Investment Income	27,691	24,641	55,662	107,994
Interest Expense	-	-	(9,630)	(9,630)
Total Nonoperating Revenues (Expenses)	<u>27,691</u>	<u>24,641</u>	<u>46,032</u>	<u>98,364</u>
Income (Loss) Before Contributions, Special Item, and Transfers	<u>566,477</u>	<u>623,322</u>	<u>(23,741)</u>	<u>1,166,058</u>
Transfers, Special Item, and Capital Contributions				
Special Item - Note 21	-	-	339,507	339,507
Transfers from Other Funds	-	-	28,859	28,859
Transfers to Other Funds	-	(1,138,222)	(8,845,022)	(9,983,244)
Total Transfers, Special Item, and Capital Contributions	<u>-</u>	<u>(1,138,222)</u>	<u>(8,476,656)</u>	<u>(9,614,878)</u>
Change in Net Position	566,477	(514,900)	(8,500,397)	(8,448,820)
Net Position, Beginning of Year (Not Restated)	13,091,381	2,162,841	8,755,169	24,009,391
Prior Period Restatement	(169,979)	(623,836)	(254,772)	(1,048,587)
Net Position, Beginning of Year (Restated)	<u>12,921,402</u>	<u>1,539,005</u>	<u>8,500,397</u>	<u>22,960,804</u>
Net Position, End of Year	<u>\$ 13,487,879</u>	<u>\$ 1,024,105</u>	<u>\$ -</u>	<u>\$ 14,511,984</u>

**CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Business-type Activities - Enterprise Funds			
	Stormwater Fund	Solid Waste	Communication Services	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 1,529,222	\$ 4,174,141	\$ 819,515	\$ 6,522,878
Payments to Suppliers for Goods and Services	(606,190)	(2,606,144)	(233,341)	(3,445,675)
Cash Paid to Employees for Services	(253,300)	(1,152,087)	(252,819)	(1,658,206)
Net Cash Provided by (Used in) Operating Activities	<u>669,732</u>	<u>415,910</u>	<u>333,355</u>	<u>1,418,997</u>
Cash Flows from Noncapital Financing Activities				
Transfers to Other Funds	-	(1,138,222)	(4,515,096)	(5,653,318)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>(1,138,222)</u>	<u>(4,515,096)</u>	<u>(5,653,318)</u>
Cash Flows from Capital and Related Financing Activities				
Interest Paid on Revenue Bonds and Customer Deposits	-	-	(14,844)	(14,844)
Acquisition and Construction of Capital Assets	(206,084)	-	(74,083)	(280,167)
Proceeds from the Sale of the Communications System	-	-	3,500,000	3,500,000
Costs related to the Sale of the Communications System	-	-	(658,052)	(658,052)
Principal Paid on Capital Debt	-	-	(345,000)	(345,000)
Capital Contributions	919,405	-	-	919,405
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>713,321</u>	<u>-</u>	<u>2,408,021</u>	<u>3,121,342</u>
Cash Flows from Investing Activities				
Interest Received	27,691	24,641	29,099	81,431
Net Cash Provided by (Used in) Investing Activities	<u>27,691</u>	<u>24,641</u>	<u>29,099</u>	<u>81,431</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,410,744	(697,671)	(1,744,621)	(1,031,548)
Cash and Cash Equivalents, Beginning of Year	<u>2,163,284</u>	<u>2,650,129</u>	<u>1,744,621</u>	<u>6,558,034</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,574,028</u>	<u>\$ 1,952,458</u>	<u>\$ -</u>	<u>\$ 5,526,486</u>

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Funds			
	Stormwater Fund	Solid Waste	Communication Services	Total Nonmajor Enterprise Funds
<u>Reconciliation of Cash and Cash Equivalents to Balance Sheet</u>				
Total Unrestricted Equity in Pooled Cash and Cash Equivalents	\$ 3,574,028	\$ 1,948,423	\$ -	\$ 5,522,451
Total Restricted Equity in Pooled Cash and Cash Equivalents	-	4,035	-	4,035
Total Cash and Cash Equivalents, End of Year	\$ 3,574,028	\$ 1,952,458	\$ -	\$ 5,526,486
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income (Loss)	\$ 538,786	\$ 598,681	\$ (69,773)	\$ 1,067,694
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	193,674	21,909	119,474	335,057
Decrease (Increase) in Assets:				
Customer Accounts (Net of Allowances)	(105)	19,519	291,984	311,398
Prepaid Items	-	-	6,939	6,939
Inventory	-	-	45,842	45,842
Decrease (Increase) in Deferred Outflows:				
OPEB	(907)	(3,628)	-	(4,535)
Increase (Decrease) in Liabilities:				
Accounts Payable	(50,113)	(93,106)	(13,828)	(157,047)
Due to Other Governments	-	14	(992)	(978)
Accrued Expenses	5,687	(59,577)	(15,239)	(69,129)
Other Postemployment Benefits Liability	(17,537)	(70,147)	-	(87,684)
Net Pension Liability	(23,627)	(48,100)	-	(71,727)
Decommissioning/Postclosure Payable	-	(64,545)	-	(64,545)
Other Liabilities	780	12,952	(31,052)	(17,320)
Increase (Decrease) in Deferred Inflows:				
Pension	2,480	19,482	-	21,962
OPEB	20,614	82,456	-	103,070
Net Cash Provided by (Used in) Operating Activities	\$ 669,732	\$ 415,910	\$ 333,355	\$ 1,418,997



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INTERNAL SERVICE FUNDS

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

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

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

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

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

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2018

	General Employees' Health Insurance	Workers' Compensation Insurance	Risk Management	Fleet Maintenance	Total
Assets					
Current Assets:					
Pooled Cash and Investments	\$ 1,568,212	\$ 1,960,497	\$ 168,066	\$ 4,410,898	\$ 8,107,673
Miscellaneous Receivables	165,787	27,404	-	-	193,191
Inventories	-	-	-	634,062	634,062
Total Current Assets	1,733,999	1,987,901	168,066	5,044,960	8,934,926
Noncurrent Assets:					
Property, Plant and Equipment:					
Buildings	-	-	-	564,988	564,988
Improvements Other Than Buildings	-	-	-	148,127	148,127
Machinery and Equipment	-	-	-	20,559,925	20,559,925
Less Accumulated Depreciation and Amortization	-	-	-	(16,634,563)	(16,634,563)
Construction in Progress	-	-	-	458,760	458,760
Total Property, Plant and Equipment	-	-	-	5,097,237	5,097,237
Total Assets	1,733,999	1,987,901	168,066	10,142,197	14,032,163
Deferred Outflows of Resources					
Deferred Outflows: OPEB	-	-	-	20,583	20,583
Liabilities					
Current Liabilities:					
Accounts and Retainage Payable	368,801	5,413	5	105,589	479,808
Other Accrued Expenses	2,840	1,421	-	18,275	22,536
Claims Payable	295,544	529,357	-	-	824,901
Compensated Absences	-	-	-	23,270	23,270
Other Postemployment Benefits	-	-	-	24,923	24,923
Total Current Liabilities	667,185	536,191	5	172,057	1,375,438
Noncurrent Liabilities:					
Claims Payable	-	983,092	-	-	983,092
Compensated Absences	-	-	-	19,039	19,039
Other Postemployment Benefits	-	-	-	527,243	527,243
Net Pension Liability	12,944	6,473	-	53,152	72,569
Total Noncurrent Liabilities	12,944	989,565	-	599,434	1,601,943
Total Liabilities	680,129	1,525,756	5	771,491	2,977,381
Deferred Inflows of Resources					
Deferred Inflows-Pension Related	5,385	2,693	-	22,114	30,192
Deferred Inflows: OPEB	-	-	-	41,228	41,228
Total Deferred Inflows of Resources	5,385	2,693	-	63,342	71,420
Net Position					
Net Investment in Capital Assets	-	-	-	5,097,237	5,097,237
Unrestricted	1,048,485	459,452	168,061	4,230,710	5,906,708
Total Net Position	\$ 1,048,485	\$ 459,452	\$ 168,061	\$ 9,327,947	\$ 11,003,945

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Employees' Health Insurance	Workers' Compensation Insurance	Risk Management	Fleet Maintenance	Total
Operating Revenues					
Charges for Services	\$ 6,068,610	\$ 604,025	\$ 683,201	\$ 2,588,191	\$ 9,944,027
Other	389,488	38,537	-	-	428,025
Total Operating Revenues	<u>6,458,098</u>	<u>642,562</u>	<u>683,201</u>	<u>2,588,191</u>	<u>10,372,052</u>
Operating Expenses					
Personal Services	68,741	37,644	-	456,864	563,249
Supplies and Materials	146,044	-	-	24,325	170,369
Maintenance Costs	4,750	-	-	677,729	682,479
Contracted Services	867,590	53,987	-	11,082	932,659
Other Services and Charges	9,239	-	-	40,708	49,947
Depreciation and Amortization	-	-	-	991,376	991,376
Claims Expense	4,975,872	286,870	-	-	5,262,742
Insurance Premiums	403,738	119,302	683,201	-	1,206,241
Total Operating Expenses	<u>6,475,974</u>	<u>497,803</u>	<u>683,201</u>	<u>2,202,084</u>	<u>9,859,062</u>
Operating Income (Loss)	<u>(17,876)</u>	<u>144,759</u>	<u>-</u>	<u>386,107</u>	<u>512,990</u>
Nonoperating Revenues (Expenses)					
Investment Income	16,228	16,978	1,668	47,564	82,438
Gain (Loss) on Sale of Assets	-	-	-	98,803	98,803
Total Nonoperating Revenues (Expenses)	<u>16,228</u>	<u>16,978</u>	<u>1,668</u>	<u>146,367</u>	<u>181,241</u>
Income Before Contributions and Transfers	<u>(1,648)</u>	<u>161,737</u>	<u>1,668</u>	<u>532,474</u>	<u>694,231</u>
Transfers and Capital Contributions					
Capital Contributions	-	-	-	48,019	48,019
Transfers to Other Funds	-	-	-	(28,859)	(28,859)
Total Transfers and Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,160</u>	<u>19,160</u>
Change in Net Position	<u>(1,648)</u>	<u>161,737</u>	<u>1,668</u>	<u>551,634</u>	<u>713,391</u>
Total Net Position, Beginning of Year (Unadjusted)	<u>1,050,133</u>	<u>297,715</u>	<u>166,393</u>	<u>9,260,664</u>	<u>10,774,905</u>
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(484,351)</u>	<u>(484,351)</u>
Total Net Position, Beginning of Year (Adjusted)	<u>1,050,133</u>	<u>297,715</u>	<u>166,393</u>	<u>8,776,313</u>	<u>10,290,554</u>
Total Net Position, End of Year	<u>\$ 1,048,485</u>	<u>\$ 459,452</u>	<u>\$ 168,061</u>	<u>\$ 9,327,947</u>	<u>\$ 11,003,945</u>

CITY OF LEESBURG, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Employees' Health Insurance	Workers' Compensation Insurance	Risk Management	Fleet Maintenance	Total
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 6,043,016	\$ 601,142	\$ 683,201	\$ 2,588,191	\$ 9,915,550
Cash Paid to Suppliers for Goods and Services	(1,487,886)	(171,002)	(683,202)	(869,111)	(3,211,201)
Cash Paid for Insurance Claims	(4,616,157)	(132,136)	-	-	(4,748,293)
Cash Paid to Employees for Services	(66,505)	(36,477)	-	(481,624)	(584,606)
Net Cash Provided by (Used in)					
Operating Activities	(127,532)	261,527	(1)	1,237,456	1,371,450
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	-	-	-	(1,623,849)	(1,623,849)
Proceeds from the Disposition of Capital Assets	-	-	-	182,186	182,186
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-	-	(1,441,663)	(1,441,663)
Cash Flows from Investing Activities					
Interest Received	16,228	16,978	1,668	47,564	82,438
Net Cash Flows from Investing Activities	16,228	16,978	1,668	47,564	82,438
Net Increase (Decrease) in Cash and Cash Equivalents	(111,304)	278,505	1,667	(156,643)	12,225
Cash and Cash Equivalents, Beginning of Year	1,679,516	1,681,992	166,399	4,567,541	8,095,448
Cash and Cash Equivalents, End of Year	\$ 1,568,212	\$ 1,960,497	\$ 168,066	\$ 4,410,898	\$ 8,107,673
Reconciliation of Operating Income (Loss) to Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ (17,876)	\$ 144,759	\$ -	\$ 386,107	\$ 512,990
Adjustment to Reconcile Operating Income to Cash Flows Provided by (Used in) Operating Activities:					
Depreciation	-	-	-	991,376	991,376
Decrease (Increase) in Miscellaneous Receivables	(25,594)	(2,883)	-	-	(28,477)
Decrease (Increase) in Inventory	-	-	-	(113,576)	(113,576)
Decrease (Increase) in Deferred Outflows: OPEB	-	-	-	(1,814)	(1,814)
Increase (Decrease) in Accounts Payable	(131,672)	2,287	(1)	(1,691)	(131,077)
Increase (Decrease) in Accrued Expenses	1,686	891	-	508	3,085
Increase (Decrease) in Claims Payable	45,374	116,197	-	-	161,571
Increase (Decrease) in OPEB	-	-	-	(35,074)	(35,074)
Increase (Decrease) in Net Pension Liability	(2,142)	(1,070)	-	(31,853)	(35,065)
Increase (Decrease) in Other Liabilities	-	-	-	(4,693)	(4,693)
Increase (Decrease) in Deferred Inflows: Pension	2,692	1,346	-	6,938	10,976
Increase (Decrease) in Deferred Inflows: OPEB	-	-	-	41,228	41,228
Net Cash Provided by (Used in) Operating Activities	\$ (127,532)	\$ 261,527	\$ (1)	\$ 1,237,456	\$ 1,371,450

COMMUNITY REDEVELOPMENT AGENCY FUNDS

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

**CITY OF LEESBURG, FLORIDA
BALANCE SHEET
COMMUNITY REDEVELOPMENT AGENCY FUNDS
SEPTEMBER 30, 2018**

	Greater Leesburg Community Redevelopment Agency Fund	Carver Heights/ Montclair Area Community Redevelopment Agency Fund	U.S. Highway 441/27 Community Redevelopment Agency Fund	Total Community Redevelopment Agency Funds
Assets				
Pooled Cash and Investments	\$ 643,653	\$ 575,644	\$ 698,033	\$ 1,917,330
Restricted Cash	-	-	748,057	748,057
Cash with Fiscal Agent	90,596	-	-	90,596
Total Assets	\$ 734,249	\$ 575,644	\$ 1,446,090	\$ 2,755,983
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 22	\$ 294,745	\$ 196	\$ 294,963
Due to Other Governments	-	22	-	22
Deposits	-	600	2,000	2,600
Advance from Other Fund	-	1,200,000	-	1,200,000
Total Liabilities	22	1,495,367	2,196	1,497,585
Fund Balances (Deficit)				
Restricted for:				
Capital Projects	643,631	-	695,837	1,339,468
Debt Service	90,596	-	748,057	838,653
Unassigned	-	(919,723)	-	(919,723)
Total Fund Balances (Deficit)	734,227	(919,723)	1,443,894	1,258,398
Total Liabilities and Fund Balances (Deficit)	\$ 734,249	\$ 575,644	\$ 1,446,090	\$ 2,755,983

**CITY OF LEESBURG, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
COMMUNITY REDEVELOPMENT AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Greater Leesburg Community Redevelopment Agency Fund	Carver Heights/ Montclair Area Community Redevelopment Agency Fund	U.S. Highway 441/27 Community Redevelopment Agency Fund	Total Community Redevelopment Agency Funds
Revenues				
Taxes	\$ 355,287	\$ 231,757	\$ 336,972	\$ 924,016
Intergovernmental	-	200,000	-	200,000
Miscellaneous:				
Interest	7,594	-	15,702	23,296
Rental	-	910	-	910
Total Revenues	<u>362,881</u>	<u>432,667</u>	<u>352,674</u>	<u>1,148,222</u>
Expenditures				
Current:				
Economic Environment	181,369	53,711	56,352	291,432
Debt Service:				
Principal Payments	77,000	-	70,000	147,000
Interest and Fees	24,313	5,734	299,503	329,550
Capital Outlay	-	2,000,667	-	2,000,667
Total Expenditures	<u>282,682</u>	<u>2,060,112</u>	<u>425,855</u>	<u>2,768,649</u>
Excess (Deficiency) of Revenues (Under) Expenditures	<u>80,199</u>	<u>(1,627,445)</u>	<u>(73,181)</u>	<u>(1,620,427)</u>
Other Financing Sources (Uses)				
Transfers from Other Funds	-	309,946	-	309,946
Total Other Financing Sources (Uses)	<u>-</u>	<u>309,946</u>	<u>-</u>	<u>309,946</u>
Net Change in Fund Balances	80,199	(1,317,499)	(73,181)	(1,310,481)
Fund Balances, Beginning of Year	<u>654,028</u>	<u>397,776</u>	<u>1,517,075</u>	<u>2,568,879</u>
Fund Balances (Deficit), End of Year	<u>\$ 734,227</u>	<u>\$ (919,723)</u>	<u>\$ 1,443,894</u>	<u>\$ 1,258,398</u>



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STATISTICAL SECTION

(Unaudited)

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

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

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



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**CITY OF LEESBURG, FLORIDA
STATISTICAL SECTION**

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

CONTENTS

	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	168-177
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	178-185
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	186-199
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	200-201
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	202-204

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

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities					
Net Investment in Capital Assets	\$ 62,536,165	\$ 61,099,625	\$ 52,626,016	\$ 45,112,290	\$ 45,611,934
Restricted	2,814,583	3,512,585	3,377,029	3,628,410	3,785,234
Unrestricted	11,601,438	7,516,041	4,242,639	3,884,988	7,729,470
Total Governmental Activities, Net Position	<u>\$ 76,952,186</u>	<u>\$ 72,128,251</u>	<u>\$ 60,245,684</u>	<u>\$ 52,625,688</u>	<u>\$ 57,126,638</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 103,441,108	\$ 111,328,645	\$ 114,637,624	\$ 120,694,245	\$ 115,138,968
Restricted	6,132,597	5,821,230	7,527,921	9,168,859	9,816,240
Unrestricted	18,281,889	22,889,167	32,384,015	36,856,836	44,628,044
Total Business-Type Activities, Net Position	<u>\$ 127,855,594</u>	<u>\$ 140,039,042</u>	<u>\$ 154,549,560</u>	<u>\$ 166,719,940</u>	<u>\$ 169,583,252</u>
Primary Government					
Net Investment in Capital Assets	\$ 165,977,273	\$ 172,428,270	\$ 167,263,640	\$ 165,806,535	\$ 160,750,902
Restricted	8,947,180	9,333,815	10,904,950	12,797,269	13,601,474
Unrestricted	29,883,327	30,405,208	36,626,654	40,741,824	52,357,514
Total Primary Government, Net Position	<u>\$ 204,807,780</u>	<u>\$ 212,167,293</u>	<u>\$ 214,795,244</u>	<u>\$ 219,345,628</u>	<u>\$ 226,709,890</u>

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities					
Net Investment in Capital Assets	\$ 46,464,509	\$ 20,864,865	\$ 22,304,328	\$ 25,845,388	\$ 27,512,978
Restricted	3,833,845	6,117,848	7,253,410	8,143,253	6,851,601
Unrestricted	10,327,265	5,133,917	5,457,637	5,260,757	5,524,866
Total Governmental Activities, Net Position	<u>\$ 60,625,619</u>	<u>\$ 32,116,630</u>	<u>\$ 35,015,375</u>	<u>\$ 39,249,398</u>	<u>\$ 39,889,445</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 116,147,661	\$ 148,453,634	\$ 156,110,922	\$ 159,475,980	\$ 158,815,845
Restricted	14,966,539	425,869	215,183	2,663,517	3,620,077
Unrestricted	40,319,508	50,230,057	52,852,630	54,527,844	50,307,395
Total Business-Type Activities, Net Position	<u>\$ 171,433,708</u>	<u>\$ 199,109,560</u>	<u>\$ 209,178,735</u>	<u>\$ 216,667,341</u>	<u>\$ 212,743,317</u>
Primary Government					
Net Investment in Capital Assets	\$ 162,612,170	\$ 169,318,499	\$ 178,415,250	\$ 185,321,368	\$ 186,328,823
Restricted	18,800,384	6,543,717	7,468,593	10,806,770	10,471,678
Unrestricted	50,646,773	55,363,974	58,310,267	59,788,601	55,832,261
Total Primary Government, Net Position	<u>\$ 232,059,327</u>	<u>\$ 231,226,190</u>	<u>\$ 244,194,110</u>	<u>\$ 255,916,739</u>	<u>\$ 252,632,762</u>

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

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

Expenses	2009	2010	2011	2012	2013
Governmental Activities:					
General Government	\$ 5,784,598	\$ 6,382,361	\$ 4,516,704	\$ 8,225,542	\$ 2,783,141
Public Safety	15,273,940	16,155,330	16,325,651	14,475,082	12,533,637
Physical Environments	1,150,387	1,227,739	133,276	144,545	96,957
Transportation	4,097,419	3,744,933	3,710,588	4,110,736	3,452,836
Economic Environment	919,372	672,501	1,072,203	599,815	617,173
Human Services	70,084	44,150	37,567	520,403	89,462
Culture and Recreation	5,271,228	4,941,906	5,090,129	4,486,471	4,000,195
Interest on Long Term Debt	1,223,864	2,272,405	1,778,947	1,749,214	2,055,215
Total Governmental Activities Expenses	33,790,892	35,441,325	32,665,065	34,311,808	25,628,616
Business-Type Activities:					
Electric Utility	66,020,760	60,427,920	53,561,809	49,405,166	54,765,248
Gas Utility	6,298,715	6,689,610	5,964,253	4,940,220	6,950,627
Water Utility	6,781,008	6,595,898	6,828,647	5,375,968	6,270,374
Wastewater Utility	8,148,026	8,298,812	7,991,155	8,502,626	8,516,232
Stormwater System	-	-	1,392,024	1,276,750	988,175
Solid Waste System	3,085,584	2,862,176	3,022,958	2,979,724	3,137,439
Communication Services Utility	1,003,830	1,073,772	1,126,159	1,109,831	1,235,660
Airport	-	-	-	-	-
Housing	286,307	327,956	162,600	161,114	-
Total Business-Type Activities Expenses	91,624,230	86,276,144	80,049,605	73,751,399	81,863,755
Total Primary Government Expenses	\$ 125,415,122	\$ 121,717,469	\$ 112,714,670	\$ 108,063,207	\$ 107,492,371
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 3,472,053	\$ 3,465,531	\$ 3,717,159	\$ 3,422,553	\$ 374,052
Public Safety	637,249	463,876	474,039	470,043	552,253
Physical Environment	1,544,948	1,556,173	47,831	23,379	-
Transportation	954,520	1,006,812	1,129,721	1,091,481	1,033,409
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	608,654	554,070	497,863	480,587	519,757
Operating Grants and Contributions	1,447,613	1,522,058	869,208	705,802	764,401
Capital Grants and Contributions	4,655,197	3,189,342	413,865	956,929	1,786,112
Total Governmental Activities Program Revenues	13,320,234	11,757,862	7,149,686	7,150,774	5,029,984
Business-Type Activities:					
Charges for Services	100,505,333	99,206,014	92,776,933	86,870,566	93,582,078
Operating Grants and Contributions	9,044	292,907	87,958	48,396	111,360
Capital Grants and Contributions	1,965,837	1,188,719	576,880	3,635,520	2,743,174
Total Business-Type Activities Program Revenues	102,480,214	100,687,640	93,441,771	90,554,482	96,436,612
Total Primary Government Program Revenue	\$ 115,800,448	\$ 112,445,502	\$ 100,591,457	\$ 97,705,256	\$ 101,466,596
Net (Expense)/Revenue					
Governmental Activities	\$ (20,470,658)	\$ (23,683,463)	\$ (25,515,379)	\$ (27,161,034)	\$ (20,598,632)
Business-Type Activities	10,855,984	14,411,496	13,392,166	16,803,083	14,572,857
Total Primary Government Net Expense	\$ (9,614,674)	\$ (9,271,967)	\$ (12,123,213)	\$ (10,357,951)	\$ (6,025,775)

Notes: This information is provided as part of the Financial Trend Data.
Stormwater was separated from the Governmental Activities in 2011 because it became a Business-Type fund.
Airport was separated from the Governmental Activities in 2015 because it became a Business-Type fund.

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

Expenses	2014	2015	2016	2017	2018
Governmental Activities:					
General Government.	\$ 4,207,463	\$ 3,699,829	\$ 4,332,531	\$ 4,308,723	\$ 4,261,083
Public Safety	13,436,493	13,774,093	15,963,879	15,218,300	15,265,479
Physical Environment	164,599	145,811	158,565	197,267	89,114
Transportation	4,026,402	2,447,892	2,494,645	2,300,390	2,237,644
Economic Environment	601,599	665,364	704,682	868,608	1,064,872
Human Services	62,313	56,147	51,380	92,742	27,706
Culture and Recreation	3,787,423	3,724,975	4,165,256	3,962,261	5,334,338
Interest on Long Term Debt	1,014,659	1,245,289	2,295,754	1,146,553	780,283
Total Governmental Activities Expenses	27,300,951	25,759,400	30,166,692	28,094,844	29,060,519
Business-Type Activities:					
Electric Utility	57,032,000	52,304,667	53,842,698	55,636,953	53,894,931
Gas Utility	5,820,355	5,127,380	4,797,668	4,888,424	5,265,085
Water Utility	6,087,119	5,973,909	6,773,513	6,536,301	6,597,519
Wastewater Utility	8,255,645	8,436,457	8,194,810	8,147,865	8,206,198
Stormwater System	930,551	847,931	911,432	976,741	990,541
Solid Waste System	3,105,018	2,724,326	2,863,103	3,402,964	3,556,451
Communication Services Utility	1,398,675	1,476,913	1,567,038	1,676,759	609,806
Airport	-	1,997,024	2,368,149	1,985,875	1,996,993
Housing	-	-	-	-	-
Total Business-Type Activities Expenses	82,629,363	78,888,607	81,318,411	83,251,882	81,117,524
Total Primary Government Expenses	\$ 109,930,314	\$ 104,648,007	\$ 111,485,103	\$ 111,346,726	\$ 110,178,043
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 403,638	\$ 710,031	\$ 742,308	\$ 594,609	\$ 709,492
Public Safety	808,461	937,188	2,487,371	2,624,676	2,707,036
Physical Environment	34,240	124,885	165,014	118,279	115,105
Transportation	1,378,294	467,402	-	287,807	296,094
Economic Environment	-	-	-	-	910
Human Services	-	-	-	-	-
Culture and Recreation	550,146	593,150	598,701	660,316	672,168
Operating Grants and Contributions	369,821	449,269	201,225	165,986	109,597
Capital Grants and Contributions	2,168,876	425,396	559,279	1,189,437	553,437
Total Governmental Activities Program Revenues	5,713,476	3,707,321	4,753,898	5,641,110	5,163,839
Business-Type Activities:					
Charges for Services	92,013,588	91,894,164	92,563,401	97,691,509	94,701,822
Operating Grants and Contributions	3,605	-	-	45,474	-
Capital Grants and Contributions	2,742,221	1,069,990	2,046,797	3,021,413	2,540,026
Total Business-Type Activities Program Revenues	94,759,414	92,964,154	94,610,198	100,758,396	97,241,848
Total Primary Government Program Revenue	\$ 100,472,890	\$ 96,671,475	\$ 99,364,096	\$ 106,399,506	\$ 102,405,687
Net (Expense)/Revenue					
Governmental Activities	\$ (21,587,475)	\$ (22,052,079)	\$ (25,412,794)	\$ (22,453,734)	\$ (23,896,680)
Business-Type Activities	12,130,051	14,075,547	13,291,787	17,506,514	16,124,324
Total Primary Government Net Expense	\$ (9,457,424)	\$ (7,976,532)	\$ (12,121,007)	\$ (4,947,220)	\$ (7,772,356)

Notes: This information is provided as part of the Financial Trend Data.
Stormwater was separated from the Governmental Activities in 2011 because it became a Business-Type fund.
Airport was separated from the Governmental Activities in 2015 because it became a Business-Type fund.

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	\$ 6,294,746	\$ 6,049,834	\$ 5,361,571	\$ 4,858,023	\$ 4,684,694
Other Taxes	6,830,873	6,647,069	6,873,930	6,857,316	6,962,052
Intergovernmental Revenues, Unrestricted	2,105,575	2,253,173	2,055,253	2,040,040	2,071,083
Investment Income	251,224	163,166	471,791	290,742	91,653
Miscellaneous	283,484	175,785	115,080	56,819	217,330
Transfers	7,165,035	3,570,501	7,080,713	6,956,641	11,072,770
Total Governmental Activities	<u>22,930,937</u>	<u>18,859,528</u>	<u>21,958,338</u>	<u>21,059,581</u>	<u>25,099,582</u>
Business-Type Activities:					
Investment Income	677,534	113,102	572,093	214,620	1,030,643
Miscellaneous	162,522	343,997	(10,954)	2,109,318	11,954
Special Item	-	-	-	-	-
Extraordinary Gain	-	-	-	-	-
Transfers	(7,165,035)	(3,570,501)	(7,080,713)	(6,956,641)	(11,072,770)
Total Business-Type Activities	<u>(6,324,979)</u>	<u>(3,113,402)</u>	<u>(6,519,574)</u>	<u>(4,632,703)</u>	<u>(10,030,173)</u>
Total Primary Government	<u>\$ 16,605,958</u>	<u>\$ 15,746,126</u>	<u>\$ 15,438,764</u>	<u>\$ 16,426,878</u>	<u>\$ 15,069,409</u>
Changes in Net Position					
Governmental Activities	\$ 2,460,279	\$ (1,611,130)	\$ (3,557,041)	\$ (6,101,453)	\$ 4,500,950
Business-Type Activities	4,531,005	7,742,582	6,872,592	12,170,380	4,542,684
Total Government	<u>\$ 6,991,284</u>	<u>\$ 6,131,452</u>	<u>\$ 3,315,551</u>	<u>\$ 6,068,927</u>	<u>\$ 9,043,634</u>

Notes: This information is provided as part of the Financial Trend Data.
Stormwater was separated from the Governmental Activities in 2011 because it became a Business-Type fund.
Airport was separated from the Governmental Activities in 2015 because it became a Business-Type fund.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	\$ 4,685,546	\$ 4,712,444	\$ 4,977,437	\$ 5,204,939	\$ 5,678,438
Other Taxes	7,046,094	7,339,909	7,561,374	7,633,585	7,623,481
Intergovernmental Revenues, Unrestricted	2,204,568	2,375,390	2,468,220	2,587,802	2,720,793
Investment Income	105,996	246,563	552,507	266,051	388,197
Miscellaneous	179,925	111,601	95,650	230,746	1,166,274
Transfers	10,864,327	(15,323,267)	12,656,351	10,764,634	17,986,145
Total Governmental Activities	<u>25,086,456</u>	<u>(537,360)</u>	<u>28,311,539</u>	<u>26,687,757</u>	<u>35,563,328</u>
Business-Type activities:					
Investment Income	566,516	785,893	1,671,744	562,575	843,658
Miscellaneous	18,216	131,805	34,595	184,151	2,283,381
Special Item	-	-	-	-	339,507
Extraordinary Gain	-	-	7,727,400	-	-
Transfers	(10,864,327)	15,323,267	(12,656,351)	(10,764,634)	(17,986,145)
Total Business-Type Activities	<u>(10,279,595)</u>	<u>16,240,965</u>	<u>(3,222,612)</u>	<u>(10,017,908)</u>	<u>(14,519,599)</u>
Total Primary Government General Revenues	<u>\$ 14,806,861</u>	<u>\$ 15,703,605</u>	<u>\$ 25,088,927</u>	<u>\$ 16,669,849</u>	<u>\$ 21,043,729</u>
Changes in Net Position					
Governmental Activities	\$ 3,498,981	\$ (22,589,439)	\$ 2,898,745	\$ 4,234,023	\$ 11,666,648
Business-Type Activities	1,850,456	30,316,512	10,069,175	7,488,606	1,604,725
Total Government	<u>\$ 5,349,437</u>	<u>\$ 7,727,073</u>	<u>\$ 12,967,920</u>	<u>\$ 11,722,629</u>	<u>\$ 13,271,373</u>

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

Stormwater was separated from the Governmental Activities in 2011 because it became a Business-Type fund.

Airport was separated from the Governmental Activities in 2015 because it became a Business-Type fund.

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund					
Reserved	\$ 1,369,020	\$ 1,673,892	\$ -	\$ -	\$ -
Unreserved	4,358,936	5,697,109	-	-	-
Nonspendable	-	-	763,445	633,615	121,153
Restricted	-	-	652,106	659,224	963,818
Committed	-	-	2,970	4,563	4,033
Assigned	-	-	-	1,000,000	437,312
Unassigned	-	-	7,371,865	7,239,114	8,592,849
Total General Fund	<u>\$ 5,727,956</u>	<u>\$ 7,371,001</u>	<u>\$ 8,790,386</u>	<u>\$ 9,536,516</u>	<u>\$ 10,119,165</u>
All Other Governmental Funds					
Reserved	\$ 2,610,626	\$ 1,836,289	\$ -	\$ -	\$ -
Unreserved					
Stormwater Fund	1,557,861	1,755,566	-	-	-
Redevelopment Agency Funds	4,572,684	13,875,882	-	-	-
Special Revenue Funds	816,455	533,772	-	-	-
Nonspendable	-	-	2,976	478	63
Restricted	-	-	13,097,454	11,815,626	10,915,723
Committed	-	-	-	-	-
Assigned	-	-	1,324,710	1,071,842	898,723
Unassigned	-	-	(200,150)	(197,714)	(369,538)
Total All Other Governmental Funds	<u>\$ 9,557,626</u>	<u>\$ 18,001,509</u>	<u>\$ 14,224,990</u>	<u>\$ 12,690,232</u>	<u>\$ 11,444,971</u>

Notes: This information is provided as part of the Financial Trend Data.
Beginning in 2011:
a. Implementation of GASB 54 changed the fund balance designations.
b. Stormwater is no longer classified as a governmental fund.
Beginning in 2015, Airport is no longer classified as a governmental fund.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	50,075	35,361	77,154	108,198	676,164
Restricted	1,017,596	1,332,191	1,474,147	1,485,054	373,227
Committed	2,919	3,285	4,138	5,289	2,901
Assigned	235,269	322,141	1,263,580	1,253,310	724,774
Unassigned	10,689,238	12,684,625	9,928,466	10,969,154	14,420,734
Total General Fund	<u>\$ 11,995,097</u>	<u>\$ 14,377,603</u>	<u>\$ 12,747,485</u>	<u>\$ 13,821,005</u>	<u>\$ 16,197,800</u>
 All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved					
Stormwater Fund	-	-	-	-	-
Redevelopment Agency Funds	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	9,082,457	10,336,400	10,557,678	6,886,746	6,478,374
Committed	-	-	-	-	7,558
Assigned	1,348,285	-	6,623,792	6,921,025	13,571,474
Unassigned	(151,106)	(38,449)	(10,211)	-	(919,723)
Total All Other Governmental Funds	<u>\$ 10,279,636</u>	<u>\$ 10,297,951</u>	<u>\$ 17,171,259</u>	<u>\$ 13,807,771</u>	<u>\$ 19,137,683</u>

Notes: This information is provided as part of the Financial Trend Data.
Beginning in 2011:
a. Implementation of GASB 54 changed the fund balance designations.
b. Stormwater is no longer classified as a governmental fund.
Beginning in 2015, Airport is no longer classified as a governmental fund.

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues					
Taxes	\$ 13,125,620	\$ 12,893,021	\$ 12,235,501	\$ 11,715,341	\$ 11,906,834
Licenses, Permits, and Assessments	571,963	421,374	457,142	458,798	494,057
Intergovernmental	8,073,940	6,516,608	3,371,485	3,506,336	4,042,615
Charges for Services	2,178,942	2,211,398	595,467	541,758	588,212
Fines and Forfeitures	219,845	144,991	163,197	159,137	186,038
Impact Fees	133,249	12,295	150	-	-
Interest	206,424	164,588	203,118	50,943	193,761
Miscellaneous	4,329,343	4,566,046	4,946,580	4,604,621	1,502,208
Total Revenues	<u>28,839,326</u>	<u>26,930,321</u>	<u>21,972,640</u>	<u>21,036,934</u>	<u>18,913,725</u>
Expenditures					
General Government	3,162,527	3,476,819	2,851,945	2,730,096	1,999,318
Public Safety	14,428,426	14,043,510	14,238,088	14,472,095	14,295,487
Physical Environment	705,068	700,369	65,877	60,774	61,867
Transportation	2,032,911	1,911,023	2,063,548	1,797,161	1,705,097
Economic Environment	868,017	615,937	989,381	516,751	534,375
Human Services	67,892	44,150	37,567	520,403	89,462
Culture and Recreation	4,433,489	3,807,355	3,893,225	3,813,858	3,711,224
Capital Outlay	7,057,151	6,667,866	3,179,436	3,342,072	3,391,687
Debt Service:					
Principal Payments	699,248	749,000	822,963	802,334	1,782,127
Interest and Fees	1,223,864	2,272,405	1,778,947	1,749,214	2,007,786
Total Expenditures	<u>34,678,593</u>	<u>34,288,434</u>	<u>29,920,977</u>	<u>29,804,758</u>	<u>29,578,430</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,839,267)</u>	<u>(7,358,113)</u>	<u>(7,948,337)</u>	<u>(8,767,824)</u>	<u>(10,664,705)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	97,633	47,121	77,760	68,233	11,750
Insurance Proceeds from Losses	-	-	-	-	-
Transfers In	12,185,286	11,394,539	12,427,585	11,617,850	13,759,425
Transfers Out	(4,561,077)	(7,714,268)	(5,158,576)	(3,706,887)	(4,103,870)
Issuance of Debt	2,531,629	20,832,400	-	-	16,028,219
Payment to Escrow Agent	-	(7,114,751)	-	-	(15,693,431)
Total Other Financing Sources (Uses)	<u>10,253,471</u>	<u>17,445,041</u>	<u>7,346,769</u>	<u>7,979,196</u>	<u>10,002,093</u>
Net Change In Fund Balances	<u>\$ 4,414,204</u>	<u>\$ 10,086,928</u>	<u>\$ (601,568)</u>	<u>\$ (788,628)</u>	<u>\$ (662,612)</u>
Debt Service Expenditures as a Percentage of Noncapital Expenditures	7.0%	10.9%	9.7%	9.6%	14.4%

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues:					
Taxes	\$ 12,002,708	\$ 12,362,071	\$ 12,538,811	\$ 12,838,524	\$ 13,301,919
Licenses, Permits, and Assessments	815,905	1,006,590	2,620,855	2,771,289	2,625,638
Intergovernmental	4,354,607	2,743,845	2,635,483	3,692,475	3,113,774
Charges for Services	896,780	1,023,985	553,600	682,962	729,001
Fines and Forfeitures	165,356	156,640	134,622	187,801	375,539
Impact Fees	68,685	106,719	159,680	189,152	194,345
Interest	25,755	173,320	394,035	210,854	305,759
Miscellaneous	1,450,423	776,766	740,160	736,683	849,942
Total Revenues	<u>19,780,219</u>	<u>18,349,936</u>	<u>19,777,246</u>	<u>21,309,740</u>	<u>21,495,917</u>
Expenditures:					
General Government	3,257,326	3,242,396	3,601,492	3,515,915	3,664,492
Public Safety	13,823,843	12,837,293	13,052,692	14,052,120	14,943,348
Physical Environment	77,191	69,833	92,080	102,643	86,550
Transportation	1,954,674	1,380,217	1,466,803	1,251,321	1,198,752
Economic Environment	563,007	572,566	541,578	534,142	589,003
Human Services	62,313	56,147	51,380	92,742	27,706
Culture and Recreation	2,346,340	2,906,347	3,022,899	3,113,041	3,322,943
Capital Outlay	4,169,896	3,105,201	1,570,631	4,551,586	7,225,485
Debt Service:					
Principal Payments	1,964,296	1,972,996	2,297,062	1,907,204	987,920
Interest and Fees	1,619,394	1,197,860	1,515,971	1,367,060	1,029,023
Total Expenditures	<u>29,838,280</u>	<u>27,340,856</u>	<u>27,212,588</u>	<u>30,487,774</u>	<u>33,075,222</u>
Excess Of Revenue Over (Under) Expenditures	<u>(10,058,061)</u>	<u>(8,990,920)</u>	<u>(7,435,342)</u>	<u>(9,178,034)</u>	<u>(11,579,305)</u>
Other Financing Sources (Uses):					
Sale of Capital Assets	13,781	3,141	25,808	3,808	210,105
Insurance Proceeds from Losses	-	-	-	-	805,740
Transfers In	13,650,373	13,974,025	19,862,843	15,155,227	26,035,441
Transfers Out	(2,895,496)	(3,585,425)	(7,210,119)	(4,408,932)	(8,020,437)
Issuance of Debt	-	1,000,000	-	11,563,000	255,163
Payment to Escrow Agent	-	-	-	(15,425,037)	-
Total Other Financing Sources (Uses)	<u>10,768,658</u>	<u>11,391,741</u>	<u>12,678,532</u>	<u>6,888,066</u>	<u>19,286,012</u>
Net Change In Fund Balances	<u>\$ 710,597</u>	<u>\$ 2,400,821</u>	<u>\$ 5,243,190</u>	<u>\$ (2,289,968)</u>	<u>\$ 7,706,707</u>
Debt Service Expenditures as a Percentage of Noncapital Expenditures	14.0%	13.1%	14.9%	12.6%	7.8%

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

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

Fiscal Year ¹	Real Property	Personal Property	Centrally Assessed Property ³	Less: Tax-Exempt Property			Taxable Value for Operating Millages	Total Direct Tax Rate ²
				Real Property	Personal Property	Centrally Assessed ³		
2009	\$ 1,748,767,789	\$ 299,835,709	\$ 563,123	\$ 412,232,355	\$ 106,449,581	\$ 112,317	\$ 1,530,372,368	4.3179
2010	1,643,094,805	307,393,370	592,083	402,058,703	116,537,221	126,521	1,432,357,813	4.3179
2011	1,462,752,813	294,871,468	441,398	375,488,425	108,013,558	107,628	1,274,456,068	4.3179
2012	1,345,917,698	284,962,752	-	355,981,439	108,052,050	-	1,166,846,961	4.3179
2013	1,292,100,846	289,671,068	-	355,770,105	108,475,254	-	1,117,526,555	4.3179
2014	1,290,485,803	283,156,954	-	358,695,894	99,001,842	-	1,115,945,021	4.3179
2015	1,312,948,029	280,285,609	-	365,395,977	105,531,482	-	1,122,306,179	4.3179
2016	1,361,579,903	289,307,979	-	391,733,605	121,489,389	-	1,137,664,888	4.2678
2017	1,417,588,453	278,678,832	-	408,391,035	113,564,329	-	1,174,311,921	4.2678
2018	1,523,633,410	284,531,327	-	444,745,793	117,834,707	-	1,245,584,237	4.2678

Notes: ¹Information is reported based on the fiscal year in which associated tax revenue is recognized - e.g. the 2017 tax roll data is reported here for Fiscal Year 2018, as that is the period of collection and revenue recognition.

²Tax rates are per \$1,000 of assessed value.

³Beginning in Fiscal Year 2012, Florida Department of Revenue reported that there were no longer railroad lines in Leesburg, resulting in no Centrally Assessed Property.

Source: Lake County Property Appraiser

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

Fiscal Year	Total Direct	Overlapping Governments						Total
	City	School District	Lake County	Ambulance District	Northwest Hospital District	Lake County Water Authority	Water Management District	
2009	4.3179	7.5170	4.7612	0.4651	1.0000	0.2130	0.4158	18.6900
2010	4.3179	7.5320	4.7612	0.4651	1.0000	0.2130	0.4158	18.7050
2011	4.3179	7.5230	4.8410	0.3853	1.0000	0.2405	0.4158	18.7235
2012	4.3179	7.3940	4.8410	0.3853	1.0000	0.2405	0.3313	18.5100
2013	4.3179	7.3200	4.9209	0.3853	1.0000	0.2554	0.3313	18.5308
2014	4.3179	7.1700	4.9209	0.3853	1.0000	0.2554	0.3283	18.3778
2015	4.3179	7.2460	5.5456	0.4629	1.0000	0.2554	0.3164	19.1442
2016	4.2678	7.1970	5.4651	0.4629	1.0000	0.2554	0.3023	18.9505
2017	4.2678	6.8750	5.2704	0.4629	1.0000	0.2554	0.2885	18.4200
2018	4.2678	6.6030	5.2704	0.4629	1.0000	0.2554	0.2724	18.1319

Notes: The Florida Constitution limits the City and County millage capacity (non-debt related) to 10.000 mills.
Information is reported based on the fiscal year in which associated tax revenue is recognized - e.g. the 2017 tax roll data is reported here for Fiscal Year 2018, as that is the period of collection and revenue recognition.

Source: Lake County Property Appraiser

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

Taxpayer	2018			2009		
	2017 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	2008 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cutral Citrus Juices, U.S.A., Inc.	\$ 19,425,372	1	1.56%	\$ 32,666,740	2	2.13%
Minute Maid Company	19,252,303	2	1.55%			
CCRC - Lake Port Square, LLC	18,089,347	3	1.45%	24,448,995	4	1.60%
Lake Square Mall Realty Management LLC	13,966,183	4	1.12%	27,497,316	3	1.80%
Embarq-Florida, Inc (fka Sprint Florida)	13,387,140	5	1.07%	35,177,489	1	2.30%
Comcast Cable Communications LLC	11,287,090	6	0.91%			
City of Leesburg	7,620,263	7	0.61%	8,979,339	8	0.59%
Wells Fargo Bank NA Trustee	7,468,675	8	0.60%			
DRJ Land Company LLC	6,896,116	9	0.55%			
Lowe's Home Centers Inc.	6,554,435	10	0.53%	10,475,144	6	0.68%
Arlington Ridge LLC				23,280,271	5	1.52%
Harbor Vista Developers LTD				9,037,014	7	0.59%
Leware Const Co of Florida, Inc.				8,695,551	9	0.57%
Shoppes of Lake Village, LTD				8,508,982	10	0.56%
Subtotal	<u>123,946,924</u>		<u>9.95%</u>	<u>188,766,841</u>		<u>12.33%</u>
All Others	<u>1,121,637,313</u>		<u>90.05%</u>	<u>1,341,605,527</u>		<u>87.67%</u>
Total	<u>\$ 1,245,584,237</u>		<u>100.00%</u>	<u>\$ 1,530,372,368</u>		<u>100.00%</u>

Notes: Taxable Assessed Values (Section 193.011, Florida Statutes) are as of January 1, 2008 and 2017, and represent total property values including real property, personal property and centrally assessed property.

Blank information in Taxable Assessed Value does not mean the business no longer exists.

Source: Lake County Property Appraiser

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

Fiscal Year ²	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ¹		Collections for Previous Years of Levy	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 6,607,995	\$ 6,318,550	95.62%	\$ (23,804) ³	\$ 6,294,746	95.26%
2010	6,184,778	5,958,860	96.35%	90,974	6,049,834	97.82%
2011	5,502,974	5,317,825	96.64%	43,746	5,361,571	97.43%
2012	5,038,328	4,846,506	96.19%	11,517	4,858,023	96.42%
2013	4,825,368	4,651,799	96.40%	32,894	4,684,693	97.08%
2014	4,818,539	4,658,873	96.69%	26,673	4,685,546	97.24%
2015	4,846,006	4,695,831	96.90%	16,614	4,712,445	97.24%
2016	4,855,326	4,698,261	96.77%	8,789	4,707,050	96.95%
2017	5,011,728	4,847,411	96.72%	19,179	4,866,590	97.10%
2018	5,315,904	5,142,754	96.74%	5,696	5,148,450	96.85%

Notes: ¹Amounts collected within the fiscal year of the levy are inclusive of legally available early payment discounts (ranging from 4% to 1%).

²Information is reported based on the fiscal year in which associated tax revenue is recognized - e.g. the 2017 tax roll data is reported here for Fiscal Year 2018, as that is the period of collection and revenue recognition.

³During Fiscal Year 2009, the Florida Department of Revenue made an adjustment totaling \$84,669 related to an aircraft owned by the Villages Equipment Company as it was determined that aircraft are not taxable as tangible property.

Source: Lake County Property Appraiser

**CITY OF LEESBURG, FLORIDA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	Property Tax	Local Option Gas Tax	Sales Tax	Franchise Fees	Utility Service Tax	Communications Services Tax	Total
2009	\$ 6,294,746	\$ 624,118	\$ 1,531,527	\$ 116,382	\$ 3,126,745	\$ 1,148,314	\$ 12,841,832
2010	6,049,834	630,727	1,526,403	109,857	3,214,820	1,078,903	12,610,544
2011	5,361,571	639,735	1,611,777	111,280	3,182,188	1,049,816	11,956,367
2012	4,858,023	614,906	1,647,465	133,135	3,102,871	1,107,841	11,464,241
2013	4,684,694	594,535	1,629,454	125,992	3,195,794	1,155,595	11,386,064
2014	4,685,546	603,878	1,740,150	138,873	3,255,534	1,058,798	11,482,779
2015	4,712,444	625,941	1,891,707	243,760	3,404,080	1,014,467	11,892,399
2016	4,707,049	500,950	1,982,521	270,733	3,640,419	1,037,210	12,138,882
2017	4,866,590	438,089	2,070,288	306,233	3,606,282	1,089,220	12,376,702
2018	5,148,450	399,305	2,076,793	322,793	3,656,281	1,076,822	12,680,444

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

Fiscal Year	Taxable Values	HISTORICAL REVENUES					Total Revenues
		Lake County	City of Leesburg	Ambulance	Lake County Water Authority		
2009	\$ 148,158,153	\$ 306,656	\$ 285,507	\$ 30,753	\$ 14,084	\$ 637,000	
2010	148,221,674	270,736	252,126	26,985	12,463	562,310	
2011	132,822,347	206,301	188,958	16,802	10,525	422,586	
2012	124,993,979	171,163	156,846	13,940	8,736	350,685	
2013	121,370,315	154,878	141,982	12,614	8,398	317,872	
2014	121,719,997	156,736	143,416	12,765	8,483	321,400	
2015	122,062,401	179,978	144,821	15,469	8,566	348,834	
2016	117,626,545	154,793	125,156	13,507	7,490	300,946	
2017	118,624,754	154,175	129,203	13,945	7,732	305,055	
2018	123,868,402	179,578	150,463	16,242	9,004	355,287	

Note: The City of Leesburg created the Greater Leesburg Community Redevelopment Agency (GLCRA) on May 28, 1996 (Resolution 4994) pursuant to Section 163.512, Florida Statutes. The GLCRA is part of the City's Comprehensive Plan to enhance the downtown district and surrounding areas. The base year was established in 1996 with an assessed taxable value of \$86,757,505. The GLCRA generates a majority of its annual income from tax increment revenues and will expire in 2026.

Source: Lake County Property Appraiser

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

Fiscal Year	Taxable Values	HISTORICAL REVENUES					Total Revenues
		Lake County	City of Leesburg	Ambulance	Lake County Water Authority		
2009	\$ 88,132,712	\$ 169,363	\$ 158,077	\$ 17,027	\$ 7,798	\$ 352,265	
2010	88,111,616	132,286	123,599	13,147	6,140	275,172	
2011	81,604,263	105,111	96,906	8,561	5,397	215,975	
2012	77,113,815	84,826	78,486	6,908	4,372	174,592	
2013	74,700,591	74,107	68,587	6,035	4,057	152,786	
2014	76,430,497	81,935	75,683	6,673	4,477	168,768	
2015	76,432,394	93,216	75,691	8,012	4,477	181,396	
2016	74,770,987	83,259	68,077	7,265	4,074	162,675	
2017	82,264,234	99,181	83,759	8,970	5,012	196,922	
2018	85,869,492	116,918	98,377	10,575	5,887	231,757	

Note: The City of Leesburg created the Carver Heights/Montclair Area Community Redevelopment Agency (CHCRA) on December 10, 2001 (Ordinance 01-61) pursuant to Section 163.512, Florida Statutes. The CHCRA was created to identify and address blighted conditions within its boundaries and to enable the City to establish a mechanism to finance redevelopment projects through Tax Increment Financing (TIF). The base year was established in 2001 with an assessed value of \$57,980,259. The CHCRA generates a majority of its annual income from tax increment revenues.

On July 13, 2015 (Ordinance 16-26), the City amended the plan for the CHCRA, expanded the boundaries and extended the timeframe to add thirty (30) years from the time of amendment. The agency will expire in 2046.

Source: Lake County Property Appraiser

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

Fiscal Year	Taxable Values	HISTORICAL REVENUES				Total Revenues
		Lake County	City of Leesburg	Ambulance	Lake County Water Authority	
2009	\$ 454,799,607	\$ 576,740	\$ 539,090	\$ 58,068	\$ 26,704	\$ 1,200,602
2010	454,362,582	446,622	418,845	44,277	20,959	930,703
2011	388,395,355	157,433	148,248	12,822	8,257	326,760
2012	348,560,375	-	-	-	-	-
2013	331,802,542	-	-	-	-	-
2014	325,800,698	-	-	-	-	-
2015	326,674,034	-	-	-	-	-
2016	333,357,278	-	-	-	-	-
2017	343,475,725	42,991	41,024	3,888	2,455	90,358
2018	369,167,533	167,907	145,189	15,187	8,689	336,972

Note: The City of Leesburg created the U.S. Highway 441 & 27 Community Redevelopment Agency (Agency) on February 13, 2006 (Ordinance 06-13) pursuant to Section 163.512, Florida Statutes. The Agency determined the existence of blighted areas and is part of the City's plan to improve conditions within the corridor areas. The base year was established in 2006 with an assessed taxable value of \$352,255,087. In FY 2016, the Agency was rebased with an assessed taxable value of \$333,357,278. The Agency generates a majority of its annual income from tax increment revenues which expires in 2046.

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

On December 7, 2015, Ordinance 15-49 amended the base year for computation of tax increment revenues specifying the use of the tax roll adopted by the Property Appraiser of Lake County, Florida for tax year 2015.

Source: Lake County Property Appraiser

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

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	% of Personal Income ¹	Per Capita ²
	Capital Improvement Bonds	Notes Payable	Capital Lease	Utility System Revenue Bonds	Notes Payable			
2009	\$ 22,295,000	\$ 2,481,116	\$ 300,617	\$ 84,416,583	\$ 13,041,000	\$ 122,534,316	19.62%	\$ 30,460
2010	30,335,000	7,442,159	268,223	83,008,166	15,355,000	136,408,548	20.85%	31,520
2011	29,960,000	7,027,950	234,469	81,514,599	13,665,000	132,402,018	21.24%	30,785
2012	29,575,000	11,145,788	199,297	79,968,888	12,705,971	133,594,944	20.16%	32,697
2013	30,417,164	9,905,310	162,648	80,307,282	17,635,000	138,427,404	19.96%	33,398
2014	29,120,000	8,624,202	124,460	64,352,688	32,038,000	134,259,350	18.51%	34,445
2015	28,500,000	8,310,998	84,668	62,871,451	30,991,000	130,758,117	17.45%	34,782
2016	27,760,000	6,795,400	43,204	72,494,584	15,528,000	122,621,188	15.34%	36,327
2017	13,310,000	17,009,400	-	70,707,186	14,471,000	115,497,586	14.06%	37,480
2018	12,780,000	16,597,400	209,243	68,474,788	13,121,000	111,182,431	11.77%	40,541

Notes: Details regarding the City's outstanding debt can be found in Note 8 of the Financial Statements.

¹See Demographic and Economic Statistics for personal income and population data.

²US Department of Commerce, Bureau of Economic Analysis (<http://bea.gov>) for Lake County. The actual per capita personal income for the City is not known. The County's per capita figures are multiplied by the City's population to determine the total personal income for the City.

**CITY OF LEESBURG, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2018**

<u>Taxing District</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt – City of Leesburg			\$ 29,586,643
<u>Overlapping Debt</u>			
Lake County Board of County Commissioners	\$ 18,330,000	6.65%	1,218,056
School District	-	6.65%	-
Subtotal – Overlapping Debt			<u>1,218,056</u>
Total Direct and Overlapping Debt			<u>\$ 30,804,699</u>

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

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

Sources: Lake County Board of County Commissioners
Lake County School District

Assessed value data used to estimate applicable percentage provided by the Lake County Property Appraiser.



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

The City of Leesburg has no general obligation debt outstanding as of September 30, 2018.

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

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

	<u>2009</u>		<u>2010</u>		<u>2011</u>		<u>2012</u>	
Half-Cent Sales Tax ¹	\$ 898,594		\$ 899,922		\$ 930,949		\$ 913,146	
Guaranteed Entitlement ²	309,234		309,234		309,234		309,234	
Net Revenues Available	<u>1,207,828</u>		<u>1,209,156</u>		<u>1,240,183</u>		<u>1,222,380</u>	
Debt Service on 1999 Bonds ⁵	494,796		332,398		-		-	
Debt Service on Refunding Promissory Note, Series 2009 ⁶			<u>95,731</u>		<u>528,880</u>		<u>478,474</u>	
Combined Refunded & Refunding Debt Service			428,129		528,880		478,474	
Debt Service Coverage on Series 1999 Bonds & 2009 Note	2.44	X	2.82	X	2.34	X	2.55	X
2009 Senior Lien Note Required Minimum Coverage	1.30	X ³	1.30	X ³	1.30	X ³	1.30	X ³
Net Revenues Available After Debt Service on 1999 Bonds & 2009 Note	713,032		781,027		711,303		743,906	
Plus Public Service Tax ⁴	<u>3,126,745</u>		<u>3,214,820</u>		<u>3,182,188</u>		<u>3,102,871</u>	
Net Revenues Available	<u>3,839,777</u>		<u>3,995,847</u>		<u>3,893,491</u>		<u>3,846,777</u>	
Debt Service on Series 2004 Bonds ⁷	1,111,020		1,109,645		1,108,485		1,106,460	
Debt Service on Series 2013 Bonds ⁸	-		-		-		-	
Debt Service Coverage on Series 2004 & 2013 Bonds	3.46	X	3.60	X	3.51	X	3.48	X
Required Minimum Coverage	1.30	X ³	1.30	X ³	1.30	X ³	1.30	X ³
Net Revenues Available after all Debt Service	<u>\$ 2,728,757</u>		<u>\$ 2,886,202</u>		<u>\$ 2,785,006</u>		<u>\$ 2,740,317</u>	

Notes: ¹Gross Sales Tax Revenues are defined as the proceeds of the local governmental Half-Cent Sales Tax as described in Title XIV, Chapter 218, Part VI, Florida Statutes.

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

³1.30X Debt Service Coverage is not a Financial Covenant, rather an Additional Bonds Test Requirement. No additional senior lien parity bonds can be issued.

⁴Public Service Tax is a tax that may be levied by a municipality on the purchase of electricity, metered natural gas, liquefied petroleum gas, manufactured gas, and water service pursuant to Title XII, Chapter 166, Section 231, Florida Statutes.

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

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 993,946	\$ 1,069,082	\$ 1,162,792	\$ 1,232,094	\$ 1,289,822	\$ 1,365,801
309,234	309,234	309,234	309,234	309,234	309,234
<u>1,303,180</u>	<u>1,378,316</u>	<u>1,472,026</u>	<u>1,541,328</u>	<u>1,599,056</u>	<u>1,675,035</u>
-	-	-	-	-	-
478,778	478,608	477,966	476,850	480,143	477,845
<u>478,778</u>	<u>478,608</u>	<u>477,966</u>	<u>476,850</u>	<u>480,143</u>	<u>477,845</u>
2.72 X	2.88 X	3.08 X	3.23 X	3.33 X	3.51 X
1.30 X ³	1.30 X ³	1.30 X ³	1.30 X ³	1.30 X ³	1.30 X ³
824,402	899,708	994,060	1,064,478	1,118,913	1,197,190
3,195,794	3,255,533	3,404,080	3,640,419	3,606,282	3,656,281
<u>4,020,196</u>	<u>4,155,241</u>	<u>4,398,140</u>	<u>4,704,897</u>	<u>4,725,195</u>	<u>4,853,471</u>
746,685	-	-	-	-	-
-	986,090	1,016,563	1,016,562	1,013,787	1,013,113
5.38 X	4.21 X	4.33 X	4.63 X	4.66 X	4.79 X
1.30 X ³	1.30 X ³	1.30 X ³	1.30 X ³	1.30 X ³	1.30 X ³
<u>\$ 3,273,511</u>	<u>\$ 3,169,151</u>	<u>\$ 3,381,577</u>	<u>\$ 3,688,335</u>	<u>\$ 3,711,408</u>	<u>\$ 3,840,358</u>

Notes: ⁵**Series 1999**
 Resolution 5725, adopted August 12, 1999, the City authorized the issuance of the Refunding and Capital Improvement Revenue Bonds, Series 1999 pledging the revenues as defined in Notes 1 & 2.

⁶**Series 2009**
 Resolution 8557, adopted October 26, 2009, the City authorized the issuance of a "bank qualified" loan to refund all of the outstanding Refunding and Capital Improvement Revenue Bonds, Series 1999 pledging the revenues as defined in Notes 1 & 2.

⁷**Series 2004**
 Resolution 7162, adopted July 12, 2004, the City authorized the issuance of the Capital Improvement Revenue Bonds, Series 2004, that closed on August 4, 2004, pledging the net available revenues after considering the Series 1999 Bonds. In addition, Public Service Tax revenues were pledged to cover the Series 2004 Bonds as defined in Note 4.

⁸**Series 2013**
 Resolutions 9181 and 9182, adopted April 22, 2013, the City authorized the Series 2013 Capital Improvement Bonds refunding the Series 2004 Bond issuance, pledging the net available revenues after considering the Series 2009 Note. In addition, Public Service Tax revenues were pledged to cover the Series 2013 Bonds.

**CITY OF LEESBURG, FLORIDA
 PLEDGED REVENUE COVERAGE
 SERIES 2015 GREATER LEESBURG CRA REVENUE NOTE
 LAST FOUR FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenue:				
City of Leesburg	\$ 144,821	\$ 125,156	\$ 129,203	\$ 150,463
Lake County	204,013	175,790	175,852	204,824
Interest	<u>6,448</u>	<u>14,228</u>	<u>4,663</u>	<u>7,594</u>
Total	355,282	315,174	309,718	362,881
Debt Service on 2015 Note	6,224	80,343	100,510	101,313
Debt Service Coverage on Series 2015 Note	57.08 X	3.92 X	3.08 X	3.58 X
Net Revenues Available after Debt Service on 2015 Note	\$ 349,058	\$ 234,831	\$ 209,208	\$ 261,568

Note: This information is provided as part of the Financial Trend Data and should be presented in a ten year format. The current presentation begins with the first year of the Series 2015 Note.

Resolution 31 of the Greater Leesburg Community Redevelopment Agency, adopted January 12, 2015, authorized the issuance of the Redevelopment Revenue Note, Series 2015, a "qualified tax-exempt obligation". This note closed January 14, 2015.

Resolution 9533, of the City Commission of the City of Leesburg, adopted January 12, 2015, authorized and approved the issuance by the Greater Leesburg Community Redevelopment Agency of a \$1,000,000 principal amount Redevelopment Revenue Note, Series 2015. This resolution authorized the execution and delivery of an interlocal agreement, with said Community Redevelopment Agency, pursuant to which the City will covenant to budget and appropriate non-ad valorem revenues to make debt service payments, on said note, to the extent increment revenues are insufficient.



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**CITY OF LEESBURG, FLORIDA
 PLEDGED REVENUE COVERAGE
 US HIGHWAY 441 & 27 AREA CRA REVENUE BONDS, SERIES 2009
 TAX INCREMENT REFUNDING REVENUE NOTE, SERIES 2016
 LAST NINE FISCAL YEARS**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenue:				
City of Leesburg	\$ 418,845	\$ 148,248	\$ -	\$ -
Lake County	511,857	178,512	-	-
Other	28,492	27,404	10,292	41,694
Total	<u>959,194</u>	<u>354,164</u>	<u>10,292</u>	<u>41,694</u>
Debt Service on 2009 Bonds	354,753	695,431	695,131	799,831
Debt Service on 2016 Note	-	-	-	-
Total Debt Service	<u>354,753</u>	<u>695,431</u>	<u>695,131</u>	<u>799,831</u>
Debt Service Coverage on all Debt	2.70 X	0.51 X	0.01 X	0.05 X
Net Revenues Available after all Debt Service	\$ 604,441	\$ (341,267) ¹	\$ (684,839) ¹	\$ (758,137) ¹

Note: This information is provided as part of the Financial Trend Data and should be presented in a ten year format. The current presentation begins with the first year of the Series 2009 Bonds.

Resolution 10 of the Community Redevelopment Agency for the U.S. Highway 441 & 27 Area, adopted October 12, 2009, authorized the issuance of the Tax Increment Revenue Bonds, Series 2009 to refinance the Agency's Subordinate Capital Improvement Bond Anticipation Note, Series 2008 to finance the construction of projects in the redevelopment area. The pledged revenues are the tax increment revenues and amounts held in the funds and accounts established by this agreement.

Resolution 8525, adopted October 12, 2009, the City authorized the issuance of the Tax Increment Revenue Bonds, Series 2009 for the Community Redevelopment Agency for the US Highway 441 & 27 Area.

Resolution 30 of the Community Redevelopment Agency for the U. S. Highway 441 & 27 Area adopted November 28, 2016, authorized the issuance of the Tax Increment Refunding Revenue Note, Series 2016 to advance refund the Agency's outstanding Tax Increment Revenue Bonds, Series 2009. The pledged revenues are the tax increment revenues and amounts held in the funds and accounts established by this agreement.

Resolution 9922, adopted November 28, 2016, the City authorized the issuance of the Tax Increment Refunding Revenue Note, Series 2016 for the Community Redevelopment Agency for the U. S. Highway 441 & 27 Area.

¹Due to the downturn in property values, the debt service payment for the Series 2009 Bonds is being paid from the bond proceeds in accordance with bond covenants.

²Due to the downturn in property values, the debt service payment for the Series 2016 Note is being paid from the note proceeds and other note created funds in accordance with note covenants.

**CITY OF LEESBURG, FLORIDA
 PLEDGED REVENUE COVERAGE
 US HIGHWAY 441 & 27 AREA CRA REVENUE BONDS, SERIES 2009
 TAX INCREMENT REFUNDING REVENUE NOTE, SERIES 2016
 LAST NINE FISCAL YEARS**

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ -	\$ -	\$ -	\$ 41,024	\$ 145,189
-	-	-	49,334	191,783
<u>9,612</u>	<u>9,061</u>	<u>29,659</u>	<u>16,645</u>	<u>15,702</u>
9,612	9,061	29,659	107,003	352,674
801,231	797,481	903,419	397,950	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>178,961</u>	<u>367,928</u>
801,231	797,481	903,419	576,911	367,928
0.01 X	0.01 X	0.03 X	0.19 X	0.96 X
\$ (791,619) ¹	\$ (788,420) ¹	\$ (873,760) ¹	\$ (469,908) ²	\$ (15,254) ²

**CITY OF LEESBURG, FLORIDA
 PLEDGED REVENUE COVERAGE
 ELECTRIC SYSTEM REVENUE BONDS/NOTES
 SERIES 2004, 2007A, 2007B, 2010, 2013, 2014 & 2016
 LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Gross Revenues¹	\$ 71,566,530	\$ 73,280,305	\$ 62,355,773	\$ 57,419,323
Less Operation and Maintenance Expenses ²	<u>61,012,704</u>	<u>55,737,126</u>	<u>49,169,688</u>	<u>45,244,248</u>
Net Revenues Available³	10,553,826	17,543,179	13,186,085	12,175,075
Debt Service on 2004 Bonds ⁴	1,090,975	1,090,095	1,093,025	1,089,885
Debt Service on 2007A Bonds ⁵	551,906 ⁶	551,906	551,906	551,906
Debt Service on 2007B Bonds ⁵	682,713 ⁶	946,921	945,283	942,799
Debt Service on 2010 Note ⁷			4,004	2,852
Debt Service on 2013 Note ⁸				
Debt Service on 2014 Note ⁹				
Debt Service on 2016 Bond ¹⁰				
Debt Service on 2016 Note ¹¹				
Total Debt Service	<u>2,325,594</u>	<u>2,588,922</u>	<u>2,594,218</u>	<u>2,587,442</u>
Debt Service Coverage	4.54 X	6.78 X	5.08 X	4.71 X
Required Minimum Coverage	1.25 X	1.25 X	1.25 X	1.25 X
Total Net Revenues less Electric Utility Debt Service	\$ 8,228,232	\$ 14,954,257	\$ 10,591,867	\$ 9,587,633

Notes: ¹Gross Revenues are defined as all income and earnings derived by the City from the ownership, operation, leasing, or use of the system, and investment income excluding capital expansion and system improvement grants.

²Operation and Maintenance Expenses are defined as the cost of operation and maintenance as current expenses, paid or accrued, less depreciation and amortization expense.

³Net Revenues are defined as gross revenues less operation and maintenance expenses.

⁴Series 2004

Resolution 7141 and supplemented by Resolution 7142, adopted June 14, 2004, the City authorized the issuance of the Electric System Revenue Bonds, Series 2004, that closed on July 14, 2004, pledging the net revenues derived by the City from the operation of the Electric System.

⁵Series 2007A & 2007B

Resolution 7964, adopted July 23, 2007, the City amended Resolution 7141 for the purpose of authorizing the issuance of the Electric System Revenue Bonds Series 2007A and Taxable Electric System Revenue Bonds, Series 2007B ("Series 2007 Bonds") on a parity with the City's outstanding Electric System Revenue Bonds, Series 2004.

⁶The first two years of payments for these bonds are interest only. Payments began on October 1, 2007 and are due semiannually April 1 and October 1 thereafter. The annualized interest payments for fiscal years 2008 and 2009 were paid from the Capitalized Interest fund of \$1,341,602 along with interest earnings thereon.

**CITY OF LEESBURG, FLORIDA
 PLEDGED REVENUE COVERAGE
 ELECTRIC SYSTEM REVENUE BONDS/NOTES
 SERIES 2004, 2007A, 2007B, 2010, 2013, 2014 & 2016
 LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	62,808,975	\$ 60,924,004	\$ 59,587,185	\$ 61,069,325	\$ 63,322,570	\$ 61,851,781
	47,863,727	50,744,245	46,454,026	46,934,467	50,150,411	48,265,420
	14,945,248	10,179,759	13,133,159	14,134,858	13,172,159	13,586,361
	1,090,160	742,180	-	-	-	-
	551,906	551,906	551,906	551,906	-	-
	939,469	940,011	939,425	953,427	946,008	947,461
	48,898	-	-	-	-	-
	84,360	273,600	619,747	625,154	-	-
		300,378	622,788	1,042,279	-	-
					582,526	1,125,600
					537,202	596,502
	<u>2,630,433</u>	<u>2,808,075</u>	<u>2,733,866</u>	<u>3,172,766</u>	<u>2,065,736</u>	<u>2,669,563</u>
	5.68 X	3.63 X	4.80 X	4.46 X	6.38 X	5.09 X
	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X
\$	12,314,815	\$ 7,371,684	\$ 10,399,293	\$ 10,962,092	\$ 11,106,423	\$ 10,916,798

Notes: ⁷**Series 2010**

Resolution 8692, adopted August 4, 2010, the City authorized the issuance of an "up to \$20,000,000" Note with a 3 year interest only drawdown facility.

⁸**Series 2013**

Resolution 9199, adopted May 28, 2013, the City authorized the Series 2013 Electric System Note refunding the Electric System Revenue Note, Series 2010 on a parity with the existing Electric System Bonds.

⁹**Series 2014**

Resolution 9366, adopted March 10, 2014, the City authorized the Series 2014 Electric System Refunding Revenue Note to refund the Electric System Revenue Bonds, Series 2004 on a parity with the existing Electric System Bonds & Note.

¹⁰**Series 2016**

Resolutions 9792 and 9793, adopted May 9, 2016, the City authorized the Series 2016 Electric System Refunding Revenue Bond to advance refund the outstanding Electric System Revenue Bonds, Series 2007A, and current refund the outstanding Electric System Refunding Revenue Note, Series 2014 on a parity with the existing Electric System Bonds & Note. Payments for the debt service begin October 1, 2016 and are due Semi-annually April 1 and October 1 thereafter.

¹¹**Series 2016**

Resolution 9816, adopted June 13, 2016, the City authorized the Series 2016 Electric System Refunding Revenue Note to refund all of the City's Electric System Refunding Revenue Note, Series 2013 on a parity with the existing Electric System Bonds & Note. Payments for the debt service begin October 1, 2016 and are due Semi-annually April 1 and October 1 thereafter.

**CITY OF LEESBURG, FLORIDA
 PLEDGED REVENUE COVERAGE
 UTILITY SYSTEM REVENUE BONDS/NOTES
 (GAS, WATER AND WASTEWATER SYSTEMS)
 SERIES 2004, 2007A, 2007B, 2010, 2013 & 2016
 LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Gross Revenues¹	\$ 23,988,825	\$ 25,299,925	\$ 25,678,857	\$ 23,727,878
Less Expenses ²	16,634,389	16,584,012	15,651,085	14,382,430
Net Revenues Available³	7,354,436	8,715,913	10,027,772	9,345,448
Debt Service on 2004 Bonds ⁴	1,509,114	1,508,914	1,507,254	1,504,074
Debt Service on 2007A Bonds ⁵	1,039,044 ⁶	1,341,444	1,338,444	1,339,844
Debt Service on 2007B Bonds ⁵	63,130 ⁶	77,245	81,065	79,885
Debt Service on 2010 Note ⁷			317,615	355,690
Debt Service on 2013 Note ⁸				
Debt Service on 2016 Note ⁹				
Total Debt Service	2,611,288	2,927,603	3,244,378	3,279,493
Debt Service Coverage	2.82 X	2.98 X	3.09 X	2.85 X
Required Minimum Coverage	1.15 X	1.15 X	1.15 X	1.15 X
Plus Capacity Charges	390,044	187,425	45,404	24,701
Debt Service Coverage inclusive of Capacity Charges	2.97 X	3.04 X	3.10 X	2.86 X
Required Minimum Coverage inclusive of Capacity Charges	1.25 X	1.25 X	1.25 X	1.25 X
Total Net Revenues less Utility Debt Service	\$ 5,133,192	\$ 5,975,735	\$ 6,828,798	\$ 6,090,656

Notes: ¹Gross Revenues are defined pursuant to Resolution 7143 adopted June 14, 2004, as all income and earnings derived by the City from the ownership, operation, leasing, or use of the system, and investment income, excluding capital expansion and system improvement grants.

²Expenses are defined as Operation and Maintenance Expenses paid or accrued, less depreciation and amortized expenses.

³Net Revenues and Pledged Revenues are defined as gross revenues less operation and maintenance expenses plus capacity charges.

⁴Series 2004

Resolution 7143 and supplemented by Resolution 7144, adopted June 14, 2004, the City authorized the issuance of the Utility System Revenue Bonds, Series 2004, that closed on July 14, 2004.

⁵Series 2007A & 2007B

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

⁶First two years of payments for these bonds are interest only. Payments began on October 1, 2007 and are due Semi-annually April 1 and October 1 thereafter. The annualized interest payments for fiscal years 2008 and 2009 were paid from the Capitalized Interest fund of \$1,341,602 along with interest earnings thereon.

**CITY OF LEESBURG, FLORIDA
 PLEDGED REVENUE COVERAGE
 UTILITY SYSTEM REVENUE BONDS/NOTES
 (GAS, WATER AND WASTEWATER SYSTEMS)
 SERIES 2004, 2007A, 2007B, 2010, 2013 & 2016
 LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	24,885,126	\$ 24,539,498	\$ 24,393,186	\$ 24,370,859	\$ 25,126,511	\$ 25,251,640
	<u>16,075,773</u>	<u>14,834,367</u>	<u>13,601,215</u>	<u>13,398,493</u>	<u>14,412,658</u>	<u>15,160,217</u>
	8,809,353	9,705,131	10,791,971	10,972,366	10,713,853	10,091,423
	1,009,462	-	-	-	-	-
	1,345,444	1,335,844	1,335,644	1,342,744	1,346,544	1,344,375
	78,705	82,230	80,755	80,755	83,100	81,330
	358,573	356,455	806,242	815,751	815,751	828,769
	281,985	1,437,331	1,384,031	1,383,907	1,379,881	1,381,482
	<u>3,074,168</u>	<u>3,211,860</u>	<u>3,606,672</u>	<u>3,623,157</u>	<u>4,172,310</u>	<u>4,341,806</u>
	2.87 X	3.02 X	2.99 X	3.03 X	2.57 X	2.32 X
	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X
	26,171	179,333	279,359	379,060	439,237	469,336
	2.87 X	3.08 X	3.07 X	3.13 X	2.67 X	2.43 X
	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X
\$	5,761,355	\$ 6,672,604	\$ 7,464,658	\$ 7,728,269	\$ 6,980,780	\$ 6,218,953

Notes: ⁷**Series 2010**

Resolution 8673, adopted June 28, 2010, the City authorized the issuance of an \$8,000,000 note that fully paid off a prior \$8,000,000 Plantation System seller's note. This prior note was part of the purchase price for this \$15,000,000 utility, and the 2010 note is on parity with the 2004 and 2007A&B bonds.

⁸**Series 2013**

Resolution 9183 and 9184, adopted April 22, 2013, the City authorized the Series 2013 Utility System Revenue Bonds refunding the Series 2004 Utility System Revenue Bonds and is on a parity with the City's other Utility System Revenue Bonds.

⁹**Series 2016**

Resolutions 9794 and 9795, adopted May 9, 2016, the City authorized the Series 2016 Utility System Refunding Revenue Bonds to refund the City's outstanding Utility System Revenue Bonds, Series 2007A maturing on and after October 1, 2018, on a parity with the existing Utility System Bonds & Note. Payments for the debt service began October 1, 2016 and are due semi-annually April 1 and October 1 thereafter.

**CITY OF LEESBURG, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Fiscal Year	Population ¹	Personal Income (thousands of dollars) ²	Lake County Per Capita Personal Income ³	Median Age ⁴	Unemployment Rate ⁵		
					Lake County	Florida	United States
2009	20,506	\$ 624,613	\$ 30,460	42.1	12.7%	11.5%	9.4%
2010	20,757	654,261	31,520	43.5	12.5%	12.2%	9.3%
2011	20,251	623,427	30,785	41.9	10.2%	9.8%	8.2%
2012	20,263	662,539	32,697	42.6	8.4%	8.2%	7.5%
2013	20,761	693,376	33,398	41.0	6.3%	6.4%	7.0%
2014	21,057	725,308	34,445	40.2	5.8%	5.8%	5.8%
2015	21,547	749,448	34,782	40.2	5.1%	5.2%	5.1%
2016	22,000	799,194	36,327	37.8	4.8%	5.0%	4.8%
2017	21,913	838,523	38,266	37.8	3.4%	3.7%	4.1%
2018	23,297	944,484	40,541	37.8	2.9%	3.0%	3.6%

Sources: ¹Florida Bureau of Economic and Business Research (BEBR) as of October 26, 2018.

²The actual per capita personal income for the City is not known. The County's per capita figures are multiplied by the City's population to determine the total personal income for the City.

³U.S. Department of Commerce, Bureau of Economic Analysis (<http://bea.gov>)

⁴U. S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates (<http://factfinder.census.gov>)

⁵State of Florida, Department of Labor and Employment Security, Bureau of Labor Market Information (<http://freida.labormarketinfo.com>) as of September 2018.

**CITY OF LEESBURG, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer¹	2018			2009		
	Employees¹	City Rank	Percentage of Total County Employment	Employees³	City Rank	Percentage of Total County Employment
Central Florida Health Alliance (fka LRMC)	1,800	1	1.14%	3,000	1	2.22%
Lake County School District (fka LCSB)	656	2	0.42%	671	2	0.50%
City of Leesburg	482	3	0.31%	537	4	0.40%
Publix (3 stores)	463	4	0.29%	250	10	0.19%
Lifestream Behavioral Center	442	5	0.28%	555	3	0.41%
Lake Port Properties	375	6	0.24%	400	6	0.30%
Wal-Mart Stores, Inc.	320	7	0.20%			
Dura-Stress, Inc	300	8	0.19%	350	7	0.26%
Cutrale Citrus Juices USA, Inc	203	9	0.13%	275	9	0.20%
First Baptist Church of Leesburg	180	10	0.11%			
Lake Sumter State College				521	5	0.39%
Lake-Sumter EMS				280	8	0.21%
Total	5,221		3.31%	6,839		5.06%
Lake County Labor Force²	157,503			135,039		

Sources: ¹City of Leesburg 2019 Annual Budget

²Labor Force data for Lake County, Florida Labor Market Statistics, September 2018 <http://freida.labormarketinfo.com>

³City of Leesburg 2009 CAFR

CITY OF LEESBURG, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government:										
Legislative	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Executive	5.00	5.00	6.00	6.00	6.00	6.00	5.90	4.90	5.90	6.90
Finance	50.00	48.00	47.00	47.00	46.00	46.00	40.00	42.00	41.00	41.00
Human Resources	6.00	6.00	6.00	6.00	6.00	4.85	4.95	4.95	3.95	3.95
Information Technology (MIS)	12.00	11.50	11.50	11.50	12.50	12.50	10.00	11.00	11.00	11.00
Police:										
Officers	72.25	72.25	72.25	72.25	72.25	72.00	72.00	65.00	65.00	71.00
Civilians	34.00	34.00	34.00	34.00	34.00	23.00	23.00	25.00	26.00	27.00
Fire:										
Firefighters and Officers	66.00	65.00	59.00	59.00	60.00	57.00	52.00	46.00	46.00	46.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
GIS / Engineering	7.00	4.50	3.50	4.50	5.50	5.50	5.00	5.00	5.00	5.00
Public Works	16.10	18.10	15.10	15.10	6.10	33.10	24.10	23.60	24.60	25.60
Planning & Zoning	5.50	5.70	4.95	2.95	2.95	2.95	2.95	4.25	5.25	5.25
Housing & Economic Development	3.00	4.00	4.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Library	25.47	20.32	23.65	23.65	23.65	21.79	22.64	22.30	22.97	20.15
Recreation	52.00	42.00	37.00	33.00	36.00	8.10	15.00	15.00	15.00	16.00
Airport ¹	1.00	1.00	1.00	1.00	1.00	2.00	-	-	-	-
Subtotal for Governmental Activities	361.32	343.37	330.95	323.95	319.95	301.79	284.54	276.00	278.67	285.85
Business-Type:										
Electric	50.00	50.00	51.00	48.00	53.00	52.00	47.00	46.00	45.00	45.00
Gas	19.00	19.00	19.00	23.00	23.00	23.00	22.00	20.00	20.00	20.00
Water	34.50	37.00	36.00	26.50	27.00	26.50	26.00	24.75	26.75	26.75
Wastewater	46.50	45.00	44.00	45.50	45.00	45.84	43.34	43.09	42.09	42.09
Stormwater	4.00	4.00	4.00	5.00	5.00	5.66	5.66	5.66	5.66	5.66
Communications	5.00	5.00	5.00	5.00	6.00	7.00	6.00	6.00	6.00	6.00
Solid Waste	19.90	17.90	17.90	17.90	17.90	16.90	16.90	16.90	16.90	16.90
Airport ¹	-	-	-	-	-	-	2.10	2.10	2.10	2.10
Carver Heights CRA	1.00	-	-	-	-	-	-	-	-	-
Health Insurance	-	-	-	-	-	0.80	0.80	0.80	0.80	0.80
Workers Compensation	-	-	-	-	-	0.25	0.25	0.25	0.25	0.25
Fleet Services	-	-	-	-	8.00	8.00	8.00	8.00	8.00	8.00
Affordable Housing	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Building Permits	6.50	4.30	4.05	4.05	4.05	4.05	5.05	4.75	7.75	8.75
Subtotal for Business-Type Activities	186.40	182.20	180.95	174.95	188.95	190.00	184.10	179.30	182.30	183.30
Total	547.72	525.57	511.90	498.90	508.90	491.79	468.64	455.30	460.97	469.15

Note: ¹ Airport became its own Business-Type fund in 2015 and no longer has governmental employees.

Source: City Annual Budget. Library FTEs per City payroll records due to large number of part-time employees.

**CITY OF LEESBURG, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Responses to calls for service	44,459	47,345	53,024	51,837	50,312	49,936	53,838	52,740	57,820	62,261
Part I crimes	1,572	1,312	1,246	1,235	1,170	1,191	1,300	1,303	1,543	1,402
Traffic crashes & citations	6,271	6,729	6,327	7,120	6,808	4,704	4,440	4,225	5,793	4,997
Fire										
Emergency responses	6,395	7,384	6,581	7,233	6,238	6,471	8,610	10,112	10,833	10,642
Inspections	1,803	1,601	374	215	169	202	210	768	376	102
Pre-fire plans	107	80	107	44	5	5	35	600	20	1
Solid Waste										
Residential tons taken to incinerator	7,457	8,047	8,552	8,036	7,875	8,633	8,293	8,814	9,972	9,089
Residential tons of recyclables	390	408	393	389	409	427	421	497	577	628
Hand commercial collected	864	695	624	588	600	483	446	434	476	523
Commercial dumpster collected	12,598	13,302	12,902	11,743	11,978	12,533	12,041	12,959	14,190	13,292
Fleet Maintenance										
Vehicles owned by the City	609	593	598	589	537	559	543	580	562	550
Percent maintained by Fleet	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Preventive maintenance complete	450	506	736	468	524	635	853	853	865	568
Community Development										
Building permits issued within the City	1,943	1,944	1,318	1,210	1,491	1,568	1,820	1,539	2,212	3,506
Construction value of permits (thousands)	\$ 36,367	\$ 13,079	\$ 35,953	\$ 19,419	\$ 20,596	\$ 28,799	\$ 34,907	\$ 67,028	\$ 197,362	\$ 479,356
Culture and Recreation										
Youth programs	150	36	36	34	36	36	37	37	37	38
Number of bookings at rental facilities	5,782	5,476	2,368	2,269	2,006	1,348	1,554	1,973	1,443	1,321
Total service hours	28,213	28,156	6,075	6,279	5,791	3,901	3,957	5,992	6,907	6,762
Participants using the pools ¹	16,903	16,791	8,462	6,418	9,558	6,995	9,125	11,092	25,519	20,394
Library service hours	2,402	2,607	2,594	2,610	2,624	2,642	2,607	2,623	2,590	2,575
Circulation - Adults	274,996	275,690	257,912	257,037	264,933	250,172	243,360	240,672	222,354	214,130
Circulation - Juvenile	86,610	79,208	74,245	83,174	87,151	80,931	83,263	72,223	76,021	67,441
Internet use	141,556	129,735	153,092	141,924	115,637	106,848	104,318	98,238	81,805	50,373
Electric										
Number of residential customers	17,666	21,043	16,307	17,608	17,867	17,944	18,321	23,233	23,886	22,942
Average daily consumption (KWh)	32.65	29.64	33.79	25.74	30.89	30.56	31.66	31.76	29.99	30.90
Gas										
Number of residential customers	11,259	11,279	11,241	11,141	11,180	11,205	11,169	11,199	11,239	11,285
Average daily consumption (therms)	0.57	0.68	0.56	0.41	0.47	0.52	0.50	0.43	0.39	0.48
Water										
Number of residential customers	15,616	17,899	17,896	18,058	18,278	19,077	18,899	19,764	20,031	20,168
Average daily consumption (gallons)	530.00	469.28	490.05	425.30	404.31	370.73	368.80	404.78	408.35	381.31
Wastewater										
Number of residential customers	13,182	13,316	13,243	13,319	13,487	13,529	13,743	15,714	15,732	16,146
Average daily sewage treatment (gallons)	224.82	204.62	175.18	195.21	177.95	229.14	203.74	178.19	203.41	198.19

Note: ¹Increase in participants using the pools in FY17 is the result of the addition of the Splash Pad in the summer of 2017.

Source: Various City departments

**CITY OF LEESBURG, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Solid Waste										
Collection Trucks	19	17	17	18	15	15	18	18	20	20
Annexation Acres										
	1.63	93.60	316.65	18.88	11.91	19.68	34.46	474	712	359
Corporate Limits										
Acres	24,653	24,787	25,106	25,125	25,137	25,157	25,191	26,986	27,698	28,057
Square Miles	38.52	38.70	39.23	39.26	39.27	39.31	39.36	42.17	43.27	43.84
Streets										
Paved (miles)	79.0	82.2	83.1	83.1	83.1	83.1	83.1	83.1	83.1	83.1
Unpaved (miles)	1.7	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Culture and Recreation										
Rental facilities	225	225	225	25	25	25	25	25	25	25
Museum	1	1	1	1	1	1	1	1	1	1
Parks facilities managed	23	23	23	25	25	45	45	45	45	46
Parks acreage	300	300	300	360	360	360	360	363	363	367
Library facilities	1	1	1	1	1	1	1	1	1	1
Volumes in collection	129,882	134,961	135,996	142,441	145,961	132,656	132,960	138,570	141,159	136,997
Electric										
Primary electric lines within the city (miles)	440	444	443	445	453	482	486	489	490	493
Overhead conductor replaced (feet)	9,870	54,506	59,000	2,000	2,000	6,000	1,100	5,000	9,580	4,800
Underground primary conductor replaced (feet)	24,975	5,000	12,000	2,500	7,400	5,000	9,000	12,530	7,000	1,000
Gas										
Gas mains (miles)	239	240	240	240	240	240	243	243	245	246
Gate stations	2	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles)	375	375	375	332	332	332	332	335	335	337
Maximum capacity (millions of gallons)	28	28	28	28	28	28	28	28	29	29
Deep wells	21	21	19	19	19	19	19	19	18	18
Wastewater										
Sewers force mains (miles)	81	81	81	87	88	88	88	89	85	86
Sewers gravity lines (miles)	169	169	169	178	179	179	182	182	175	176
Lift stations	162	163	173	174	174	174	174	174	174	174
Disposal plants	3	3	2	2	2	2	2	2	2	2
Maximum capacity (millions of gallons per day)	8.37	8.37	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

Source: Various City departments

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leesburg, Florida, (the City) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 1, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We reported certain other matters to management of the City in a separate letter dated March 1, 2019.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 1, 2019



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the compliance of the City of Leesburg, Florida (the City) with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2018. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2018.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 1, 2019



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Leesburg, Florida (the City) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 1, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 1, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Financial Condition and Management (Continued)

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor, City Commission, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 1, 2019



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**DEBT DISCLOSURE SECTION
(UNAUDITED)**



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**CITY OF LEESBURG, FLORIDA
DEBT DISCLOSURE SECTION**

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**HISTORICAL OPERATING RESULTS - CAPITAL IMPROVEMENT
(AMOUNTS EXPRESSED IN THOUSANDS)**

The historical operating results of the Capital Improvement Debt have been prepared pursuant to certain provisions of the Bond Resolution and therefore reflect certain differences from the City's audited financial statements.

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Half-Cent Sales Tax	\$ 899	\$ 900	\$ 931	\$ 913	\$ 994	\$ 1,069	\$ 1,163	\$ 1,232	\$ 1,290	\$ 1,366
Guar. Entitlement	309	309	309	309	309	309	309	309	309	309
Misc. Revenues	-	-	-	-	-	-	-	-	-	-
Subtotal Revenues	1,208	1,209	1,240	1,222	1,303	1,378	1,472	1,541	1,599	1,675
Debt Service on 1999 Bonds	500	332	-	-	-	-	-	-	-	-
2009 Note ²	-	96	523	474	474	473	351	477	480	478
Revenues less Debt Service	708	781	717	748	829	905	1,121	1,064	1,119	1,197
Public Service Tax	3,127	3,215	3,182	3,103	3,196	3,255	3,404	3,640	3,606	3,656
Total	\$ 3,835	\$ 3,996	\$ 3,899	\$ 3,851	\$ 4,025	\$ 4,160	\$ 4,525	\$ 4,704	\$ 4,725	\$ 4,853
Debt Service on 2004 Bonds ³	\$ 1,111	\$ 1,110	\$ 1,108	\$ 1,106	\$ 747	-	-	-	-	-
2013 Bonds ^{4, 6}	-	-	-	-	203	\$ 1,047	\$ 753	\$ 1,017	\$ 1,014	\$ 1,013
Debt Serv Coverage	3.45 X	3.60 X	3.52 X	3.48 X	4.24 X	3.98 X	6.01 X	4.63 X	4.66 X	4.79 X
Required Coverage	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X	1.30 X

Notes:

¹Small variances may exist in this schedule due to rounding.

²On November 30, 2009, the Series 1999 Bonds were refunded by the Capital Improvement Refunding Promissory Note, Series 2009 with the same pledged revenues and coverage requirements.

³On July 21, 2004, the Series 2004 Bonds were issued for the purpose of constructing certain Citywide capital improvements as defined in the Bond Resolution. This series was issued on parity with the Series 1999 Bonds with an additional pledged revenue of Public Services Tax.

⁴On May 2, 2013, the Series 2013 Bonds were issued to refund the Series 2004 Bonds with the same parity, pledged revenues and coverage requirements.

⁵On July 21, 2004, the required coverage changed based on the new Capital Improvement Revenue Bonds, Series 2004.

⁶In fiscal year 2015 the accounting method was changed from accruing interest for governmental debt to recording the payment when made. This resulted in only one interest payment recorded in fiscal year 2015.

HISTORICAL OPERATING RESULTS - ELECTRIC UTILITY
(AMOUNTS EXPRESSED IN THOUSANDS)

The historical operating results of the Electric System have been prepared pursuant to certain provisions of the Bond Resolution and therefore reflect certain differences from the City's audited financial statements.

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating Revenues	\$ 71,102	\$ 73,172	\$ 61,960	\$ 57,283	\$ 62,149	\$ 60,439	\$ 59,075	\$ 60,057	\$ 63,072	\$ 61,345
Less: Operating Expenses ¹	61,013	55,737	49,170	45,244	47,864	50,744	46,454	46,840	50,150	48,254
Net Operating Revenues	10,089	17,435	12,790	12,039	14,285	9,695	12,621	13,217	12,922	13,091
Other Income ²	465	108	396	136	660	485	512	1,012	251	420
Total Available for Debt Service	10,554	17,543	13,186	12,175	14,945	10,180	13,133	14,229	13,173	13,511
Debt Service										
Series 2004 Bonds ³	1,101	1,105	1,103	1,105	1,105	347	-	-	-	-
Series 2007A and 2007B Bonds ⁴	1,515	1,514	1,512	1,510	1,511	1,512	1,516	1,573	935	935
Series 2010 Note ⁵	-	-	4	3	49	-	-	-	-	-
Series 2013 Note ⁶	-	-	-	-	84	631	631	636	-	-
Series 2014 Note ⁷	-	-	-	-	-	365	1,052	1,042	-	-
Series 2016 Bonds ⁸	-	-	-	-	-	-	-	205	754	1,122
Series 2016 Note ⁹	-	-	-	-	-	-	-	57	573	592
Total Debt Service	2,616	2,619	2,619	2,618	2,749	2,855	3,199	3,251	2,262	2,649
Capital Contribution/Impact Fees	274	31	72	220	165	727	202	429	420	577
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	8,212	14,955	10,639	9,777	12,361	8,052	10,136	11,407	11,331	11,439
Total Transfers In/(Out)	(5,669)	(5,777)	(5,751)	(5,799)	(6,546)	(6,538)	(6,478)	(5,980)	(5,636)	(5,346)
Net Available from Operations	\$ 2,543	\$ 9,178	\$ 4,888	\$ 3,978	\$ 5,815	\$ 1,514	\$ 3,658	\$ 5,427	\$ 5,695	\$ 6,093
Debt Service Coverage: ¹⁰										
Debt Service Coverage on Bonds	4.03 X	6.70 X	5.03 X	4.65 X	5.44 X	3.57 X	4.11 X	4.38 X	5.82 X	5.10 X
Required Coverage Test	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X

HISTORICAL OPERATING RESULTS - ELECTRIC UTILITY (*continued*)

Definitions:

Gross Revenues are defined pursuant to Resolution 7143 adopted June 14, 2004, as all income and earnings derived by the City from the ownership, operation, leasing, or use of the system, and investment income, excluding capital expansion and system improvement grants.

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

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

Notes:

¹ Amounts shown exclude depreciation and amortization expenses.

² The amounts shown are as defined in the Bond Resolution and exclude interest earnings on Construction Fund balances.

³ **Series 2004** - First three years of payments for these bonds are interest only. Payments began on October 1, 2004, and are due semiannually April 1 and October 1 thereafter. The annualized interest payments for fiscal years 2004, 2005 and 2006 were \$166,793, \$779,813 and \$779,813 respectively, and were paid 100% from the Capitalized Interest fund of \$1,726,418.

⁴ **Series 2007A & 2007B** - In Resolution 7064, adopted July 23, 2007, the City amended Resolution 7141 for the purpose of authorizing the issuance of the Electric System Revenue Bonds, Series 2007A and Taxable Electric System Revenue Bonds, Series 2007B ("Series 2007 Bonds") on a parity with the City's outstanding Electric System Revenue Bonds, Series 2004. First two years of payments for these bonds were interest only and were paid 100% from the Capitalized Interest fund of \$1,341,602.

⁵ **Series 2010** - In Resolution 8692, adopted August 4, 2010, the City authorized the issuance of an "up to \$20,000,000" Note with a 3 year interest only drawdown facility.

⁶ **Series 2013** - In Resolution 9199, adopted May 28, 2013, the City authorized the issuance of a Note to refund the Series 2010 Note on parity with the City's outstanding Electric System Revenue Bonds, Series 2007A and Taxable Electric System Revenue Bonds, Series 2007B.

⁷ **Series 2014** - In Resolution 9366, adopted March 10, 2014, the City authorized the Series 2014 Electric System Refunding Revenue Note to refund the Electric System Revenue Bonds, Series 2004 on a parity with the existing Electric System Bonds & Note.

⁸ **Series 2016** - In Resolution 9792 and 9793, adopted May 9, 2016, the City authorized the issuance of the Series 2016 Electric System Refunding Revenue Bonds, for the purpose of advance refunding the Outstanding Electric System Revenue Bonds, Series 2007A, current refunding of the Outstanding Electric System Refunding Revenue Note, Series 2014, and paying the cost of issuance of the Series 2016 Bonds.

⁹ **2016 Note** - In Resolution 9816, adopted June 13, 2016, the City authorized the issue the 2016 Note, for the purpose of refunding all of the City's Outstanding Electric System Refunding Revenue Note, Series 2013.

¹⁰ Excludes revenues from capacity charges per Bond Resolution.

HISTORICAL OPERATING RESULTS - GAS UTILITY
(AMOUNTS EXPRESSED IN THOUSANDS)

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating Revenues	\$ 8,255	\$ 9,403	\$ 8,158	\$ 6,898	\$ 7,631	\$ 7,691	\$ 6,886	\$ 6,173	\$ 6,483	\$ 6,800
Less: Operating Expenses	5,701	6,191	5,425	4,472	6,251	5,198	4,391	4,004	4,256	4,627
Net Operating Revenues	2,554	3,212	2,733	2,426	1,380	2,493	2,495	2,169	2,227	2,173
Other Income	55	(23)	48	20	101	8	61	136	45	71
Total Available for Debt Service	2,609	3,189	2,781	2,446	1,481	2,501	2,556	2,305	2,272	2,244
Debt Service										
Series 2004 Bonds ¹	256	256	255	255	174	-	-	-	-	-
Series 2007A and 2007B Bonds ²	153	153	153	154	153	153	153	159	59	50
Series 2010 Note ³	-	32	49	50	49	113	113	113	113	116
Series 2013 Bonds ⁴	-	-	-	-	166	234	234	232	231	229
Series 2016 Bonds ⁵	-	-	-	-	-	-	-	-	62	80
Total Debt Service	409	441	457	459	542	500	500	504	465	475
Debt Service Coverage:⁶										
Debt Service Coverage on Bonds	6.38 X	7.23 X	6.09 X	5.33 X	2.73 X	5.00 X	5.11 X	4.57 X	4.89 X	4.72 X
Required Coverage Test	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X
Capital Contribution/Impact Fees	-	-	-	-	-	-	-	-	-	-
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	2,200	2,748	2,324	1,987	939	2,001	2,056	1,801	1,807	1,769
Total Transfers In/(Out)	(863)	(1,072)	(977)	(659)	(1,848)	(1,970)	(1,830)	(1,830)	(1,990)	(818)
Net Available from Operations	\$ 1,337	\$ 1,676	\$ 1,347	\$ 1,328	\$ (909)	\$ 31	\$ 226	\$ (29)	\$ (183)	\$ 951
Debt Service Coverage:⁷										
Debt Service Coverage on Bonds	6.38 X	7.23 X	6.09 X	5.33 X	2.73 X	5.00 X	5.11 X	4.57 X	4.89 X	4.72 X
Required Coverage Test	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X

Notes:

See notes on Combined Totals Sheet, pg. 2

HISTORICAL OPERATING RESULTS - WATER UTILITY
(AMOUNTS EXPRESSED IN THOUSANDS)

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating Revenues	\$ 6,644	\$ 6,737	\$ 7,723	\$ 7,165	\$ 7,152	\$ 6,851	\$ 7,132	\$ 8,036	\$ 8,240	\$ 7,865
Less: Operating Expenses	4,879	4,417	4,367	3,965	3,975	3,836	3,734	3,790	4,400	4,444
Net Operating Revenues	1,765	2,320	3,356	3,200	3,177	3,015	3,398	4,246	3,840	3,421
Other Income	92	(33)	40	23	110	23	59	156	80	128
Total Available for Debt Service	1,857	2,287	3,396	3,223	3,287	3,038	3,457	4,402	3,920	3,549
Debt Service										
Series 2004 Bonds ¹	532	532	531	530	361	-	-	-	-	-
Series 2007A and 2007B Bonds ²	878	877	878	882	876	876	876	908	340	285
Series 2010 Note ³	-	112	170	172	171	389	389	370	388	401
Series 2013 Bonds ⁴	-	-	-	-	344	487	486	483	481	477
Series 2016 Bonds ⁵	-	-	-	-	-	-	-	-	355	458
Total Debt Service	1,410	1,521	1,579	1,584	1,752	1,752	1,751	1,761	1,564	1,621
Debt Service Coverage: ⁶										
Debt Service Coverage on Bonds	1.32 X	1.50 X	2.15 X	2.03 X	1.88 X	1.73 X	1.97 X	2.50 X	2.51 X	2.19 X
Required Coverage Test	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X
Capital Contribution/Impact Fees	117	38	14	9	8	53	82	115	247	410
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	564	804	1,831	1,648	1,543	1,339	1,788	2,756	2,603	2,338
Total Transfers In/(Out)	(828)	(353)	(873)	(861)	(1,460)	(930)	(905)	(916)	(960)	(988)
Net Available from Operations	\$ (264)	\$ 452	\$ 958	\$ 787	\$ 83	\$ 409	\$ 883	\$ 1,840	\$ 1,643	\$ 1,350
Debt Service Coverage: ⁷										
Debt Service Coverage on Bonds	1.40 X	1.53 X	2.16 X	2.04 X	1.88 X	1.76 X	2.02 X	2.57 X	2.66 X	2.44 X
Required Coverage Test	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X

Notes:

See notes on Combined Totals Sheet, pg. 2

HISTORICAL OPERATING RESULTS - WASTEWATER UTILITY
(AMOUNTS EXPRESSED IN THOUSANDS)

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating Revenues	\$ 8,892	\$ 9,147	\$ 9,651	\$ 9,595	\$ 9,789	\$ 9,927	\$ 10,155	\$ 11,119	\$ 11,015	\$ 11,124
Less: Operating Expenses	6,054	5,977	5,859	5,945	5,850	5,801	5,476	5,605	5,756	6,068
Net Operating Revenues	2,838	3,170	3,792	3,650	3,939	4,126	4,679	5,514	5,259	5,056
Other Income	50	71	58	27	102	39	101	235	124	185
Total Available for Debt Service	2,888	3,241	3,850	3,677	4,041	4,165	4,780	5,749	5,383	5,241
Debt Service										
Series 2004 Bonds ¹	737	737	736	734	500	-	-	-	-	-
Series 2007A and 2007B Bonds ²	401	404	403	404	405	404	407	418	125	186
Series 2010 Note ³	-	90	137	138	138	314	314	314	313	323
Series 2013 Bonds ⁴	-	-	-	-	477	675	674	669	667	661
Series 2016 Bonds ⁵	-	-	-	-	-	-	-	-	130	168
Total Debt Service	1,138	1,231	1,276	1,276	1,520	1,393	1,395	1,401	1,235	1,338
Debt Service Coverage: ⁶										
Debt Service Coverage on Bonds	2.54 X	2.63 X	3.02 X	2.88 X	2.66 X	2.99 X	3.43 X	4.10 X	4.36 X	3.92 X
Required Coverage Test	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X
Capital Contribution/Impact Fees	273	149	32	16	18	126	197	115	614	646
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	2,023	2,160	2,606	2,417	2,539	2,898	3,583	4,463	4,762	4,549
Total Transfers In/(Out)	(724)	(663)	(708)	(763)	(841)	(860)	(813)	(843)	(843)	(879)
Net Available from Operations	\$ 1,299	\$ 1,497	\$ 1,898	\$ 1,654	\$ 1,698	\$ 2,038	\$ 2,770	\$ 3,620	\$ 3,919	\$ 3,670
Debt Service Coverage: ⁷										
Debt Service Coverage on Bonds	2.78 X	2.75 X	3.04 X	2.89 X	2.67 X	3.08 X	3.57 X	4.19 X	4.86 X	4.40 X
Required Coverage Test	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X

Notes:
See notes on Combined Totals Sheet, pg. 2



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HISTORICAL OPERATING RESULTS - COMBINED GAS, WATER & WASTEWATER UTILITY
(AMOUNTS EXPRESSED IN THOUSANDS)

The historical operating results of the Utilities System have been prepared by individual utility pursuant to certain provisions of the Bond Resolution and therefore reflect certain differences from the City's audited financial statements.

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating Revenues	\$ 23,791	\$ 25,287	\$ 25,532	\$ 23,658	\$ 24,572	\$ 24,469	\$ 24,173	\$ 25,328	\$ 25,362	\$ 25,789
Less: Operating Expenses	16,634	16,585	15,651	14,382	16,076	14,835	13,601	13,399	14,462	15,139
Net Operating Revenues	7,157	8,702	9,881	9,276	8,496	9,634	10,572	11,929	10,900	10,650
Other Income	197	15	146	70	313	70	221	527	297	384
Total Available for Debt Service	7,354	8,717	10,027	9,346	8,809	9,704	10,793	12,456	11,197	11,034
Debt Service										
Series 2004 Bonds ¹	1,525	1,524	1,522	1,519	1,035	-	-	-	-	-
Series 2007A and 2007B Bonds ²	1,432	1,434	1,434	1,440	1,434	1,433	1,436	1,485	469	521
Series 2010 Note ³	-	235	356	360	358	816	816	797	822	840
Series 2013 Bonds ⁴	-	-	-	-	987	1,396	1,394	1,384	1,380	1,367
Series 2016 Bonds ⁵	-	-	-	-	-	-	-	-	650	706
Total Debt Service	2,957	3,193	3,312	3,319	3,814	3,645	3,646	3,666	3,321	3,434
Debt Service Coverage: ⁶										
Debt Service Coverage on Bonds	2.49 X	2.73 X	3.03 X	2.82 X	2.31 X	2.66 X	2.96 X	3.40 X	3.37 X	3.21 X
Required Coverage Test	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X	1.15 X
Capital Contribution/Impact Fees	390	187	46	25	26	179	279	230	887	1,056
Amount Available for Working Capital, Transfer to General Fund & Capital Improvements	4,787	5,711	6,761	6,052	5,021	6,238	7,426	9,020	8,763	8,656
Total Transfers In/(Out)	(2,415)	(2,088)	(2,558)	(2,283)	(4,149)	(3,760)	(3,548)	(6,033)	(3,821)	(2,685)
Net Available from Operations	\$ 2,372	\$ 3,623	\$ 4,203	\$ 3,769	\$ 872	\$ 2,478	\$ 3,878	\$ 2,987	\$ 4,942	\$ 5,971
Debt Service Coverage:⁷										
Debt Service Coverage on Bonds	2.62 X	2.79 X	3.04 X	2.82 X	2.32 X	2.71 X	3.04 X	3.46 X	3.64 X	3.52 X
Required Coverage Test	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X	1.25 X

Notes:

Gross Revenues are defined pursuant to Resolution 7143 adopted June 14, 2004, as all income and earnings derived by the City from the ownership, operation, leasing, or use of the system, and investment income, excluding capital expansion and system improvement grants.

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

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

¹ **Series 2004** - The annualized interest payments for fiscal years 2004, 2005 and 2006 were paid 100% from the Capitalized Interest Fund of \$2,380,265. This series was refunded by the Series 2013 Bonds as discussed in note 5 below.

² **Series 2007A & 2007B** - In Resolution 7965, adopted July 23, 2007, the City amended Resolution 7143 for the purpose of authorizing the issuance of the Utility System Revenue Bonds, Series 2007A and Taxable Utility System Revenue Bonds, Series 2007B ("Series 2007 Bonds") on a parity with the City's outstanding Utility System Revenue Bonds, Series 2004. First two years payments for these bonds were interest only and were paid 100% from the Capitalized Interest fund of \$1,341,602.

³ **Series 2010** - In Resolution 8673, adopted June 28, 2010, the City authorized the issuance of an \$8,000,000 note that fully paid off a prior \$8,000,000 Plantation System seller's note. This prior note was part of the purchase price for this \$15,000,000 utility and the 2010 note is on parity with the 2004 and 2007A&B bonds.

⁴ **Series 2013** - Resolutions 9183 and 9184, adopted April 22, 2013, the City authorized the issuance of the Utility System Refunding Revenue Bonds, Series 2013 to refund the Series 2004 Utility Bonds with the same parity and pledged revenues as the Series 2004.

⁵ **Series 2016** - Resolutions 9794 and 9795, adopted May 9, 2016, the City authorized the issuance of the Utility System Refunding Revenue Bonds, Series 2016 to refund all or a portion of the City's outstanding Utility System Revenue Bonds, Series 2007A, on parity with the outstanding Taxable Utility System Revenue, Series 2007B, Utility System Revenue Refunding Note 2010 and Utility System Refunding Revenue Bonds, Series 2013.

⁶ Excludes revenues from capacity charges per Bond Resolution.

⁷ Includes revenues from capacity charges per Bond Resolution.

Electric System

For the Fiscal Year Ending September 30, 2018

Schedule of Rates

	Customer Charge			Demand Charge (\$/kW)
	(\$/Cust/mo)	Energy Charge (\$/kWh)	Energy Charge (\$/kWh)	Charge (\$/kW)
Residential (RS) (First 1,000 kWh)	12.20	\$ 0.090737		
Residential (RS) (Over 1,000 kWh)	12.20	0.112546		
General Service Non-Demand (GSND)	12.20	0.099478		
Municipal Service (MS)	12.20	0.099478		
Municipal Service (MS - greater than 20 kw)	25.92	0.047306	\$	13.50
General Service Demand (GSD)	25.92	0.047306		13.50

Ten Largest Customers

(Revenue Based)

Electric	Revenues		% of Total	
	Revenues	% of Total Revenues	Volume (MWh)	% of Total Volume
Central Florida Health Alliance (fka LRMC)	\$ 1,873,503	3.13%	20,798	4.32%
Cutrale Citrus Juices USA, Inc.	1,790,912	2.99%	12,140	2.52%
Lake County School District	1,239,028	2.07%	9,603	1.99%
City of Leesburg	1,167,344	1.95%	18,190	3.77%
CCRC-Lake Port Square, LLC	711,484	1.19%	6,795	1.41%
Lake-Sumter State College	464,748	0.78%	4,104	0.85%
Walmart Stores, Inc.	463,602	0.78%	5,192	1.08%
Centurylink	454,347	0.76%	4,865	1.01%
Publix Super Markets, Inc. #0815	408,403	0.68%	4,497	0.93%
Lifestream Behavioral Center	385,515	0.64%	3,985	0.83%
Total 10 Largest Electric Customers	\$ 8,958,886	14.98%	90,169	18.71%

Total Electric System Revenues

\$ 59,799,147 100.00% 481,976 100.00%

Rate Comparison

The tables on this and following pages provide a comparison of the rates of the City Electric System with those of neighboring utilities.

Electric Residential Services		Monthly Usage (kWh)		
Comparable Utility	Fuel Adj. (\$/1000kWh)	1000	1200	2500
City of Leesburg - Existing Rates	\$ 15.00 *	\$ 117.94	\$ 143.45	\$ 309.26
<u>Surveyed Florida Utilities:</u>				
Florida Municipalities or Cooperatives:				
City of Jacksonville Beach	\$ 29.84	\$ 113.91	\$ 135.79	\$ 278.03
City of Lakeland	38.75	102.85	122.66	257.53
City of Mount Dora	58.98	113.67	134.42	269.27
City of Ocala	21.00	119.20	140.44	278.50
City of Winter Park	27.91	109.59	134.85	299.06
Gainesville Regional Utilities	35.00	122.87	148.47	314.88
Florida Investor-Owned Utilities:				
Florida Power and Light	\$ 22.93	\$ 96.14	\$ 117.81	\$ 258.63
Duke Energy	38.38	121.11	148.42	325.95
Tampa Electric Company	28.18	105.16	126.87	267.98
<u>Surveyed Florida Utilities:</u>				
Average	\$ 33.44	\$ 111.61	\$ 134.41	\$ 283.31
Minimum	21.00	96.14	117.81	257.53
Maximum	58.98	122.87	148.47	325.95

*The City's fuel adjustment is \$15.00 at the time of this report; however, it is adjusted periodically.

Note: Amounts shown are based on the rates for single phase service and reflect, when applicable, inside City service. Amounts shown include the energy conservation, capacity and environmental cost recovery charges where appropriate, as filed with the PSC.

Rate Comparison (cont.)

Electric General Service (Non-Demand)		Monthly Usage (kWh)	
Comparable Utility	Fuel Adj. (\$/1000kWh)	750	1,500
City of Leesburg - Existing Rates	\$ 15.00 *	\$ 126.68	\$ 183.92
<u>Surveyed Florida Utilities:</u>			
Florida Municipalities or Cooperatives:			
City of Jacksonville Beach	\$ 29.84	\$ 88.06	\$ 170.12
City of Lakeland	38.75	81.26	149.52
City of Mount Dora	58.98	87.74	165.54
City of Ocala	21.00	95.42	175.85
City of Winter Park	27.91	95.14	174.34
Gainesville Regional Utilities	35.00	125.21	220.90
Florida Investor-Owned Utilities:			
Florida Power and Light	\$ 22.93	77.45	144.76
Duke Energy	38.38	98.24	184.80
Tampa Electric Company	28.18	90.76	161.59
<u>Surveyed Florida Utilities:</u>			
Average	\$ 33.44	\$ 93.25	\$ 171.94
Minimum	21.00	77.45	144.76
Maximum	58.98	125.21	220.90

*The City's fuel adjustment is \$15.00 at the time of this report; however it is adjusted periodically.

Note: Amounts shown are based on the rates for single phase service and reflect, when applicable, inside City service. Amounts shown include the energy conservation, capacity and environmental cost recovery charges where appropriate, as filed with the PSC.

Rate Comparison (cont.)

Comparable Utility	Electric General Service (Demand)				
	Fuel Adj. (\$/1000kWh)	75 KW 15,000 kWh	75 KW 30,000 kWh	150 KW 30,000 kWh	150 KW 60,000 kWh
City of Leesburg - Existing Rates	\$ 15.00 *	\$ 1,973.07	\$ 2,907.72	\$ 3,920.22	\$ 5,789.52
<u>Surveyed Florida Utilities:</u>					
Florida Municipalities or Cooperatives:					
City of Jacksonville Beach	\$ 29.84	\$ 2,080.40	\$ 3,507.05	\$ 4,144.55	\$ 6,997.85
City of Lakeland	38.75	1,574.10	2,477.70	3,106.20	4,913.39
City of Mount Dora	58.98	1,409.12	2,387.12	2,795.87	4,751.87
City of Ocala	21.00	1,718.05	2,888.35	3,464.80	5,775.10
City of Winter Park	27.91	1,506.42	2,617.47	2,996.22	5,218.32
Gainesville Regional Utilities	35.00	2,263.00	3,713.50	4,426.00	7,327.00
Florida Investor-Owned Utilities:					
Florida Power and Light	\$ 22.93	\$ 1,571.39	\$ 2,313.44	\$ 3,117.44	\$ 4,601.54
Duke Energy	38.38	1,815.12	2,840.82	3,618.57	5,669.97
Tampa Electric Company	28.18	1,613.34	2,484.39	3,193.44	4,935.54
<u>Surveyed Florida Utilities:</u>					
Average	\$ 33.44	\$ 1,727.88	\$ 2,803.32	\$ 3,429.23	\$ 5,576.73
Minimum	21.00	1,409.12	2,313.44	2,795.87	4,601.54
Maximum	58.98	2,263.00	3,713.50	4,426.00	7,327.00

*The City's fuel adjustment is \$15.00 at the time of this report; however, it is adjusted periodically.

Note: Amounts shown are based on the rates for single phase service and reflect, when applicable, inside City service. Amounts shown include the energy conservation, capacity and environmental cost recovery charges where appropriate, as filed with the PSC.

The Utility Debt is supported by revenues from three funds:

Natural Gas Utility Fund

Water Utility Fund

Wastewater Utility Fund

Information is listed by individual fund on the following pages.

Natural Gas System
For the Fiscal Year Ending September 30, 2018

Schedule of Rates

Monthly Available Charge (per account)	
Residential Standard (Year-Round) Service	\$ 8.45
Residential Heat-Only Service	12.69
Public Building, Commercial and Small Industrial Service	12.69

Delivery Charge (per therm)	
All Services	\$ 0.57954

Purchased Gas Adjustment Charge (per therm)	
Adjusted monthly to pass through the actual costs	
All Services	\$ 0.51960

Ten Largest Customers
(Revenue Based)

Gas	Revenues	% of Total Revenues	Volume (therms)	% of Total Volume
Central Florida Health Alliance (fka LRMC)	\$ 663,013	9.98%	655,988	12.67%
Federal Correctional Complex	444,398	6.69%	444,497	8.58%
DAB Constructors	301,773	4.54%	505,830	9.77%
Covanta Energy Corp II	162,781	2.45%	163,604	3.16%
Cutrale Citrus Juices USA, Inc.	147,488	2.22%	NM	NM
Universal Aggregate Solutions	145,953	2.20%	147,044	2.84%
CCRC-Lake Port Square, LLC	77,950	1.17%	76,840	1.48%
Lifestream Behavioral Center	65,446	0.99%	71,185	1.37%
Beyers, Roger A	37,167	0.56%	36,969	0.71%
Lakes at Leesburg	34,012	0.51%	32,834	0.63%
Total 10 Largest Gas Customers	\$ 2,079,981	31.32%	2,134,791	41.22%

Total Gas System Revenues	\$ 6,641,341	100.00%	5,178,826	100.00%
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NM (Not Meaningful) - A majority of Cutrale's volume is for transportation charges only. This volume of natural gas was independently purchased.

Rate Comparison

The tables on this and following pages provide a comparison of the rates of the City Utility System with those of neighboring utilities.

Comparable Utility	Natural Gas Residential Services					
	10	30	50	70	100	
	Monthly Usage (therms)					
City of Leesburg - Existing Rates	\$ 18.43	\$ 38.39	\$ 58.34	\$ 78.30	\$ 98.26	\$ 108.24
<u>Surveyed Florida Utilities:</u>						
Florida Municipalities or Cooperatives:						
City of Clearwater	\$ 28.50	\$ 61.50	\$ 94.50	\$ 127.50	\$ 160.50	\$ 177.00
City of Jacksonville Beach	21.20	39.60	58.00	76.40	94.80	104.00
City of Tallahassee	31.28	74.30	117.32	160.33	203.35	224.86
Energy Services of Pensacola	31.01	73.53	116.05	158.56	201.08	222.34
Gainesville Regional Utilities	19.71	39.62	59.53	79.44	99.35	109.31
<u>Regulated Natural Gas Companies:</u>						
Peoples Gas System	25.31	53.13	80.94	108.76	136.58	153.34
Florida Public Utilities	24.48	51.45	78.41	105.38	132.35	145.83
St. Joe Natural Gas Co.	34.96	78.88	122.81	166.73	210.65	232.61
<u>Surveyed Florida Utilities:</u>						
Average	\$ 27.06	\$ 59.00	\$ 90.94	\$ 122.89	\$ 154.83	\$ 171.16
Minimum	19.71	39.60	58.00	76.40	94.80	104.00
Maximum	34.96	78.88	122.81	166.73	210.65	232.61

Rate Comparison (cont.)

		Natural Gas Commerical Services					
Comparable Utility		Monthly Usage (therms)					
		100	300	500	700	1,000	2,000
City of Leesburg - Existing Rates	\$	112.48	\$ 312.06	\$ 511.64	\$ 711.22	\$ 1,010.58	\$ 2,008.48
<u>Surveyed Florida Utilities:</u>							
Florida Municipalities or Cooperatives:							
City of Clearwater	\$	188.00	\$ 514.00	\$ 840.00	\$ 1,166.00	\$ 1,655.00	\$ 3,285.00
City of Jacksonville Beach		104.00	316.00	500.00	684.00	960.00	1,880.00
City of Tallahassee		129.78	354.39	579.01	803.63	1,140.55	2,263.63
Energy Services of Pensacola		218.19	620.07	1,021.95	1,423.83	2,026.65	4,036.05
Gainesville Regional Utilities		125.56	286.68	477.80	608.92	850.60	1,656.20
<u>Regulated Natural Gas Companies:</u>							
Peoples Gas System		164.84	428.01	691.18	954.34	1,349.09	2,664.92
Florida Public Utilities		144.14	392.41	640.68	901.95	1,274.36	2,515.72
St. Joe Natural Gas Co.		176.61	489.82	803.03	1,116.24	1,586.05	3,152.10
<u>Surveyed Florida Utilities:</u>							
Average	\$	156.39	\$ 425.17	\$ 690.46	\$ 957.36	\$ 1,355.29	\$ 2,681.70
Minimum		104.00	286.68	447.80	608.92	850.60	1,656.20
Maximum		218.19	620.07	1,021.95	1,423.83	2,026.65	4,036.05

Water System

For the Fiscal Year Ending September 30, 2018

Schedule of Rates

Effective November 1, 2018

Capacity Impact Charge	\$ 1,175.00
Residential Single Family Home (1.000 ERU)	
Monthly Customer Charge (per account)	\$ 9.17
Residential, Master-Meter and Commercial	
Consumption Charge (per 1,000 gallons)	
Residential Service:	
0-4,000	\$ 1.027396
5,000-8,000	1.272571
9,000-15,000	1.786269
16,000-33,000	2.416717
Over 33,000	4.436484
Commercial	
All gallons	\$ 1.71622

Ten Largest Customers
(Revenue Based)

	Revenues	% of Total Revenues	Volume (gallons)	% of Total Volume
Water & Irrigation	\$ 117,547	1.53%	58,960	2.09%
City of Leesburg	75,215	0.98%	51,767	1.84%
Central Florida Health Alliance (fka LRMC)	72,774	0.95%	17,619	0.63%
CRCC-Lake Port Square, LLC	58,454	0.76%	28,375	1.01%
Lake County School Board	48,795	0.64%	17,407	0.62%
Beacon College	41,788	0.54%	22,829	0.81%
Sleepy Hollow Phase II	34,284	0.45%	20,002	0.71%
Community Housing Partners	31,347	0.41%	11,271	0.40%
Highland Lakes Property Owners	30,925	0.40%	18,143	0.64%
Range Properties LLC	29,718	0.39%	10,921	0.39%
Lake Harris Cove Apts				
Total 10 Largest Water Customers	\$ 540,847	7.04%	257,294	9.14%
Total Water System Revenues	\$ 7,681,524	100.00%	2,815,083	100.00%

Rate Comparison

The tables on this and following pages provide a comparison of the rates of the City Utility System with those of neighboring utilities.

		Water Residential Services					
Comparable Utility		Monthly Usage					
		3,000	5,000	7,500	10,000	15,000	20,000
City of Leesburg - Existing Rates	\$	12.25	\$ 15.53	\$ 22.57	\$ 27.03	\$ 35.96	\$ 57.50
<u>Surveyed Florida Utilities:</u>							
City of Clearwater	\$	22.29	\$ 40.35	\$ 62.93	\$ 87.85	\$ 144.75	\$ 201.65
City of Clermont		8.94	11.18	13.98	16.78	27.48	34.78
City of DeLand		13.62	17.84	33.39	42.09	89.64	138.09
City of Eustis		18.05	22.69	28.49	39.99	54.44	68.89
City of Jacksonville Beach		23.59	36.32	48.07	59.82	83.32	300.22
City of Mount Dora		15.17	18.65	22.99	44.72	62.10	114.24
City of Ocala		12.81	14.84	17.38	19.92	48.46	61.36
City of Sanford		13.65	18.09	28.89	36.19	63.69	82.59
City of Sunrise		33.14	41.32	51.55	61.77	82.22	102.67
City of Tallahassee		12.57	16.05	25.20	31.15	43.05	67.35
City of Tavares		21.61	27.36	41.34	49.26	81.61	102.96
City of Wildwood		14.09	17.31	27.56	33.66	45.86	58.06
Gainesville Regional Utilities		16.80	28.20	37.58	46.95	65.70	129.45
<u>Surveyed Florida Utilities:</u>							
Average	\$	17.41	\$ 23.86	\$ 33.80	\$ 43.86	\$ 68.64	\$ 112.49
Minimum		8.94	11.18	13.98	16.78	27.48	34.78
Maximum		33.14	41.32	62.93	87.85	144.75	300.22

Rate Comparison (cont.)

		Water Commercial Services			
	Comparable Utility	Monthly Usage			
		50,000	150,000	200,000	500,000
		2" Meter (gallons)			
City of Leesburg - Existing Rates		\$ 94.98	\$ 266.60	\$ 352.41	\$ 867.28
<u>Surveyed Florida Utilities:</u>					
City of Clearwater		\$ 641.95	\$ 528.15	\$ 1,097.15	\$ 4,511.15
City of Clermont		158.08	463.08	615.58	1,530.58
City of DeLand		232.35	1,039.35	1,366.35	3,328.35
City of Eustis		166.70	455.70	600.20	1,467.20
City of Jacksonville Beach		316.50	786.50	1,021.50	2,431.50
City of Mount Dora		357.55	1,052.74	1,400.34	3,485.90
City of Ocala		381.97	1,666.06	2,180.10	5,264.32
City of Sanford		334.98	892.98	1,171.98	2,845.98
City of Sunrise		480.90	912.90	1,128.90	2,424.90
City of Tallahassee		94.59	302.59	406.59	1,030.59
City of Tavares		353.98	780.98	994.48	2,275.48
City of Wildwood		144.67	360.67	468.67	1,116.67
Gainesville Regional Utilities		212.50	597.50	790.00	1,945.00
<u>Surveyed Florida Utilities:</u>					
Average		\$ 298.21	\$ 756.86	\$ 1,018.60	\$ 2,589.05
Minimum		94.59	302.59	406.59	1,030.59
Maximum		641.95	1,666.06	2,180.10	5,264.32

Wastewater System
For the Fiscal Year Ending September 30, 2018

Schedule of Rates
Effective November 1, 2018

Capacity Impact Charge		
Residential Single Family Home (1,000 ERU)	\$	2,778.00
Monthly Customer Charge (per account)		
Residential Service	\$	24.52
Commercial Service		106.62
Consumption Charge (per 1,000 gallons)		
Residential Service:		
0-15,000	\$	1.699919
capped at 15,000		1.699919 (maximum charge)
Commercial Service		
All gallons	\$	4.33 Per 1,000 gallons

Ten Largest Customers
(Revenue Based)

	Revenues	% of Total Revenues	Volume (gallons)	% of Total Volume
CCRC-Lake Port Square, LLC	\$ 158,629	1.46%	17,619	1.16%
Central Florida Health Alliance (fka LRMC)	96,770	0.89%	51,767	3.42%
Beacon College	50,013	0.46%	17,407	1.15%
Sleepy Hollow Phase II	44,035	0.40%	22,829	1.51%
Lake County School Board	43,908	0.40%	28,375	1.87%
Community Housing Partners	32,481	0.30%	20,002	1.32%
Lifestream Behavioral Center	32,128	0.30%	9,308	0.61%
Range Properties LLC	30,740	0.28%	18,143	1.20%
South Campus Care Center	29,756	0.27%	6,746	0.45%
Coachwood Colony MHP LLC	23,641	0.22%	12,830	0.85%
Total 10 Largest Wastewater Customers	\$ 542,101	4.99%	205,026	13.54%

Total Wastewater System Revenues \$ 10,874,574 100.00% \$ 1,513,912 100.00%

Rate Comparison

The tables on this and following page provide a comparison of the rates of the City Utility System with those of neighboring utilities.

	Wastewater Residential Services						
	Comparable Utility	Monthly Usage					
		3,000	5,000	7,500	10,000	15,000	20,000
City of Leesburg - Existing Rates	\$ 29.62	\$ 33.01	\$ 37.26	\$ 41.51	\$ 50.00	\$ 50.00	
<u>Surveyed Florida Utilities:</u>							
City of Clearwater	\$ 61.32	\$ 81.76	\$ 107.31	\$ 132.86	\$ 183.96	\$ 235.06	
City of Clermont	22.36	26.58	31.86	37.13	47.68	49.79	
City of DeLand	38.63	48.29	60.37	72.44	72.44	72.44	
City of Eustis	35.88	42.40	50.55	58.70	58.70	58.70	
City of Jacksonville Beach	32.80	45.40	74.43	94.60	134.95	175.30	
City of Mount Dora	40.70	49.87	61.33	72.80	95.72	118.65	
City of Ocala	32.90	39.05	46.74	53.58	53.58	53.58	
City of Sanford	28.49	39.97	54.32	68.67	91.63	91.63	
City of Sunrise	42.16	50.48	60.88	71.28	92.08	100.40	
City of Tallahassee	37.03	49.11	64.21	79.31	109.51	139.71	
City of Tavares	32.46	39.78	48.93	58.08	87.36	87.36	
City of Wildwood	28.34	36.26	46.16	56.06	75.86	95.66	
Gainesville Regional Utilities	28.00	40.60	56.35	72.10	103.60	135.10	
<u>Surveyed Florida Utilities:</u>							
Average	\$ 35.47	\$ 45.35	\$ 58.73	\$ 71.35	\$ 92.85	\$ 108.72	
Minimum	22.36	26.58	31.86	37.13	47.68	49.79	
Maximum	61.32	81.76	107.31	132.86	183.96	235.06	

Rate Comparison (cont.)

		Wastewater Commercial Services			
Comparable Utility		Monthly Usage 2" Meter (gallons)			
		50,000	150,000	200,000	500,000
City of Leesburg - Existing Rates	\$	315.31	\$ 737.90	\$ 949.19	\$ 2,216.95
<u>Surveyed Florida Utilities:</u>					
City of Clearwater	\$	480.00	\$ 1,440.00	\$ 1,920.00	\$ 4,800.00
City of Clermont		117.47	321.47	423.47	1,035.47
City of DeLand		436.78	919.78	1,161.28	2,610.28
City of Eustis		224.83	603.83	793.33	1,930.33
City of Jacksonville Beach		565.29	1,521.29	1,999.29	4,867.29
City of Mount Dora		289.70	815.21	1,077.96	2,654.49
City of Ocala		536.94	840.41	992.15	1,902.58
City of Sanford		377.22	951.22	1,238.22	2,960.22
City of Sunrise		566.33	969.33	1,170.83	2,379.83
City of Tallahassee		421.68	983.68	1,264.68	2,950.68
City of Tavares		331.22	672.22	842.72	1,865.72
City of Wildwood		249.63	633.03	824.73	1,974.93
Gainesville Regional Utilities		324.10	954.10	1,269.10	3,159.10
<u>Surveyed Florida Utilities:</u>					
Average	\$	378.55	\$ 894.27	\$ 1,152.14	\$ 2,699.30
Minimum		117.47	321.47	423.47	1,035.47
Maximum		566.33	1,521.29	1,999.29	4,867.29

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING §22-246 OF THE CODE OF ORDINANCES PERTAINING TO NATURAL GAS RATES; INCREASING MONTHLY CHARGES FOR ALL CLASSIFICATIONS OF CUSTOMER; PROVIDING FOR ANNUAL INFLATION ADJUSTMENT; CHANGING THE GROSS PROFIT MARGIN OF THE CITY; CHANGING THE CALCULATION METHOD FOR THE FUEL ADJUSTMENT CHARGE; REPEALING CONFLICTING ORDINANCES; PROVIDING A SEVERANCE CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA:

SECTION I.

§22-246 of the Code of Ordinances for the City of Leesburg, Florida, is hereby amended in its entirety to read as set forth below:

Sec. 22-246. Gas service rate schedule.

The rates for the furnishing of gas service by the city shall be as set forth below. Rates shown shall be subject to periodic adjustment under §22-166 of this Code. The automatic annual adjustment described by 22-166 shall not apply to the Energy Conservation Adjustment. Rates described herein shall be effective for all utility bills rendered on or after the first day of the month following adoption of this Ordinance.

(1) Residential.

- a. Applicable. Service under the rate shall apply only to gas service used in a single private dwelling unit and its appurtenances and used for other than heating only and shall not be resold. Each dwelling unit in an apartment house shall be separately metered. Housing projects in which gas service is furnished by the lessor may be singularly metered and billed.
- b. Deposits. Deposits for each account shall be required as set forth more particularly in § 22-181 of this Code.
- c. Monthly rate.
 Availability charge exclusive of use . . . \$6.78
 Delivery Charge per therm, effective 6-1-2007 0.464400

(2) Heating only, residential.

- a. Applicable. Service under this rate shall apply only to gas service used for heating only in a single private dwelling unit and its appurtenances and shall

not be resold. Each dwelling unit in an apartment shall be separately metered. Housing projects in which gas service is furnished by the lessor may be singularly metered and billed.

b. Deposits. Deposits for each account shall be required as set forth more particularly in § 22-181 of this Code.

c. Monthly rate.

Availability charge, exclusive of use . . . \$10.17

Delivery Charge per therm, effective 6-1-2007 0.464400

(3) Public building, commercial and small industrial (not contract).

a. Applicable. To all publicly owned buildings, school buildings, commercial and industrial consumers.

b. Monthly rate.

Availability charge, exclusive of use . . . \$10.17

Energy Charge per therm, effective 6-1-2007 0.464400

(4) Large industrial--Contract.

a. Applicable. Gas service under this rate shall apply to large consumers of gas.

b. Rate. The rate shall be as fixed by contract between the city and the consumer, negotiated by the city manager, with the approval of the city commission.

(5) Reconnection charge. When any service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, the reconnection charge shall be pursuant to the Utility Service Fee Schedule described in §22-6 of this Code. Service will not be restored after it is cut off for nonpayment until the account is paid current and the reconnection charge is paid.

(6) Fuel adjustment charge. All non-contract natural gas rates shall include a fuel adjustment charge. The fuel adjustment charge is the average cost of natural gas, per delivered therm. The calculation of the fuel adjustment charge shall be based upon past and estimated future costs. The fuel adjustment charge shall be calculated by the Finance Director, or his delegate, and revised as frequently as necessary to assure that the City recovers the total cost of all natural gas purchased.

(7) Turn-off and turn-on fee for gas service interrupted at customer's request. Any gas service interrupted at the request of the customer and restored for the same customer at the same address shall have the fees assessed according to the Utility Service Fee Schedule pursuant to §22-6 of this Code.

(8) Master metering. Where natural gas service charges are measured, in whole or in part, by a master meter, the availability charge on the master meter shall be the number of units served by the master meter times the rate per month availability charge. All consumption on the master meter shall be billed at the monthly rate per therm, as applicable, plus all other charges. The master meter shall be classified to the rate schedule which yields the highest

revenue consistent with the applicability clauses of the rate classes. Each and every user served by the master meter may be billed, at the discretion of the city, for the fixed charge assessed for each user within the particular user's service classification, and the person or entity in whose name the master meter is registered on the city's records shall in such event be billed for the variable charge assessed for the service being provided. As used in this subsection, the following terms shall have the meanings indicated:

- a. Master meter: Shall refer to a meter measuring the service provided to two (2) or more occupancy units being served by a single meter.
- b. Occupancy unit: Shall refer to that portion of any commercial establishment, single- or multi-unit residential building, or trailer, mobile home, manufactured housing, or recreational vehicle park, or marina which is set apart from the rest of such facility by clearly determinable boundaries, as described in the rental, lease or ownership agreement for such unit, or in the absence of such an agreement, where that portion of the facility is clearly set apart from the rest of the facility in a manner which evidences an intent to render the unit suitable for occupancy as a residential, commercial or other space as a discrete unit, separate and apart from the use or occupancy of other units within the same facility.
- c. User: Shall refer to the occupant(s) of any individual occupancy unit served by a master meter.
- d. Fixed charge: Shall refer to the minimum charge imposed by the city during a billing period, in the particular customer's service classification, for the availability of the service, if no service is actually used by the customer in a given billing period.
- e. Variable charge: Shall refer to that portion of the bill for the utility service which is assessed in addition to the fixed charge and which is based on actual usage in a given billing period.

(9) Initial connection fee. An initial connection fee per utility shall be charged according to the Utility Service Fee Schedule described in §22-6 of this Code.

(10) Energy conservation adjustment (Rider ECA). A rider applicable to all firm standard natural gas therm rates to recover the cost of energy conservation programs undertaken by the Leesburg Gas System and approved by the city manager. The ECA will not be applied to interruptible natural gas or contract rates. The currently calculated ECA rate is:

Natural gas rate schedule ECA, per therm . . . \$0.05

The above ECA rate is based on twelve (12) months projected expense levels. This ECA rate will normally be reviewed semi-annually in April and October and may be adjusted upward or downward based on actual and projected energy conservation program costs and projected consumption levels in order to recover the total cost of applicable gas system programs, including energy conservation incentive payments as well as the labor and other costs attributable to such energy conservation programs. The over and under recovery of these ECA costs will be computed and an adjustment in the ECA rate will be made. However, the ECA rate will be adjusted anytime the over or under recovery for a 12-month

period exceeds or is projected to exceed fifty thousand dollars (\$50,000.00) Any adjustment must be approved by the city manager and will be reported to the city commission at the first regularly scheduled commission meeting following the adjustment.

(11) Tax adjustment clause, TAC.

- a. Applicability. Tax adjustment clause shall be applicable to the monthly rate of each filed rate schedule as indicated with reference to billing adjustment.
- b. Calculation of tax adjustment. Calculation shall be minus or plus the applicable proportionate part of any taxes and assessments imposed by any governmental authority below or in excess of those in effect on the effective date hereof including, but not limited to, the City of Leesburg's Utility Service Tax, which are assessed on the basis of revenues from natural gas or service sold or the volume of natural gas purchased for sale or sold. Such taxes and assessments are to be reflected on the bills of only those customers within the jurisdiction of the governmental authority imposing the taxes and assessments.

SECTION II.

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

SECTION III.

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

SECTION IV.

This ordinance shall become effective immediately upon its passage.

THE CITY OF LEESBURG, FLORIDA

By: *Sanna Henderson*
Mayor

Attest: *Jelly M. Richardson*
City Clerk

ORDINANCE NO. 08-14

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING SECTION 22-227 OF THE CODE OF ORDINANCES PERTAINING TO POLLUTION ABATEMENT CHARGES; ESTABLISHING NEW RATE SCHEDULES FOR POLLUTION ABATEMENT CHARGES; PROVIDING FOR RATES EFFECTIVE MARCH 1, 2008; PROVIDING NEW PROPOSED BLOCK RATES; PROVIDING FOR RATES INSIDE AND OUTSIDE CITY LIMITS; PROVIDING FOR CONFLICTS; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA, that:

SECTION 1.

Section 22-227, of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended in its entirety to read as:

Each classification of user shall be assessed the following charges for pollution abatement:

(1) Inside the City Wastewater Rates (CCF):

Customer Charge Residential and Master-Meter

Line No.	Description	Proposed Rates Rates Effective 03/01/2008	New Proposed Block Rates 03/01/2008
<u>Meter Size</u>			
1.	ALL METER SIZES	\$ 20.10	
Consumption Charge (Per 1 CCF = Cubic Feet = 748 Gallons)			
<u>Consumption Charge Wastewater Residential</u>			<u>New Proposed</u>
<u>Block Rates (Per CCF)</u>			<u>Block Rates CCF)</u>
2.	Usage Up to 15 CCF	\$ 1.04200	Up to 21 CCF
<u>Customer Charge Commercial and Municipal</u>			
<u>Commercial and Municipal Classes</u>			
3.	COMMERCIAL I	\$ 20.91	
4.	COMMERCIAL II	\$ 35.59	
5.	COMMERCIAL III	\$ 87.43	
6.	COMMERCIAL IV	\$ 20.10	

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

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

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

(2) Inside the City Wastewater rates (1,000 Gallons):

Customer Charge Residential and Master-Meter

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

Consumption Charge (Per 1,000 Gallons)
Consumption Charge Wastewater Residential
Block Rates (Per 1,000 Gallons)

2.	Usage Up to 11,000 Gallons	\$ 1.39400	New Proposed <u>Blocks(Th. Gall.)</u> Up to 15,000 Gall.
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Customer Charge Commercial and Municipal
Commercial and Municipal Classes

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

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

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

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

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

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

Customer Charge Residential and Master-Meter

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

1. ALL METER SIZES \$ 25.13

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

Consumption Charge Wastewater Residential Block Rates (Per CCF)	New Proposed Block Rates Th. Gall).
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2. Usage Up to 15 CCF \$ 1.30300 Up to 21 CCF

**Customer Charge Commercial and Municipal
Commercial and Municipal Classes**

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

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

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

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

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

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

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

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

Customer Charge Residential and Master-Meter

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

SECTION 2.

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

SECTION 3.

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

SECTION 4.

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

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

THE CITY OF LEESBURG

By: 
Mayor

ATTEST:


City Clerk

ORDINANCE NO. 09- 89

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING SECTION 22-211 OF THE CODE OF ORDINANCES PERTAINING TO WATER SERVICE RATES, AS AMENDED PREVIOUSLY BY ORDINANCE 09 - 64; ESTABLISHING A NEW RATE SCHEDULE FOR WATER; PROVIDING FOR RATES EFFECTIVE AS OF NOVEMBER 1, 2009; PROVIDING FOR RATES EFFECTIVE AS OF NOVEMBER 1, 2010; PROVIDING FOR RATES INSIDE AND OUTSIDE THE CITY LIMITS; PROVIDING FOR ADOPTION OF RECONNECTION CHARGES BY RESOLUTION; PROVIDING FOR CONTINUOUS SERVICE TO FIRE PROTECTION SYSTEMS FOR SAFETY REASONS IN THE EVENT OF A CUTOFF OF SERVICE; PROVIDING FOR CONFLICTS; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA, that:

SECTION 1.

Section 22-211, of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended in its entirety to read as:

(a) *Water conservation service rate:*

(1) *Inside The City Water Rates (CCF):*

Line No.	<u>Description</u>	<u>Proposed Rates Effective 11/01/2009</u>	<u>Proposed Rates Effective 11/01/2010</u>
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
1.	All Meter Sizes	\$7.70	\$7.85
	Customer Charge Irrigation		
2.	All Meter Sizes	\$4.03	\$4.31
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)		
	Consumption Charge Potable Water Residential <u>Block Rates (Per CCF)</u>		
3.	BAS1 (0 - 6)	\$0.64	\$0.65
4.	BAS2 (7 - 12)	\$0.77	\$0.82

5.	BAS3 (13 – 21)	\$1.07	\$1.14
6.	BAS4 (22 – 45)	\$1.45	\$1.55
7.	BAS5 (Over 45)	\$2.66	\$2.84

Consumption Charge Potable Water Commercial
Block Rates (Per CCF)

8.	All CCF (No Cap)	\$1.03	\$1.10
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Consumption Charge Irrigation Residential
Block Rates (Per CCF)

9.	BAS1 (0 – 9)	\$1.07	\$1.14
10.	BAS2 (10 – 33)	\$1.45	\$1.55
11.	BAS3 (Over 33)	\$2.66	\$2.84

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

12.	BAS1 (0 – 33)	\$1.07	\$1.14
13.	BAS2 (Over 33)	\$1.45	\$1.55

(2) *Inside The City Water Rates (TGAL):*

Line No.	Description	Proposed Rates Effective 11/01/2009	Proposed Rates Effective 11/01/2010
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Customer Charge Residential, Master-Meter, Commercial, and Sprinklers

14.	All Meter Sizes	\$7.70	\$7.85
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Customer Charge Irrigation

15.	All Meter Sizes	\$4.03	\$4.31
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Consumption Charge (Per 1 TGAL = 1000 Gallons)

Consumption Charge Potable Water Residential
Block Rates (Per TGAL)

16.	BAS1 (0 – 4)	\$0.86	\$0.88
17.	BAS2 (5 – 8)	\$1.02	\$1.09
18.	BAS3 (9 – 15)	\$1.43	\$1.53
19.	BAS4 (16 – 33)	\$1.94	\$2.07
20.	BAS5 (Over 33)	\$3.56	\$3.80

Consumption Charge Potable Water Commercial
Block Rates (Per TGAL)

21.	All CCF (No Cap)	\$1.38	\$1.47
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Consumption Charge Irrigation Residential
Block Rates (Per TGAL)

22.	BAS1 (0 – 7)	\$1.43	\$1.53
23.	BAS2 (8 – 25)	\$1.94	\$2.07
24.	BAS3 (Over 25)	\$3.56	\$3.80

Consumption Charge Irrigation Commercial and Common Area
Block Rates (Per TGAL)

25.	BAS1 (0 – 25)	\$1.43	\$1.53
26.	BAS2 (Over 25)	\$1.94	\$2.07

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

Line No.	Description	Proposed Rates Effective 11/01/2009	Proposed Rates Effective 11/01/2010
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Customer Charge Residential, Master-Meter, Commercial, and Sprinklers

27.	All Meter Sizes	\$9.63	\$9.81
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Customer Charge Irrigation

28.	All Meter Sizes	\$5.04	\$5.39
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Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)

Consumption Charge Potable Water Residential
Block Rates (Per CCF)

29.	BAS1 (0 – 6)	\$0.80	\$0.81
30.	BAS2 (7 – 12)	\$0.96	\$1.03
31.	BAS3 (13 – 21)	\$1.34	\$1.43
32.	BAS4 (22 – 45)	\$1.81	\$1.94
33.	BAS5 (Over 45)	\$3.33	\$3.55

Consumption Charge Potable Water Commercial
Block Rates (Per CCF)

34.	All CCF (No Cap)	\$1.29	\$1.38
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Consumption Charge Irrigation Residential
Block Rates (Per CCF)

35.	BAS1 (0 – 9)	\$1.34	\$1.43
36.	BAS2 (10 – 33)	\$1.81	\$1.94
37.	BAS3 (Over 33)	\$3.33	\$3.55

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

38.	BAS1 (0 – 33)	\$1.34	\$1.43
39.	BAS2 (Over 33)	\$1.81	\$1.94

(4) *Outside The City Water Rates (TGAL):*

Line No.	Description	Proposed Rates Effective 11/01/2009	Proposed Rates Effective 11/01/2010
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Customer Charge Residential, Master-Meter, Commercial, and Sprinklers

40.	All Meter Sizes	\$9.63	\$9.81
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Customer Charge Irrigation

41.	All Meter Sizes	\$5.04	\$5.39
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Consumption Charge (Per 1 TGAL = 1000 Gallons)

Consumption Charge Potable Water Residential
Block Rates (Per TGAL)

42.	BAS1 (0 – 4)	\$1.08	\$1.10
43.	BAS2 (5 – 8)	\$1.28	\$1.36
44.	BAS3 (9 – 15)	\$1.79	\$1.91
45.	BAS4 (16 – 33)	\$2.43	\$2.59
46.	BAS5 (Over 33)	\$4.45	\$4.75

Consumption Charge Potable Water Commercial
Block Rates (Per TGAL)

47.	All CCF (No Cap)	\$1.73	\$1.84
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Consumption Charge Irrigation Residential
Block Rates (Per TGAL)

48.	BAS1 (0 – 7)	\$1.79	\$1.91
49.	BAS2 (8 – 25)	\$2.43	\$2.59
50.	BAS3 (Over 25)	\$4.45	\$4.75

Consumption Charge Irrigation Commercial and Common Area
Block Rates (Per TGAL)

51.	BAS1 (0 – 25)	\$1.79	\$1.91
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52. BAS2 (Over 25)

\$2.43

\$2.59

In all categories, for installations which have fire protection systems utilizing city water, whether or not metered, there shall be imposed a monthly availability charge, regardless of actual usage, in the amount of \$2.00 per inch diameter of service pipe serving the fire protection system.

(b) Deposits for each account shall be required as set forth more particularly in section 22-181 of this Code.

(c) A reconnection charge, when service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, will be imposed as provided in the utility service fee schedule adopted or amended from time to time by Resolution of the City Commission.

(d) Service will not be turned on after it is cut off for nonpayment until the account is paid current and cut-on charge is paid. In those installations which have fire protection systems which are operated by city water, service shall remain turned on to the fire protection system as a matter of public safety, however there shall be charged, in addition to the normal reconnection charge, a reconnection surcharge of two dollars (\$2.00) per month per inch diameter of service pipe serving the installation.

(e) Where water service charges are measured, in whole or in part, by a master meter, the availability charge on the master meter shall be the number of units served by the master meter times the rate per month availability charge. All consumption on the master meter shall be billed at the charge per one hundred (100) cubic feet, as applicable, plus all other charges. The master meter shall be classified to the rate schedule which yields the highest revenue consistent with the applicability clauses of the rate classes. Each and every user served by the master meter may be billed, at the discretion of the city, for the fixed charge assessed for each user within the particular user's service classification, and the person or entity in whose name the master meter is registered on the city's records shall in such event be billed for the variable charge assessed for the service being provided. As used in this subsection, the following terms shall have the meanings indicated:

(1) *Master meter*: Shall refer to a meter measuring the service provided to two (2) or more occupancy units being served by a single meter.

(2) *Occupancy unit*: Shall refer to that portion of any commercial establishment, single- or multi-unit residential building, or trailer, mobile home, manufacture housing, or recreational vehicle park, or marina which is set apart from the rest of such facility by clearly determinable boundaries, as described in the rental, lease or ownership agreement for such unit, or in the absence of such an agreement, where that portion of the facility is clearly set apart from the rest of the facility in a manner which evidences an intent to render the unit suitable for occupancy as a residential, commercial or other space as a discrete unit, separate and apart from the use or occupancy of other units within the same facility.

(3) *User*: Shall refer to the occupant(s) of any individual occupancy unit served by a master meter.

(4) *Fixed charge*: Shall refer to the minimum charge imposed by the city during a billing period, in the particular customer's service classification, for the availability of the service, whether or not service is actually used by the customer in a given billing period.

(5) *Variable charge*: Shall refer to that portion of the bill for the utility service which is assessed in addition to the fixed charge and which is based on actual usage in a given billing period.

SECTION 2.

All ordinances or parts of ordinances which are in conflict with this ordinance are hereby repealed, to the extent necessary to alleviate the conflict, but shall continue in effect insofar as they are not in conflict herewith, unless repeal of the conflicting portion destroys the overall intent and effect of any of the conflicting ordinances, in which case those ordinances so effected shall be hereby repealed in their entirety. Except as specifically modified by this Ordinance, the provisions of Ordinance 09 – 64 are hereby ratified and confirmed as originally enacted and shall be and remain in full force *nunc pro tunc* to its original adoption date of October 26, 2009.

SECTION 3.

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

SECTION 4.

This ordinance shall become effective upon passage.

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 21 day of December, 2009.

THE CITY OF LEESBURG

By: _____

Mayor

ATTEST:

Betty Richardson
City Clerk

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING §22 – 211 OF THE CODE OF ORDINANCES PERTAINING TO WATER RATES, PROVIDING NEW RATE TABLES FOR CUSTOMERS CONNECTED TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT; AMENDING SUBSECTIONS (a)(3) AND (a)(4) OF §22 – 211 TO EXCLUDE FROM THE RATE TABLES IN THOSE SUBSECTIONS ANY CUSTOMERS CONNECTED TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT; CREATING SUBSECTIONS (a)(5) AND (a)(6) OF §22 – 211 TO SPECIFY THE RATES FOR CUSTOMERS CONNECTED TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT; LIMITING CONNECTIONS TO THE ROYAL HIGHLANDS WATER TREATMENT PLANT TO CONFORM TO THE WITHDRAWAL LIMITATIONS FOR THAT FACILITY IN THE CITY'S CONSUMPTIVE USE PERMIT; SETTING FOR LEGISLATIVE FINDINGS; REPEALING CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

NOW THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA:

SECTION I.

The City Commission of the City of Leesburg, Florida, makes the following legislative findings with respect to the rates charged for water supplied by the City's Royal Highlands Water Treatment Plant:

- The City of Leesburg provides potable water to its customers under the provisions of Consumptive Use Permit (CUP) # 94, issued by St. Johns River Water Management District (SJRWMD).
- CUP # 94 was issued by SJRWMD on November 16, 2010.
- SJRWMD has previously established Minimum Flows and Levels (MFL's) for Lake Apshawa (North and South).
- The MFL's for Lake Apshawa have been violated in the historic period since establishment of the MFL's for that body of water.
- CUP permitting rules prohibit issuance of a permit which will impact an MFL which has been violated.
- Hydrogeologic modeling of ground water withdrawals from the Royal Highlands Wellfield demonstrated that the MFL's for Lake Apshawa would be impacted by then-current withdrawals, necessitating a reduction of ground water withdrawals from the Royal Highlands Wellfield.
- CUP # 94 contains Condition # 24, which allocates maximum annual groundwater withdrawals from the Royal Highlands Wellfield as follows:
 - 354.05 million gallons (0.97 million gallons per day (mgd) average) in 2010,
 - 321.20 million gallons (0.88 mgd average) in 2011,
 - 292.00 million gallons (0.80 mgd average) in 2012,
 - 277.40 million gallons (0.76 mgd average) in 2013,
 - 266.45 million gallons (0.73 mgd average) in 2014,

- 259.15 million gallons (0.71 mgd average) in 2015 and,
- 251.85 million gallons (0.69 mgd average) in 2016 through 2030.
- 2010 groundwater withdrawals from the Royal Highlands Wellfield were 0.94 mgd, which is acceptable under condition # 24 but exceeds the allocation for 2011.
- Implementation of an enhanced conservation rate structure is necessary to discourage high water consumption that would cause overwithdrawal from the Royal Highlands Wellfield and therefore violate Condition 24 of CUP # 94 in 2011 and succeeding years.
- The enhanced conservation rate structure should be applied to all residential customers attached to the Royal Highlands Water Treatment Plant.

SECTION II.

§22 – 211(a) of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended to read as follows:

(a) *Water conservation service rate:*

(1) *Inside the city water rates (CCF):*

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
	Meter Size		
1.	ALL METER SIZES	\$7.70	\$7.85
	Customer Charge Irrigation		
	Meter Size		
2.	ALL METER SIZES	\$4.03	4.31
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per CCF)		
3.	BAS1 (0--6)	\$0.64	\$0.65
4.	BAS2 (7--12)	\$0.77	\$0.82
5.	BAS3 (13--21)	\$1.07	\$1.14
6.	BAS4 (22--45)	\$1.45	\$1.55
7.	BAS5 (Over 45)	\$2.66	\$2.84
	Consumption Charge Potable Water Commercial		
	Block Rates (Per CCF)		
8.	All CCF (No Cap)	\$1.03	\$1.10
	Consumption Charge Residential Irrigation		
	Block Rates (Per		

	CCF)		
9.	BAS1 (0--9)	\$1.07	\$1.14
10.	BAS2 (10--33)	\$1.45	\$1.55
11.	BAS3 (Over 33)	\$2.66	\$2.84
	Consumption Charge Commercial and Common Area Irrigation		
	Block Rates (Per CCF)		
12.	BAS1 (0--33)	\$1.07	\$1.14
13.	BAS2 (Over 33)	\$1.45	\$1.55

(2) *Inside the city water rates (TGAL):*

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
	Meter Size		
14.	ALL METER SIZES	\$7.70	\$7.85
	Customer Charge Irrigation		
15.	ALL METER SIZES	\$4.03	\$4.31
	Consumption Charge (Per 1,000 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per TGAL)		
16.	BAS1 (0--4)	\$0.86	\$0.88
17.	BAS2 (5--8)	\$1.02	\$1.09
18.	BAS3 (9--15)	\$1.43	\$1.53
19.	BAS4 (16--33)	\$1.94	\$2.07
20.	BAS5 (Over 33)	\$3.56	\$3.80
	Consumption Charge Potable Water Commercial		
	Block Rates (Per TGAL)		
21.	All CCF (No Cap)	\$1.38	\$1.47
	Consumption Charge Irrigation Residential		
	Block Rates (Per TGAL)		
22.	BAS1 (0--7)	\$1.43	\$1.53
23.	BAS2 (8--25)	\$1.94	\$2.07
24.	BAS3 (Over 25)	\$3.56	\$3.80

	Consumption Charge Irrigation Commercial and Common Area		
	Block Rates (Per TGAL)		
25.	BAS1 (0--25)	\$1.43	\$1.53
26.	BAS2 (Over 25)	\$1.94	\$2.07

(3) Outside the city water rates excluding customers connected to the Royal Highlands Water Treatment Plant (CCF):

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, Irrigation and Sprinklers		
	Meter Size		
27.	ALL METER SIZES	\$9.63	\$9.81
	Customer Charge Irrigation		
28.	ALL METER SIZES	\$5.04	\$5.39
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per CCF)		
29.	BAS1 (0--6)	\$0.80	\$0.81
30.	BAS2 (7--12)	\$0.96	\$1.03
31.	BAS3 (13--21)	\$1.34	\$1.43
32.	BAS4 (22--45)	\$1.81	\$1.94
33.	BAS5 (Over 45)	\$3.33	\$3.55
	Consumption Charge Potable Water Commercial		
	Block Rates (Per CCF)		
34.	All CCF (No Cap)	\$1.29	\$1.38
	Consumption Charge Irrigation Residential		
	Block Rates (Per CCF)		
35.	BAS1 (0--9)	\$1.34	\$1.43
36.	BAS2 (10--33)	\$1.81	\$1.94
37.	BAS3 (Over 33)	\$3.33	\$3.55
	Consumption Charge Irrigation Commercial and Common Area		
	Block Rates (Per CCF)		
38.	BAS1 (0--33)	\$1.34	\$1.43
39.	BAS2 (Over 33)	\$1.81	\$1.94

(4) *Outside the city water rates excluding customers connected to the Royal Highlands Water Treatment Plant (TGAL):*

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2009	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers		
	Meter Size		
40.	ALL METER SIZES	\$9.63	\$9.81
	Customer Charge Irrigation		
	Meter Size		
41.	ALL METER SIZES	\$5.04	\$5.39
	Consumption Charge (Per 1 TGAL = 1000 Gallons)		
	Consumption Charge (Per 1,000 Gallons)		
	Consumption Charge Potable Water Residential		
	Block Rates (Per TGAL)		
42.	BAS1 (0--4)	\$1.08	\$1.10
43.	BAS2 (5--8)	\$1.28	\$1.36
44.	BAS3 (9--15)	\$1.79	\$1.91
45.	BAS4 (16--33)	\$2.43	\$2.59
46.	BAS5 (Over 33)	\$4.45	\$4.75
	Consumption Charge Potable Water Commercial		
	Block Rates (Per TGAL)		
47.	All CCF (No Cap)	\$1.73	\$1.84
	Consumption Charge Irrigation Residential		
	Block Rates (Per TGAL)		
48.	BAS1 (0--7)	\$1.79	\$1.91
49.	BAS2 (8--25)	\$2.43	\$2.59
50.	BAS3 (Over 25)	\$4.45	\$4.75
	Consumption Charge Commercial and Common Area Irrigation		
	Block Rates (Per TGAL)		
51.	BAS1 (0--25)	\$1.79	\$1.91
52.	BAS2 (Over 25)	\$2.43	\$2.59

(3) *Outside the city water rates only for customers connected to the Royal Highlands Water Treatment Plant (CCF):*

TABLE INSET:

Line No.	Description	Rates Effective 08/01/2011
	Customer Charge Residential, Master-Meter, Commercial, Irrigation and Sprinklers	
	Meter Size	
27.	ALL METER SIZES	\$9.81
	Customer Charge Irrigation	
28.	ALL METER SIZES	\$5.39
	Consumption Charge (Per 1 CCF = 100 Cubic Feet = 748 Gallons)	
	Consumption Charge Potable Water Residential	
	Block Rates (Per CCF)	
29.	BAS1 (0--6)	\$0.81
30.	BAS2 (7--12)	\$1.03
31.	BAS3 (13--21)	\$1.43
32.	BAS4 (22--45)	\$3.88
33.	BAS5 (Over 45)	\$10.65
	Consumption Charge Potable Water Commercial	
	Block Rates (Per CCF)	
34.	All CCF (No Cap)	\$1.38
	Consumption Charge Irrigation Residential	
	Block Rates (Per CCF)	
35.	BAS1 (0--9)	\$1.43
36.	BAS2 (10--33)	\$3.88
37.	BAS3 (Over 33)	\$10.65
	Consumption Charge Irrigation Commercial and Common Area	
	Block Rates (Per CCF)	
38.	BAS1 (0--33)	\$1.43
39.	BAS2 (Over 33)	\$1.94

(4) Outside the city water rates only for customers connected to the Royal Highlands Water Treatment Plant (TGAL):

TABLE INSET:

Line No.	Description	Rates Effective 11/01/2010
	Customer Charge Residential, Master-Meter, Commercial, and Sprinklers	
	Meter Size	
40.	ALL METER SIZES	\$9.81
	Customer Charge Irrigation	
	Meter Size	
41.	ALL METER SIZES	\$5.39
	Consumption Charge (Per 1 TGAL = 1000 Gallons)	
	Consumption Charge (Per 1,000 Gallons)	
	Consumption Charge Potable Water Residential	
	Block Rates (Per TGAL)	
42.	BAS1 (0--4)	\$1.10
43.	BAS2 (5--8)	\$1.36
44.	BAS3 (9--15)	\$1.91
45.	BAS4 (16--33)	\$5.18
46.	BAS5 (Over 33)	\$14.25
	Consumption Charge Potable Water Commercial	
	Block Rates (Per TGAL)	
47.	All CCF (No Cap)	\$1.84
	Consumption Charge Irrigation Residential	
	Block Rates (Per TGAL)	
48.	BAS1 (0--7)	\$1.91
49.	BAS2 (8--25)	\$5.18
50.	BAS3 (Over 25)	\$14.25
	Consumption Charge Commercial and Common Area Irrigation	
	Block Rates (Per TGAL)	
51.	BAS1 (0--25)	\$1.91
52.	BAS2 (Over 25)	\$2.59

If the withdrawals from the Royal Highlands Wellfield have been within limits established in Condition 24 of Consumptive Use Permit 94 for two consecutive full calendar years after the effective date of this Ordinance, the BAS4 rates shown in subsections (3) and (4) above, for customers connected to the Royal Highlands Water Treatment Plant only, as those rates may have been adjusted under §22 – 166 of this Code, shall decrease by 25%, and BAS5 rates shown in those same subsections (as adjusted under §22 – 166) shall decrease by 33%. However, if in any calendar year withdrawals exceed the limits of Condition 24, the BAS4 and BAS5 rates in those subsections

shall revert to the higher rate for BAS4 and BAS5, computed based on the rates shown in those subsections as adjusted under §22 – 166 up to the time of the increase.

No additional connections shall be made to the Royal Highlands Water Treatment Plant following the effective date of this Ordinance, except for the following:

- (i) Lots within the following plats comprising the development Royal Highlands, which have never been connected to the Royal Highlands Water Treatment Plant before the effective date of this Ordinance: Plat Book 37, Page 3; Plat Book 43, Page 66; Plat Book 39, Page 32; Plat Book 40, Page 34; Plat Book 41, Page 49; Plat Book 44, Page 31; Plat Book 44, Page 91; Plat Book 46, Page 59; Plat Book 50, Page 30; and Plat Book 38, Page 16; all in the Public Records of Lake County, Florida.
- (ii) Lots within the plat of Whitemarsh, according to the plat thereof recorded in Plat Book 61, Page 22, Public Records of Lake County, Florida, which have never been connected to the Royal Highlands Water Treatment Plant before the effective date of this Ordinance.
- (iii) Such other connections as are approved by Resolution adopted by the Leesburg City Commission.

In all categories, for installations which have fire protection systems utilizing City water, whether or not metered, there shall be imposed a monthly availability charge, regardless of actual usage, in the amount of two dollars (\$2.00) per inch diameter of service pipe serving the fire protection system.

SECTION III.

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

SECTION IV.

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

SECTION V.

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

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 25 day of July, 2011.

THE CITY OF LEESBURG, FLORIDA

BY: Bill Polk
MAYOR

Attest: Bety M. Richardson
CITY CLERK

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING CERTAIN SUBSECTIONS OF §22 – 196 OF THE CODE OF ORDINANCES, PERTAINING TO ELECTRIC RATES, INCREASING THE RATES IN SCHEDULES RS (RESIDENTIAL SERVICE), GS (GENERAL SERVICE NON _ DEMAND), GSD (GENERAL SERVICE DEMAND), AND TOU (TIME OF USE); PROVIDING FOR AUTOMATIC ANNUAL INCREASES OF 5% PER YEAR FOR 2014 AND 2015; SPECIFYING HOW THE ANNUAL 5% RATE INCREASES IN 2013, 2014 AND 2015 ARE TO BE APPLIED IN CONJUNCTION WITH THE AUTOMATIC INCREASES SPECIFIED IN §22 – 166 OF THE CODE OF ORDINANCES; PRESERVING §22 – 196 EXCEPT AS AMENDED HEREBY; REPEALING ANY CONFLICTING ORDINANCES; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA:

SECTION I.

§22 – 196 of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended so that the subsections thereof listed below shall, following the effective date of this Ordinance, read as follows (NOTE: provisions in ~~strikeout~~ are being deleted from the existing ordinance, provisions in double underline are being added or amended by this Ordinance, and text not marked remains the same as in the existing ordinance):

(1) *Rate schedule RS, residential service.*

- a. *Availability:* This rate is available to all applicable customers in the service area.
- b. *Applicability:* The residential electric rate applies to an electrical service supplying electricity to a single-family residence. Service provided under this section shall not be shared with or resold to others.
- c. *Character of service:* Service shall be single-phase, sixty (60) cycles and approximately 120/240 volts. If three (3) phases are desired, additional charges must be paid by the customer.
- d. *Limitations:* Service is subject to all of the rules and regulations of this tariff and general rules and regulations of the utility. Standby or resale service is not permitted.
- e. Rate per month.

Customer charge~~\$10.62~~ 11.77
All kwh, per kwh~~0.08429~~ 0.090108

The rates per month shall become effective with all bills rendered on or after the first day ~~of the month subsequent to adoption~~ November 1, 2013. Such rates per month are subject to the

annual inflation adjustment component pursuant to section 22-166, beginning as of October 1, 2016.

f. *Minimum charge:* The minimum monthly bill shall be the customer charge plus other applicable charges, covered by ordinance, state statutes or federal law.

g. *Terms of payment:* All bills and charges for electric current are due and payable twenty (20) days following date of billing. If not paid within twenty (20) days a carrying charge equal to five (5) percent of the total bill is added. Service is discontinued if bill and carrying charge are not paid on or before thirty (30) days succeeding that in which electricity shall have been furnished by the city as stated in all bills rendered.

h. *Billing adjustments:* See "Bulk Power Cost Adjustment," "Energy Conservation Cost Recovery," and "Tax Adjustment Clause".

i. *Deposits.* Deposits for each account shall be required as set forth more particularly in section 22-181 of this Code.

j. *Reconnection charge:* When service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, the reconnection fee shall be as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code. When service is cut off for meter-tampering, the charge to reconnect shall be as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code plus damages and penalties allowed by state statutes.

(2) Rate schedule GS, general service, nondemand.

a. *Availability.* This rate is available to all applicable customers in the service area.

b. *Applicability.* This rate shall be applicable to all electrical services not covered by any of the other rate categories, residential electrical rate, general service demand rate and flat service rate.

c. *Limitation.* Service is subject to all of the rules and regulations of this tariff and general rules and regulations of the utility. Standby or resale is not permitted.

d. *Rate per month.*

Customer charge~~\$10.62~~ 11.77
All kwh~~0.08847~~ 0.098067

The rates per month shall become effective with all bills rendered on or after the first day of ~~the month subsequent to adoption~~ November 1, 2013. Such rates per month are subject to the annual inflation adjustment component pursuant to section 22-166, beginning as of October 2, 2016.

e. *Minimum charge:* The minimum monthly bill shall be the customer charge plus other applicable charges, covered by ordinance, state statutes or federal law.

f. *Terms of payment:* All bills and charges for electric current are due and payable twenty (20) days following date of billing. If not paid within twenty (20) days a carrying charge equal to five (5) percent of the total bill is added. Service is discontinued if bill and carrying charge are not paid on or before thirty (30) days succeeding that in which electricity shall have been furnished by the city as stated in all bills rendered.

g. *Billing adjustments:* See "Bulk Power Cost Adjustment," "Energy Conservation Cost Recovery," and "Tax Adjustment Clause".

h. *Deposits.* Deposits for each account shall be required as set forth more particularly in section 22-181 of this Code.

i. *Reconnection charge:* When service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, the reconnection fee shall be as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code. When service is cut off for meter tampering, such reconnection charge shall be as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code plus damages and penalties allowed by state statutes.

(3) Rate schedule GSD, general service, demand.

a. *Availability.* This rate is available to all applicable customers in the service area.

b. *Application.*

1. *GSD-1:* For electric service for commercial or industrial lighting, power and any other purpose to any customer with a measured demand in excess of 20 kW and less than 500 kW. Customers with a demand of 20 kW or less may enter into an agreement for service under this schedule based on a demand charge for a minimum of 21 kW.
2. *GSD-2:* For electric service for commercial or industrial lighting, power and any other purpose to any customer with a measured demand of 500 kW and less than 2,000 kW. Customers with a demand of less than 500 kW may enter into an agreement for service under this schedule based on a demand charge for a minimum of 500 kW.
3. *GSD-3:* For electric service for commercial or industrial lighting, power and any other purpose to any customer with a measured demand of 2,000 kW or more. Customers with a demand of less than 2,000 kW may enter into an agreement for service under this schedule based on a demand charge for a minimum of 2,000 kW.

c. *Special provisions.* Any customer whose demand is greater than twenty (20) kw, but less than fifty (50) kw, may at the option of the customer elect to be billed at the general service rate schedule, GS Code 444.2. If the customer modifies electrical usage to the extent the general service demand rate, GSD Code 444.3, produces lower billing, customer may at its option rescind the election to be billed at the general service rate schedule, GS Code 444.2, provided however, that the option of being billed at the general service rate schedule, GS Code 444.2 shall then no longer be available to such customer.

- d. *Character of service.* The service shall be three-phase, sixty (60) cycles and approximately one hundred twenty (120) volts or higher, at utility option.
 - e. *Limitations.* Standby or resale is not permitted.
 - f. *Rate per month.*
1. *GSD-1.* Billing demand of 21kW—499kW:

Customer charge~~\$22.66~~ 25.02
 Demand charge~~10.55~~ 11.38
 Energy rate~~0.04165~~ 0.045991

2. *GDS-2.* Billing demand of 500—1,999 kW:

Customer charge~~\$40.16~~ 44.34
 Demand charge~~12.05~~ 12.99
 Energy rate~~0.03806~~ 0.042024

3. *GSD-3.* Billing demand of 2,000 kW or more:

Customer charge~~\$80.32~~ 88.68
 Demand charge~~14.96~~ 16.13
 Energy rate~~0.03304~~ 0.036481

The rates per month shall become effective with all bills rendered on or after the first day of ~~the month subsequent to adoption~~ November, 2013. Such rates per month are subject to the annual inflation adjustment component pursuant to section 22-166, beginning as of October 2, 2016.

- g. *Minimum charge.* The minimum monthly charge shall be not less than the sum of customer charge and the demand charge for the currently effective billing demand, plus other applicable charges covered by ordinances, state statutes or federal law.
- h. *Billing demand.* The maximum fifteen-minute integrated demand established during the current billing period.
- i. *Power factor.* When the power factor is less than ninety (90) percent, the billing demand may be determined upon the basis of ninety (90) percent of the calculated kVa, demand.
- j. *Deposits.* Deposits for each account shall be required as set forth more particularly in section 22-181 of this Code.
- k. *Reconnection charge.* When service is cut off for nonpayment of bill, and when connection service is requested to be performed after normal business hours, the reconnection charge shall be as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code. When service is cut off for meter tampering, there shall be a reconnection charge as prescribed by the utility service fee schedule pursuant to section 22-6 of this Code, plus damages and penalties allowed by state statute.

l. *Terms of payment.* All bills and charges for electric current are due and payable twenty (20) days following date of billing. If not paid within twenty (20) days a carrying charge equal to five (5) percent of the total bill is added. Service is discontinued if bill and carrying charge are not paid on or before thirty (30) days succeeding that in which electricity shall have been furnished by the city as stated in all bills rendered.

m. *Term of service.* Service under this rate shall be for a minimum initial term of twelve (12) months from commencement of service and shall continue thereafter until receipt of notice by the city from the customer to disconnect, or upon disconnect by the city as provided by ordinance, or until the customer's demand is below twenty (20) kw for a consecutive twelve-month period. Customers taking service under another rate schedule who elect to transfer to this rate must remain on this rate for a minimum of twelve (12) months. Where special equipment to serve the customer is required, the city may require a specified term of service contract.

n. *Special provisions.*

1. Any customer other than residential whose monthly demand is greater than twenty (20) kw but does not exceed forty-nine (49) kw for more than two (2) months out of the preceding twelve (12) consecutive months ending with the current billing period may, at the option of the customer, elect to be billed at the General Service Rate Schedule, GS Code 4442. Provided, that once a customer has exceeded forty-nine (49) for more than two (2) months out of the preceding twelve (12) consecutive months, no rate change option is available. If the customer modifies electrical usage to the extent the General Service Demand Rate (GSD Code 4443) produces lower billing, customer may, at its option, rescind the election to be billed at the General Service Rate Schedule, GS Code 4442; provided, that the option of being billed at the General Service Rate Schedule, GS Code 4442, shall then no longer be available to such customer.
2. The city may, under the provisions of this rate, require a contract with the customer. Whenever the customer increases his electrical load, which increase requires the city to increase facilities installed for the specific use of the customer, a new term of service may be required.
3. Any church or religious institution may, at their option, regardless of their demand, elect to be billed at the General Service Non Demand Rate and may not rescind such election thereafter for a period of twelve (12) months. This election may be for the sanctuary and related Sunday School or religious educational buildings.

o. *Billing adjustments.* See "Bulk Power Cost Adjustment," "Energy Conservation Cost Recovery," and "Tax Adjustment Clause".

(13) *Rate Schedules TOU – 1 and TOU – 2, Time of Use Rates.*

- a. *Availability.* Available throughout the entire territory served by the City subject to equipment availability. This is an optional service available at the customer's request. Customer may choose either rate schedule TOU-R1 or TOU-R2.

- b. *Applicability.* The residential electric rate applies to an electrical service supplying electricity to a single-family residence. Service provided under this section shall not be shared with or resold to others.
- c. *Character of Service.* Service shall be single-phase, sixty (60) cycles and approximately 120/240 volts. If three (3) phases are desired, additional charges must be paid by the customer.
- d. *Limitations.* Service is subject to all of the rules and regulations of this ordinance and the general rules and regulations of the City's electric utility. Standby or resale service is not permitted. No customer who elects to obtain service under this TOU rate schedule shall be eligible for any other load management credits offered by the City to residential customers.
- e. *Rates per month.* The following rate schedules shall apply to this TOU rate:

Customer Charge \$~~41.10~~ 11.77

Rate per kWh:

	<u>TOU-R1</u>	<u>TOU-R2</u>
Winter – On-peak	\$ 0.404134 <u>\$0.424341</u>	\$ 0.265005 <u>\$0.278255</u>
Winter – Off-peak	0.060165 <u>0.063173</u>	0.070985 <u>0.074534</u>
Summer – On-peak	0.352527 <u>0.370153</u>	0.230715 <u>0.242251</u>
Summer – Off-peak	0.062573 <u>0.065702</u>	0.072777 <u>0.076416</u>

Winter – On-peak is defined as the hours from 7 a.m. to 9 a.m. on Monday through Friday during the months of December, January and February, excluding any federal holiday occurring on those days. Winter – Off-peak is defined as all other hours during the months of December, January and February.

Summer – On-peak is defined as the hours from 3 p.m. to 5 p.m. on Monday through Friday during the months of March through October, excluding any federal holiday occurring on those days. Summer – Off-peak is defined as all other hours during the months of March through October.

The rate per month is subject to the annual inflation adjustment component pursuant to §22 - 166. Promptly after each annual inflation adjustment, the City will for informational purposes notify the Florida Public Services Commission in writing of its then current rates including any annual inflation adjustment.

- f. *Minimum Charge.* The minimum monthly bill shall be the customer charge plus other applicable charges, covered by ordinance, state statutes or federal law.

- g. Maximum Charge.* After the customer's first three billing months under this rate schedule, at the customer's request, the City will calculate the total billings the customer would have been charged under the basic residential rate, Rate RS, and refund to the customer any excess of the actual billings under this rate over such calculated amount.
- b. Term of Service.* Service under this TOU rate schedule shall be for a minimum initial term of twelve (12) months from commencement of service and shall continue thereafter until receipt of notice by the City from the customer to disconnect, or upon disconnect by the City as provided by City ordinance. Customers taking service under another rate schedule who elect to transfer to this rate must remain on this rate for a minimum of twelve (12) months. A customer taking service under this rate schedule who elects to transfer to another rate will be prohibited from taking service on this rate schedule again for a minimum of twelve (12) months.

SECTION II.

The rates set by this Ordinance shall take effect November 1, 2013, and remain in effect until October 31, 2014. On November 1, 2014, those rates each shall increase by 5%, and the increased rate shall remain in effect until October 31, 2015. Beginning November 1, 2015, the rates in effect from November 1, 2014 through October 31, 2015, each shall increase by 5%, and those increased rates shall remain in effect until September 30, 2016. On October 1, 2016, and each year thereafter, the automatic increases specified by §22 – 166 of the Code of Ordinances shall be applied to each rate schedule listed above. Between the effective date of this Ordinance and October 1, 2016, the annual increases specified in this Ordinance shall take the place of the automatic increases provided by §22 – 166.

SECTION III.

Except as specifically amended by this Ordinance, the provisions of §22 – 196 of the Code of Ordinances shall continue in full force and effect in the form existing prior to this Ordinance, and the rate increases specified in §22 – 166 shall continue to apply annually to any rates not specifically increased by this Ordinance.

SECTION IV.

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

SECTION V.


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

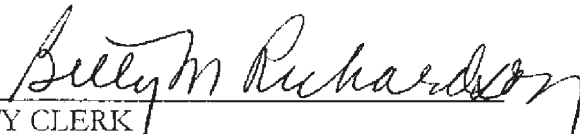
SECTION VI.

This Ordinance shall become effective upon its passage and adoption according to law, provided that the rate increases hereby imposed shall not take effect until November 1, 2013.

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 22 day of July, 2013.

THE CITY OF LEESBURG, FLORIDA

BY: 
MAYOR

Attest: 
CITY CLERK

ORDINANCE NO. 16-32

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, AMENDING §22-166 OF THE CODE OF ORDINANCES PERTAINING TO ANNUAL UTILITY RATE INCREASES BASED ON AN INDEX; CHANGING THE INCREASES BASED ON THE INDEX SO THEY ARE NOT IMPOSED AUTOMATICALLY ON AN ANNUAL BASIS BUT ARE INSTEAD IMPOSED AT THE DISCRETION OF THE CITY MANAGER; REPEALING CONFLICTING ORDINANCES; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG:

SECTION I.

§22-166 of the Code of Ordinances of the City of Leesburg, Florida, is hereby amended to read as set forth below:

Sec. 22-166. - Annual rate adjustments based on index.

All utility rates and charges established in or through procedures set forth in divisions 3, 4, 5, 6, 7 and 9 of this article V, except for the effects of automatic pass-through rate components such as the bulk power cost adjustment and purchased gas adjustment mechanisms, may at the discretion of the City Manager be adjusted annually on October 1 according to the percentage increase or decrease in the gross domestic product implicit price deflator index (the "Index"). This increase or decrease shall be measured by comparing the final revision of the Index for the second quarter of the current calendar year to the Index at the same time during the previous year. Rates so adjusted shall go into effect as of the next billing cycle following October 1 of the year in which the increase is imposed. This adjustment shall be implemented by written action of the City Manager issued no later than September 1 of any year in which an adjustment is to be made under this Section. The City Manager may apply such an adjustment to any one or more of the utility rates and is not required to increase all rates simultaneously. For any year a rate is not adjusted according to the Index, the amount by which the rate could have been increased may be applied cumulatively with future increases at a later date if the City Manager so determines.

SECTION II.

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

SECTION III.

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

SECTION IV.

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

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 12th day of September, 2016.

THE CITY OF LEESBURG, FLORIDA

BY: _____


JAY HURLEY, Mayor

Attest: _____


J. ANDI PURVIS, City Clerk

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, CREATING SECTION 22-250 OF THE CODE OF ORDINANCES, SETTING FORTH RATE PARAMETERS FOR PROVIDING NATURAL GAS SERVICE WITHIN THE VILLAGES SERVICE AREA, PROVIDING FOR THE APPLICABILITY OF THIS ORDINANCE, DEFINING THE VILLAGES SERVICE AREA, REPEALING ORDINANCES IN DIRECT CONFLICT, PROVIDING A SAVINGS CLAUSE, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA:

SECTION I.

Section 22-250 of the Code of Ordinances of the City of Leesburg, Florida, is created to read as set forth below:

Sec. 22-250 Villages Natural Gas Rate Structure and Method of Setting Rates

- A. Villages Monthly Customer Charge. The amount charged to natural gas customers within the Villages Service Area ("Villages Monthly Customer Charge") shall, except as provided below, be equal to the total monthly customer charge as issued by the company currently doing business as TECO People's Gas, (hereafter "Peoples") and its successors, from time to time; *provided however*, the City shall not be required to reduce the Villages Monthly Customer Charge for residential or commercial customers below the monthly customer charges imposed against similarly situated customers served by Peoples on January 1, 2018, even if Peoples subsequently reduces its monthly customer charges.

- B. Villages Aggregate Charge. There shall be a total aggregate charge per therm, which shall generally consist of a distribution charge, other surcharges, and a fuel charge. Subject to the proviso in subsection (A) that the Villages Monthly Customer Charge is not to be reduced below the amount charged by Peoples on January 1, 2018, the Villages Aggregate Charge ("Villages Aggregate Charge") shall be equal to the total aggregate charges per therm for distribution, other surcharges and fuel as issued by Peoples, and its successors, as amended from time to time, with any changes in the monthly fuel charge by either Peoples or the City to be reflected in the distribution charge component of the Villages Aggregate Charge. Notwithstanding the foregoing, the City may request that SSGC consent to a temporary increase in the Villages Aggregate Charge so that the difference between the Villages Aggregate Charge, and the "Native Rate" (as defined in the Agreement), is maintained at the minimum levels described in Paragraph 7(C) of the Agreement.

- C. Service Charges. The City shall not offer transportation service to any customer, residential, commercial, industrial or other, located in the Service Area. Fees for service turn-on and turnoff shall not exceed those charged by Peoples, unless the fee

charged by Peoples is less than the fee charged to City's natural gas customers outside the Villages Service Area, in which case the charge within the Villages Service Area shall equal the charge imposed on City's natural gas customers outside the Villages Service Area. The City may also charge customers for other miscellaneous non-recurring charges and fees, such as Collection Charges and Late Fees, at the same level and method as the City charges for its customers outside the Villages Service Area. The City shall apply its existing natural gas deposit ordinance for its customers outside the Villages Service Area, as modified from time to time by the Leesburg City Commission, to all customers served under this rate structure. Fees and service charges for services required in this section shall be as set forth in the city's adopted utility service fee schedule, then in effect.

D. This Ordinance shall apply only to natural gas rates within the "Villages Service Area," as that term is defined in the Natural Gas System Construction, Purchase, and Sale Agreement between the City of Leesburg and South Sumter Gas Company, LLC (referred to elsewhere in this Ordinance as "SSGC"), as amended from time to time (referred to elsewhere in this Ordinance as the "Agreement"), and not to rates for natural gas sold by the City of Leesburg outside the Villages Service Area.

SECTION II.

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

SECTION III.

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

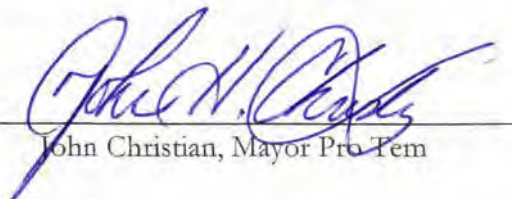
SECTION V.

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

PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the 26th day of February 2018.

THE CITY OF LEESBURG, FLORIDA

BY:


John Christian, Mayor Pro Tem

Attest:


J. Andi Purvis, City Clerk

**CITY OF LEESBURG, FLORIDA
ANTI-DILUTION TEST - BASE METHOD**

First Test	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
2 Year Average Legally Available Non-Ad Valorem Revenues	\$ 20,344,110	\$ 19,974,259	\$ 19,758,370	\$ 20,732,014	\$ 20,308,417	\$ 19,210,166	\$ 19,014,886	\$ 19,340,513	\$ 20,781,760	\$ 22,623,088
Maximum Annual Debt Service on Non-Ad Valorem Revenue Debt	3,835,962	3,813,647	3,686,634	3,650,239	3,650,239	3,670,954	3,751,298	3,750,572	2,749,721	2,479,569
Coverage¹	5.30	5.24	5.36	5.68	5.56	5.23	5.07	5.16	7.56	9.12
Second Test	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Legally Available Non-Ad Valorem Revenues	A \$ 20,670,628	\$ 19,423,157	\$ 18,966,378	\$ 22,272,758	\$ 21,104,389	\$ 19,521,934	\$ 19,829,043	\$ 19,777,565	\$ 19,745,629	\$ 25,500,547
Non-Enterprise Fund Revenues ²	B 26,965,374	25,472,991	24,556,338	27,130,782	25,578,514	23,988,381	24,320,976	24,755,002	24,358,233	31,178,985
Costs of Essential Services	C 16,982,852	16,694,437	16,607,201	16,735,293	15,732,311	16,613,455	15,585,278	16,134,474	16,944,409	17,909,853
MADS Secured by a Lien on Pledgeable Non-Ad Valorem Revenues	D 1,827,066	1,850,718	1,850,718	1,786,841	1,786,841	1,789,085	1,789,085	1,793,410	1,496,694	1,496,694
Maximum Annual Debt Service on Covenant Debt	E 2,019,868	2,009,790	1,881,869	1,866,059	1,866,059	1,881,869	1,977,024	1,977,024	1,255,791	991,424
Available Revenues - [A - ((A/B) * C) - D] =	F 5,825,155	4,842,930	4,288,892	6,747,237	6,337,091	4,212,688	5,333,183	5,093,805	4,513,209	9,355,812
Coverage [F / E]³	2.88	2.41	2.28	3.62	3.40	2.24	2.70	2.58	3.59	9.44

¹ 1.10 times coverage required - Additional Bonds Test

² line A plus Ad Valorem Taxes from the Historical Non-Ad Valorem Revenues Worksheet on the next page

³ 2.00 times coverage required - Additional Bonds Test

**CITY OF LEESBURG, FLORIDA
HISTORICAL NON-AD VALOREM REVENUES WORKSHEET**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CB&A Worksheet -										
CB&A Non-Ad Valorem Revenues										
1. Charges for Services ¹	\$ 633,992	\$ 655,225	\$ 594,690	\$ 540,734	\$ 587,244	\$ 895,086	\$ 1,022,235	\$ 551,697	\$ 680,079	\$ 726,039
2. Intergovernmental ¹	2,769,819	2,326,359	2,258,348	2,084,254	2,220,336	2,144,512	2,280,813	2,383,900	2,521,105	2,600,258
3. Licenses, Permits & Assessments ¹	151,094	128,270	112,255	133,435	133,374	166,926	258,885	1,480,640	1,527,224	1,540,698
4. Fines and Forfeitures ¹	152,687	120,715	101,084	122,391	151,693	119,059	115,093	105,829	158,906	356,383
5. Investment Income ¹	98,646	78,736	68,428	24,094	48,987	118,194	118,194	301,546	121,133	177,462
6. Miscellaneous ¹	4,321,783	4,532,538	4,484,743	4,387,719	1,304,406	1,357,266	548,881	575,018	622,212	936,474
7. Non Advalorem Taxes ¹	4,675,228	4,686,057	4,426,503	6,053,869	5,969,496	6,044,060	6,293,494	6,402,121	6,961,624	7,004,376
(sum of Utility Taxes and Other Taxes less restricted) ³										
8. Utility and Business Unit Transfers ¹	9,034,052	8,332,236	9,347,763	9,168,459	10,341,723	10,051,357	9,891,736	9,516,319	9,022,790	13,973,265
9. Less funds detailed in worksheet:										
"Diverse General Fund Revenue Sources"	(1,264,306)	(1,484,613)	(1,252,598)	(1,192,143)	(1,529,659)	(1,700,943)	(1,625,868)	(1,539,505)	(1,869,444)	(1,814,408)
Legally Available Non-Ad Valorem Revenues	\$ 20,572,995	\$ 19,375,523	\$ 20,141,216	\$ 21,322,812	\$ 19,294,021	\$ 19,126,310	\$ 18,903,463	\$ 19,777,565	\$ 19,745,629	\$ 25,500,547
Two Year Average	20,344,110	19,974,259	19,758,370	20,732,014	20,308,417	19,210,166	19,014,886	19,340,513	20,781,760	22,623,088
Ad Valorem Taxes ²	\$ 6,294,746	\$ 6,049,834	\$ 5,361,571	\$ 4,858,023	\$ 4,684,694	\$ 4,685,546	\$ 4,712,444	\$ 4,977,437	\$ 5,204,939	\$ 5,678,438
Total Revenue	\$ 26,867,741	\$ 25,425,357	\$ 25,502,787	\$ 26,180,835	\$ 23,978,715	\$ 23,811,856	\$ 23,615,907	\$ 24,755,002	\$ 24,950,568	\$ 31,178,985
Cost of Essential Services										
General Government ¹	\$ 3,162,527	\$ 3,476,819	\$ 2,851,945	\$ 2,730,096	\$ 1,891,217	\$ 3,257,326	\$ 3,242,396	\$ 3,601,492	\$ 3,515,915	\$ 3,664,492
Public Safety ¹	13,820,325	13,564,136	13,755,256	14,005,197	13,841,094	13,356,129	12,342,882	12,532,982	13,428,494	14,245,361
Total Cost of Essential Services	\$ 16,982,852	\$ 17,040,955	\$ 16,607,201	\$ 16,735,293	\$ 15,732,311	\$ 16,613,455	\$ 15,585,278	\$ 16,134,474	\$ 16,944,409	\$ 17,909,853
Legally Available Non-Ad Valorem Revenues	\$ 20,572,995	\$ 19,375,523	\$ 20,141,216	\$ 21,322,812	\$ 19,294,021	\$ 19,126,310	\$ 18,903,463	\$ 19,777,565	\$ 19,745,629	\$ 25,500,547
Less MADS on Senior Lien	\$ (1,827,066)	\$ (1,850,718)	\$ (1,850,718)	\$ (1,786,841)	\$ (1,786,841)	\$ (1,789,085)	\$ (1,789,086)	\$ (1,793,410)	\$ (1,793,410)	\$ (1,496,694)
Less Allocable Essential Services ⁴	(13,004,001)	(12,986,147)	(13,115,791)	(13,629,951)	(12,658,707)	(13,344,365)	(12,475,309)	(12,890,349)	(13,409,635)	(14,648,041)
Available Revenues	5,741,928	4,538,658	5,174,707	5,906,020	4,848,473	3,992,860	4,639,068	5,093,806	4,542,584	9,355,812
MADS on Covenant Debt	2,019,868	2,009,790	1,881,869	1,866,059	1,866,059	1,881,869	1,977,024	1,977,024	1,255,791	991,424
Coverage	2.84	2.26	2.75	3.16	2.60	2.12	2.35	2.58	3.62	9.44

¹ Source is the Statement of Revenues - the current year CAFR

² Source is the Statement of Activities - the current year CAFR

³ This is a calculation: General Fund taxes less ad valorem taxes

⁴ This is a calculation: Total Cost of Essential Services multiplied by (Legally Available Non-Ad Valorem Revenues divided by Total Revenues)

**CITY OF LEESBURG, FLORIDA
DIVERSE GENERAL FUND REVENUE SOURCES**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
Revenues Available for CB&A	\$ 20,670,625	\$ 19,423,157	\$ 20,218,976	\$ 22,272,758	\$ 21,104,389	\$ 19,521,934	\$ 19,829,043	\$ 18,580,884	\$ 19,745,629	\$ 25,500,547
Revenues not available for CB&A:										
Ad Valorem Revenues	\$ 6,294,746	\$ 6,049,834	\$ 5,361,571	\$ 4,858,024	\$ 4,474,125	\$ 4,466,447	\$ 4,491,933	\$ 4,977,437	\$ 4,612,604	\$ 4,754,422
Non-Ad Valorem Revenues:										
Grant Revenue	518,263	502,674	336,265	318,765	540,190	368,964	344,569	491,303	104,388	58,334
Charges For Services	133,420	151,785	150,954	132,575	191,550	470,486	467,402	551,696	680,077	726,038
Miscellaneous Revenues	612,623	830,154	765,379	740,804	797,919	861,493	813,897	496,506	554,040	543,670
Fire Assessment Fees	-	-	-	-	-	-	-	1,196,681	1,211,016	1,212,405
Total not available for CB&A	\$ 1,264,306	\$ 1,484,613	\$ 1,252,598	\$ 1,192,143	\$ 1,529,659	\$ 1,700,943	\$ 1,625,868	\$ 2,736,186	\$ 2,549,521	\$ 2,540,447
	\$ 7,559,052	\$ 7,534,447	\$ 6,614,169	\$ 6,050,167	\$ 6,003,784	\$ 6,167,390	\$ 6,117,801	\$ 7,713,623	\$ 7,162,125	\$ 7,294,869

CITY OF LEESBURG, FLORIDA
SUMMARY OF MAXIMUM ANNUAL NON-AD VALOREM DEBT SERVICE

Fiscal Year	Series 2009 Capital Improvement	Series 2013 Capital Improvement	Series 2015 TIF - GL CRA	Series 2016 TIF - CRA 441/27	Aggregate Debt Service
2018	\$ 477,845	\$ 1,013,112	\$ 101,313	\$ 367,928	\$ 1,960,198
2019	479,956	1,011,987	101,043	376,114	1,969,100
2020	481,357	1,015,337	100,715	489,042	2,086,451
2021	477,167	1,010,262	100,329	498,992	2,086,750
2022	477,386	1,008,537	100,870	890,554	2,477,347
2023	476,895	1,002,662	100,338	889,832	2,469,727
2024	475,695	1,005,287	100,734	889,722	2,471,438
2025	478,667	1,009,662	101,042	890,198	2,479,569
2026	475,811	1,006,162	100,277	890,234	2,472,484
2027	477,128	1,010,337	100,440	889,828	2,477,733
2028	472,617	1,006,903		889,984	2,369,504
2029	472,278	1,006,794		889,672	2,368,744
2030	473,336	1,009,269		889,894	2,372,499
2031		1,009,694		890,626	1,900,320
2032		1,009,069		889,838	1,898,907
2033		1,001,910		890,558	1,892,468
2034		1,008,016		889,734	1,897,750
2035		1,002,853		890,392	1,893,245
2036				890,482	890,482
	<u>\$ 6,196,138</u>	<u>\$ 18,147,853</u>	<u>\$ 1,007,101</u>	<u>15,083,624</u>	<u>\$ 40,434,716</u>
					\$ 2,479,569

**CITY OF LEESBURG, FLORIDA
 AGGREGATE SENIOR LIEN EXISTING DEBT SERVICE
 BONDS SECURED BY EXPRESS LIEN ON NON-AD VALOREM REVENUES**

Fiscal Year	Series 2009 Cap Improv	Series 2013 Cap Improv	Aggregate Debt Service
2018	\$ 477,845	\$ 1,013,112	\$ 1,490,957
2019	479,956	1,011,987	1,491,943
2020	481,357	1,015,337	1,496,694
2021	477,167	1,010,262	1,487,429
2022	477,386	1,008,537	1,485,923
2023	476,895	1,002,662	1,479,557
2024	475,695	1,005,287	1,480,982
2025	478,667	1,009,662	1,488,329
2026	475,811	1,006,162	1,481,973
2027	477,128	1,010,337	1,487,465
2028	472,617	1,006,903	1,479,520
2029	472,278	1,006,794	1,479,072
2030	473,336	1,009,269	1,482,605
2031		1,009,694	1,009,694
2032		1,009,069	1,009,069
2033		1,001,910	1,001,910
2034		1,008,016	1,008,016
2035		1,002,853	1,002,853
	\$ 6,196,138	\$ 18,147,853	\$ 24,343,991

Maximum: \$ 1,496,694

**CITY OF LEESBURG, FLORIDA
 AGGREGATE CB&A DEBT SERVICE
 MAXIMUM ANNUAL COVENANT DEBT SERVICE**

Fiscal Year	Series 2015 GL CRA	Series 2016 CRA Highway 441/27	Aggregate Debt Service
2018	\$ 101,313	\$ 367,928	\$ 469,241
2019	101,043	376,114	477,157
2020	100,715	489,042	589,757
2021	100,329	498,992	599,321
2022	100,870	890,554	991,424
2023	100,338	889,832	990,170
2024	100,734	889,722	990,456
2025	101,042	890,198	991,240
2026	100,277	890,234	990,511
2027	100,440	889,828	990,268
2028		889,984	889,984
2029		889,672	889,672
2030		889,894	889,894
2031		890,626	890,626
2032		889,838	889,838
2033		890,558	890,558
2034		889,734	889,734
2035		890,392	890,392
2036		890,482	890,482
	<u>\$ 1,007,101</u>	<u>\$ 15,083,624</u>	<u>\$ 16,090,725</u>
		Maximum: \$	991,424

CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REFUNDING PROMISSORY NOTE, SERIES 2009

Date	Principal	Interest	Debt Service	Annual Debt Service
10/01/2017	\$ 265,000	\$ 109,556	\$ 374,556	
04/01/2018		103,289	103,289	\$ 477,845
10/01/2018	280,000	103,289	383,289	
04/01/2019		96,667	96,667	479,956
10/01/2019	295,000	96,667	391,667	
04/01/2020		89,690	89,690	481,357
10/01/2020	305,000	89,690	394,690	
04/01/2021		82,477	82,477	477,167
10/01/2021	320,000	82,477	402,477	
04/01/2022		74,909	74,909	477,386
10/01/2022	335,000	74,909	409,909	
04/01/2023		66,986	66,986	476,895
10/01/2023	350,000	66,986	416,986	
04/01/2024		58,709	58,709	475,695
10/01/2024	370,000	58,709	428,709	
04/01/2025		49,958	49,958	478,667
10/01/2025	385,000	49,958	434,958	
04/01/2026		40,853	40,853	475,811
10/01/2026	405,000	40,853	445,853	
04/01/2027		31,275	31,275	477,128
10/01/2027	420,000	31,275	451,275	
04/01/2028		21,342	21,342	472,617
10/01/2028	440,000	21,342	461,342	
04/01/2029		10,936	10,936	472,278
10/01/2029	462,400	10,936	473,336	473,336
	<u>\$ 4,632,400</u>	<u>\$ 1,563,738</u>	<u>\$ 6,196,138</u>	<u>\$ 6,196,138</u>

CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES 2013

Date	Principal	Interest	Debt Service	Annual Debt Service
10/01/2017	530,000	245,531	775,531	
04/01/2018		237,581	237,581	1,013,112
10/01/2018	545,000	237,581	782,581	
04/01/2019		229,406	229,406	1,011,987
10/01/2019	565,000	229,406	794,406	
04/01/2020		220,931	220,931	1,015,337
10/01/2020	580,000	220,931	800,931	
04/01/2021		209,331	209,331	1,010,262
10/01/2021	605,000	209,331	814,331	
04/01/2022		194,206	194,206	1,008,537
10/01/2022	630,000	194,206	824,206	
04/01/2023		178,456	178,456	1,002,662
10/01/2023	665,000	178,456	843,456	
04/01/2024		161,831	161,831	1,005,287
10/01/2024	700,000	161,831	861,831	
04/01/2025		147,831	147,831	1,009,662
10/01/2025	725,000	147,831	872,831	
04/01/2026		133,331	133,331	1,006,162
10/01/2026	755,000	133,331	888,331	
04/01/2027		122,006	122,006	1,010,337
10/01/2027	775,000	122,006	897,006	
04/01/2028		109,897	109,897	1,006,903
10/01/2028	800,000	109,897	909,897	
04/01/2029		96,897	96,897	1,006,794
10/01/2029	830,000	96,897	926,897	
04/01/2030		82,372	82,372	1,009,269
10/01/2030	860,000	82,372	942,372	
04/01/2031		67,322	67,322	1,009,694
10/01/2031	890,000	67,322	957,322	
04/01/2032		51,747	51,747	1,009,069
10/01/2032	915,000	51,747	966,747	
04/01/2033		35,163	35,163	1,001,910
10/01/2033	955,000	35,163	990,163	
04/01/2034		17,853	17,853	1,008,016
10/01/2034	985,000	17,853	1,002,853	1,002,853
\$	13,310,000	\$ 4,837,853	\$ 18,147,853	\$ 18,147,853

**CITY OF LEESBURG, FLORIDA
CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2015
(GREATER LEESBURG CRA)**

Date	Principal	Interest	Debt Service	Annual Debt Service
10/01/2017	\$ 77,000	\$ 12,717	\$ 89,717	
04/01/2018		11,596	11,596	\$ 101,313
10/01/2018	79,000	11,596	90,596	
04/01/2019		10,447	10,447	101,043
10/01/2019	81,000	10,447	91,447	
04/01/2020		9,268	9,268	100,715
10/01/2020	83,000	9,268	92,268	
04/01/2021		8,061	8,061	100,329
10/01/2021	86,000	8,061	94,061	
04/01/2022		6,809	6,809	100,870
10/01/2022	88,000	6,809	94,809	
04/01/2023		5,529	5,529	100,338
10/01/2023	91,000	5,529	96,529	
04/01/2024		4,205	4,205	100,734
10/01/2024	94,000	4,205	98,205	
04/01/2025		2,837	2,837	101,042
10/01/2025	96,000	2,837	98,837	
04/01/2026		1,440	1,440	100,277
10/01/2026	99,000	1,440	100,440	100,440
	<u>\$ 874,000</u>	<u>\$ 133,101</u>	<u>\$ 1,007,101</u>	<u>\$ 1,007,101</u>

CITY OF LEESBURG, FLORIDA
TAX INCREMENT REFUNDING REVENUE NOTE, SERIES 2016
(CRA FOR US HIGHWAY 441/27 TIF PROJECT)

Date	Principal	Interest	Debt Service	Annual Debt Service
11/01/2017		\$ 148,964	\$ 148,964	
05/01/2018	\$ 70,000	148,964	218,964	\$ 367,928
11/01/2018		148,057	148,057	
05/01/2019	80,000	148,057	228,057	376,114
11/01/2019		147,021	147,021	
05/01/2020	195,000	147,021	342,021	489,042
11/01/2020		144,496	144,496	
05/01/2021	210,000	144,496	354,496	498,992
11/01/2021		141,777	141,777	
05/01/2022	607,000	141,777	748,777	890,554
11/01/2022		133,916	133,916	
05/01/2023	622,000	133,916	755,916	889,832
11/01/2023		125,861	125,861	
05/01/2024	638,000	125,861	763,861	889,722
11/01/2024		117,599	117,599	
05/01/2025	655,000	117,599	772,599	890,198
11/01/2025		109,117	109,117	
05/01/2026	672,000	109,117	781,117	890,234
11/01/2026		100,414	100,414	
05/01/2027	689,000	100,414	789,414	889,828
11/01/2027		91,492	91,492	
05/01/2028	707,000	91,492	798,492	889,984
11/01/2028		82,336	82,336	
05/01/2029	725,000	82,336	807,336	889,672
11/01/2029		72,947	72,947	
05/01/2030	744,000	72,947	816,947	889,894
11/01/2030		63,313	63,313	
05/01/2031	764,000	63,313	827,313	890,626
11/01/2031		53,419	53,419	
05/01/2032	783,000	53,419	836,419	889,838
11/01/2032		43,279	43,279	
05/01/2033	804,000	43,279	847,279	890,558
11/01/2033		32,867	32,867	
05/01/2034	824,000	32,867	856,867	889,734
11/01/2034		22,196	22,196	
05/01/2035	846,000	22,196	868,196	890,392
11/01/2035		11,241	11,241	
05/01/2036	868,000	11,241	879,241	890,482
	\$ 11,503,000	\$ 3,580,624	\$ 15,083,624	\$ 15,083,624



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