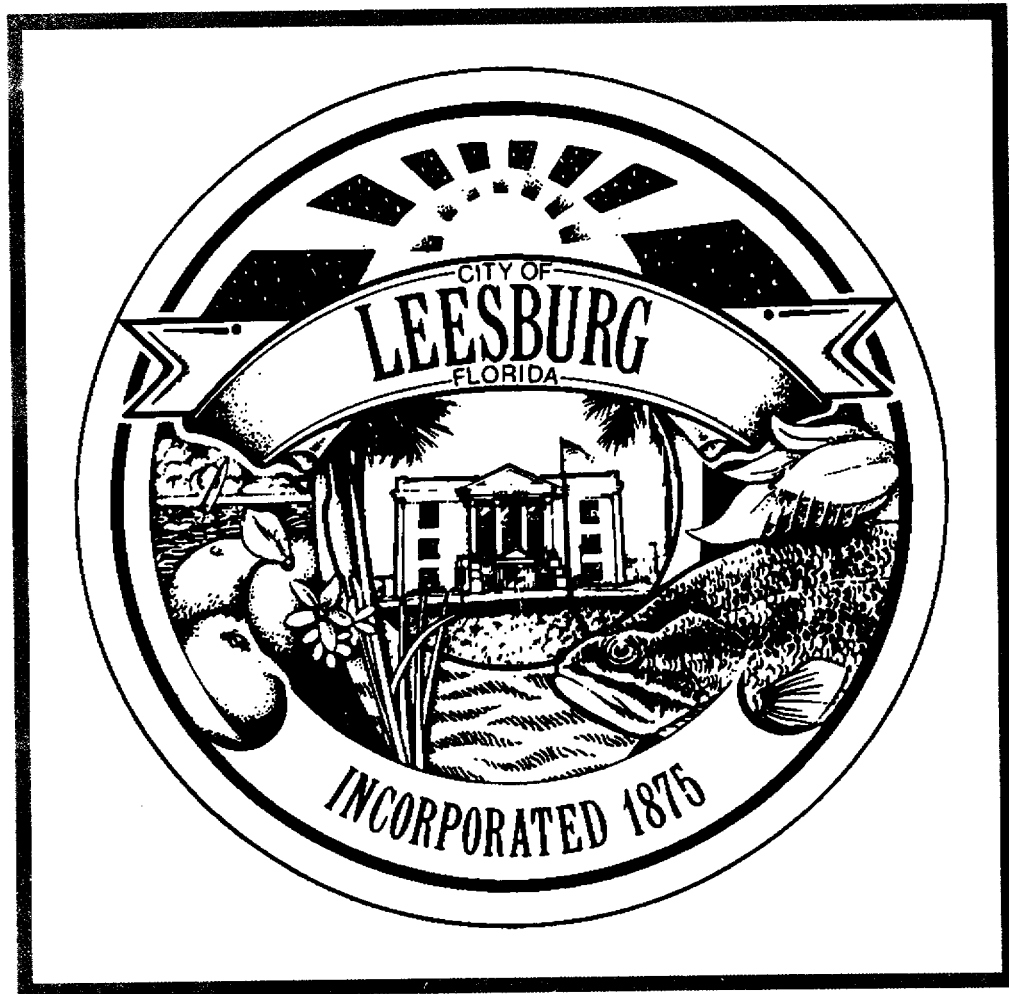


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 1999



CITY OF LEESBURG, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF LEESBURG, FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 1999

Prepared By:

**Thomas P. Klinker, CPA
City Clerk/Finance Director**

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INTRODUCTORY SECTION

This section contains the following subsections:

- ◆ Principal City Officials
- ◆ Table of Contents
- ◆ Letter of Transmittal
- ◆ Organizational Chart
- ◆ Certificate of Achievement for
Excellence in Financial Reporting

**CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999**

MAYOR

C. Robert Lovell

MAYOR—PRO-TEM

Chet Blackmon

COMMISSION

David L. Connelly
Ben Perry
Lewis Puckett

CITY MANAGER

Anthony G. Otte

**CITY CLERK/FINANCE
DIRECTOR**

Thomas P. Klinker, CPA, CGFO

CITY ATTORNEY

McLin, Burnsed, Morrison
Johnson, Newman & Roy, P.A.

CITY AUDITORS

Purvis, Gray and Company

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**CITY OF LEESBURG, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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March 24, 2000

To the Honorable Mayor and
City Commissioners of the
City of Leesburg, Florida

The Comprehensive Annual Financial Report of the City of Leesburg, Florida for the fiscal year ended September 30, 1999, is respectfully submitted. This report was prepared by the Finance Division of the City Clerk/Finance Director. I believe the financial and statistical information presented is accurate in all material respects, and is set forth in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The report contains all of the disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

Organization and Content

The purpose of this letter is to narratively point out the highlights of the City's financial operations for the fiscal year ended September 30, 1999. The Comprehensive Annual Financial Report contains three major sections, which are the Introductory, the Financial, and the Statistical Sections. The Introductory Section is designed to give the reader some basic background about the governmental unit as a whole. The Financial Section is divided into the following subsections:

1. General Purpose Financial Statements by fund type and account group.
2. Notes to the Financial Statements.
3. Combining, Individual Fund and Account Group Statements and Schedules.

The Statistical Section presents social, demographic, and economic data together with information concerning the financial trends and fiscal capacity of the City of Leesburg, and is generally presented on a multi-year basis.

The following pages of this letter summarize and highlight the financial transactions of the City of Leesburg for the fiscal year ended September 30, 1999.

General Information

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 citizen vote of 23 to 2, the City of Leesburg was incorporated on July 12, 1875.



LEESBURG
The Lakefront City

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352/728-0700 • Fax 352/728-0734 • TDD 352/728-4138

- AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER -

March 24, 2000

The City of Leesburg is situated between Lake Harris and Lake Griffin. The City was originally a 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 highest populated of the fourteen (14) incorporated municipalities in Lake County.

The estimated April 1, 1999 population of 15,627 residents ranks the City of Leesburg as the 99th largest of Florida's 400 municipalities (the incorporated cities, towns and villages). In addition to Leesburg, the other thirteen incorporated municipalities located within Lake County are Astatula, Clermont, Eustis, Fruitland Park, Groveland, Howey-in-the-Hills, Lady Lake, Mascotte, Minneola, Montverde, Mount Dora, Tavares and Umatilla.

As shown on the map below, the City of Leesburg is located in north central Florida midway between the Gulf of Mexico and the Atlantic Ocean, approximately 200 miles southeast of the State Capitol, Tallahassee, 80 miles northeast of Tampa, 40 miles northwest of Orlando and 125 miles southwest of Jacksonville. The City is bisected by State Road 44, US Highway 27, and US Highway 441.



The major factors in the economy of the City of Leesburg and the surrounding areas are recreation and tourism. The Leesburg Industrial Park is located on SR 44 and is occupied by several industrial and commercial enterprises.

Government Structure

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 operates under a commission/manager form of government, with a governing board consisting of five City Commissioners, elected to staggered three-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.

The Financial Reporting Entity and Its Services

This report contains all of the funds and account groups of the City of Leesburg, Florida, as well as component units which are required to be included pursuant to the provisions of Governmental Accounting Standards Board (GASB) Statement Number 14.

Statement 14 generally requires inclusion within the financial statements of organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete.

Based on the application of the foregoing criteria, the Greater Leesburg Community Redevelopment Agency is included as a blended component unit of the City.

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After a detailed review of the criteria set forth in Governmental Accounting Standards Board Statement Number 14 (the Financial Reporting Entity), the following boards, authorities, agencies, and districts have been excluded from the financial reporting entity:

North Lake County Hospital District
North Lake Ambulance District
Leesburg Regional Medical Center

The City provides a full range of governmental services contemplated by state law and local ordinance, including police and fire protection, storm water drainage, the construction and maintenance of streets and infrastructure, library, recreational activities, cultural events, planning, zoning, housing, and administrative services. In addition to general government activities, the City also provides a full range of utility services, including electric, natural gas, sanitation and communication services, water and wastewater treatment.

Accounting System and Budgetary Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records used in preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. I believe that the City's internal accounting controls adequately safeguard assets, and provide

reasonable assurance of proper recording of financial transactions.

Formal budgetary integration is used as a management control device during the year for all governmental funds of the City. During fiscal year 1997-98, the City adopted a budget policy which 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 generally accepted accounting principles (GAAP). The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget adopted by the City Commission.

The City's accounting system is organized and operated on a "fund" basis, which is the basic fiscal and accounting entity in governmental accounting. Each fund is classified by category and fund type. For descriptions of the City's fund types, account groups and a summary of significant accounting policies, see the notes to the financial statements. For a description of individual funds, see the combining statements.

An abbreviated summary of the classes of funds is outlined below:

Governmental Funds

In Governmental Funds, measurement focus is based on a determination of the financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income determination. These funds are maintained on the modified accrual basis of accounting, where revenues and other financial resource increments (for example, bond proceeds) are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Basic financial statements

March 24, 2000

necessary to fairly present financial position and operating results for these funds are the balance sheet and the statement of revenues, expenditures and changes in fund balance.

Proprietary Funds

The Proprietary Funds (the Enterprise Funds and the Internal Service Funds) are used to account for activities in a manner similar to that utilized in the private sector, where the determination of net income is necessary or useful for sound financial administration. The Proprietary Funds are accounted for on the full accrual basis, where revenues are recognized when they are earned and expenses when they are incurred.

Fiduciary Funds

The measurement focus for Trust and Agency Funds is dependent on the nature of the fund. The only Trust and Agency Funds of the City of Leesburg are the Pension Trust Funds, which are accounted for in essentially the same manner as the Proprietary Funds.

Account Groups

The General Fixed Assets and General Long-Term Debt Account Groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. The City's general fixed assets are not financial resources available for expenditure. The unmatured principal of the City's general long-term debt does not require the use of financial resources during the current accounting period. Accordingly, these are not accounted for in the governmental funds, but in self-balancing account groups.

General Governmental Functions

Revenues, as included in the governmental funds, totaled \$13,941,209 during fiscal year 1998-99 and increased by \$1,524,705 or 12.28% over the total revenues of \$12,416,504 reported in fiscal year 1997-98.

Pursuant to the uniform classification of accounts prescribed by the State Comptroller's office, governmental fund revenues are classified into one of the following six categories:

Taxes - Includes property (ad valorem) taxes, local option gas taxes, other local taxes, and franchise fees.

Licenses and Permits - Includes occupational licenses, building, zoning, and utility permits, right-of-way permits, and other licenses and permits of a local nature.

Intergovernmental Revenues - Includes federal grants, payments, and revenue sharing, state grants, payments, and revenue sharing such as the City's share of state collected motor fuel taxes and sales taxes.

Charges for Services - Includes park fees, recreational activity fees, marina storage and fuel sales, certification and copy of city documents and records, sale of official maps and publications, animal control fees, stormwater utility fees, building and other user charges.

Fines and Forfeitures - Includes court fines and fees (including police officers educational funding), the proceeds from the sale of judicially confiscated property, and library fines.

March 24, 2000

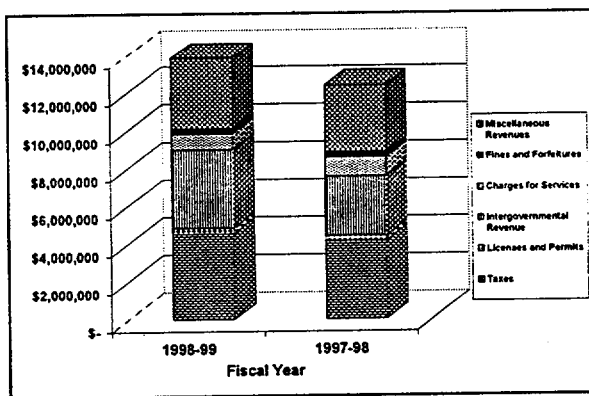
Miscellaneous Revenues - Includes interest on investments, rents, sales of surplus property, insurance proceeds from lost or destroyed property, street paving assessments, refunds, contributions, reimbursements, and revenues not more properly recorded in other classifications.

Based on the preceding classifications, the amount of general government revenues received during fiscal year 1998-99 as compared to fiscal year 1997-98 was as follows:

Description	Fiscal Year 1998-99	Fiscal Year 1997-98	Increase (Decrease)	Percent Change
Taxes	\$ 4,560,397	\$ 4,138,872	\$ 421,525	10.18 %
Licenses and Permits	296,298	273,436	22,862	8.36 %
Intergovernmental Revenue	4,195,239	3,192,427	1,002,812	31.41 %
Charges for Services	824,451	987,987	(163,536)	(16.55)%
Fines and Forfeitures	303,902	298,233	5,669	1.90 %
Miscellaneous Revenues ⁽¹⁾	3,760,922	3,525,549	235,373	6.68 %
Totals	\$ 13,941,209	\$ 12,416,504	\$ 1,524,705	12.28 %

⁽¹⁾Includes interest income and reimbursements received from the Enterprise Funds for services provided by General Fund Departments

The relationships between the various sources of revenue received in fiscal year 1998-99, as compared to fiscal year 1997-98, may be shown graphically as follows:



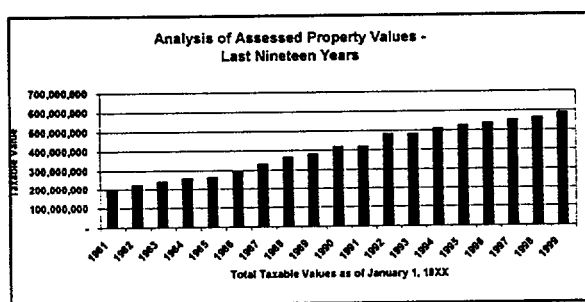
Although each of the eight revenue accounts included in the tax category experienced increases during fiscal year 1998-99 compared to fiscal year 1997-98, nearly 90% of the \$421,525 or 10.18% increase in this category can be attributed to increases in three specific revenue sources. The largest single source of the

increase in tax revenues was in the amount of delinquent ad valorem tax revenues received, which increased by \$164,022 or 238.42% from \$68,795 in fiscal year 1997-98 to \$232,817 in fiscal year 1998-99. The distinction between current and delinquent ad valorem tax revenues is made by the Lake County Tax Collector based on when, during the property tax cycle, the amounts are collected. As a consequence, some amounts are recorded as delinquent even though they are collected during the fiscal year for which they were originally levied.

The second major source of the increase in tax revenues, current ad valorem tax revenues, increased by \$98,244 or 4.22% from \$2,328,419 in fiscal year 1997-98 to \$2,426,663 in fiscal year 1998-99. Since the millage rate (amount of taxes per \$1,000 of assessed value) levied in the city remained constant at 4.50 mills for each of the two years, this increase is entirely attributable to increases in the assessed value of taxable properties which

March 24, 2000

totaled \$565,285,566 in fiscal year 1997-98, and increased by \$25,239,088 or 4.46% to \$590,524,654 in fiscal year 1998-99. Although during the past six years the rate of growth in taxable values has slowed considerably from the explosive growth rates experienced throughout the 1980's, nevertheless, over the past eighteen years the increase in total taxable values has averaged 10.82% annually, which, may be shown graphically as follows:



The third major source of the increase in tax revenues is attributable to increases in Local Government Infrastructure Surtax Revenues. Total revenues from this source increased by \$108,894 or 10.90% from \$998,768 in fiscal year 1997-98 to \$1,107,662 in fiscal year 1998-99.

Each of the other three major categories of tax revenues (i.e. franchise taxes, local option gas taxes, and the one cent voted gas tax) experienced modest increases in the amount received in fiscal year 1998-99 as compared to the amount received in fiscal year 1997-98. Combined, these sources of revenue rose by a total of \$50,065 or 6.74% from \$742,890 in fiscal year 1997-98 to \$792,955 in fiscal year 1998-99. Notable was the increase in the proceeds from the cable television franchise fees which increased from \$101,822 in fiscal year 1997-98 to \$105,106 in fiscal year 1998-99, an increase of 3.23% or \$3,284. In addition, the amounts collected from telephone franchise fees rose by \$336 or 0.99% from \$34,000 in fiscal year 1997-98 to \$34,336 in fiscal year 1998-99.

Revenues received from the One Cent Voted Gas Tax experienced a sizeable increase of \$13,407 or 10.03% from \$133,360 during fiscal year 1997-98 to \$147,036 during fiscal year 1998-99. This tax, which was approved by the voters of Lake County in a referendum election, provides for the levy of a one cent per gallon tax on every gallon of motor fuel and special fuel sold in the County and taxed pursuant to the provisions of Section 206, Florida Statutes. Utilization of the proceeds of this tax is limited to the costs of acquisition, construction, reconstruction, and maintenance of roads and streets; and the costs of establishing, operating, and maintaining a transportation system and related facilities.

Revenues from the Local Option Gas Tax rose by \$33,038 or 6.98% from \$473,438 in fiscal year 1997-98 to \$506,476 in fiscal year 1998-99.

It should be noted at this point that through a cooperative agreement between the Lake County Board of County Commissioners and the fourteen incorporated Lake County municipalities, nearly 30% of both the one cent voted gas taxes as well as the six cent local option gas taxes collected are shared with the municipalities.

License and permit revenues rose in total by \$22,862 or 8.36% from \$273,436 in fiscal year 1997-98 to \$296,298 in fiscal year 1998-99. These revenues are generated from two sources, namely professional and occupational licenses and building permits. Professional and occupational license revenues fell by \$6,097 or 3.73% from \$163,336 in fiscal year 1997-98 to \$157,240 in fiscal year 1998-99. Professional and occupational license fees are payable on or before October 1 of each year, and therefore, the timing of when these items are paid could have an impact on the amount received

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from one year to the next. The other major source of license and permit revenues, building permits, experienced an increase of \$28,927 or 26.27% from \$110,100 in fiscal year 1997-98 to \$139,027 in fiscal year 1998-99. The increase in building permit revenues may be explained, in large part, by examining commercial building activity. While the total number of commercial building permits issued only increased by 17 or 12.69% from 134 during fiscal year 1997-98 to 151 during fiscal year 1998-99, commercial building permit fees rose by \$19,716 or 58.60% from \$33,643 in fiscal year 1997-98 to \$53,359 in fiscal year 1998-99). This increase therefore seems to have been caused, at least in part by an increase in the average size of the construction. A number of significant construction projects were initiated in the City of Leesburg during fiscal year 1998-99 including Lowe's, Outback Steakhouse, Citizens First Bank, First Federal Savings Bank and Publix.

Intergovernmental revenues experienced the single largest increase of any of the major revenue categories. The fiscal year 1998-99 intergovernmental revenues of \$4,195,239 represented an increase of \$1,002,812 or 31.41 % over the \$3,192,427 reported in fiscal year 1997-98. Although many of the individual sources of revenue which comprise intergovernmental revenues experienced modest increases in the amount of revenue received during fiscal year 1998-99, compared to the amount received during fiscal year 1997-98, in this case, the overall increase can be attributed to a single source. To be specific, the amount of revenues recognized from the joint participation agreements between the City of Leesburg and the State of Florida, Department of Transportation, concerning the construction of airport signage (\$63,339), rehabilitation of runway 3/21 (\$41,645), threshold R-21 (\$170,709), completion of an airport master plan (\$78,859), and land acquisition

(\$1,726,475) at the Leesburg Regional Airport, increased dramatically from fiscal year 1997-98 to fiscal year 1998-99. Revenues from this source totaled \$462,715 during fiscal year 1997-98 and rose by \$1,008,461 or 217.94% to \$1,471,176 in fiscal year 1998-99. In addition to the funding assistance received from the State of Florida for the construction of these improvements, funding assistance was also received from the federal government as well as from Lake County. Assistance received from the federal government increased by \$32,582 or 84.87% from \$38,391 in fiscal year 1997-98 to \$70,973 in fiscal year 1998-99. Funding of airport improvements received from Lake County fell by \$25,745 or 36.83% from \$69,895 in fiscal year 1997-98 to \$44,150 in fiscal year 1998-99.

Secondly, housing grant revenues received from the United States Department of Housing and Urban Development rose by \$150,713 or 26.49% from \$568,904 in fiscal year 1997-98 to \$719,617 in fiscal year 1998-99. This increase can be attributed to the federal government lifting the HUD requirement for a ninety day delay after day of application before issuing a certificate or voucher. The number of leased units increased; therefore, funding, which is based on the number of leased units as well as the established rate per unit, increased.

Also in the area of intergovernmental revenues, the proceeds received by the City from the Local Government Half-Cent Sales Tax Program experienced an increase of \$53,083 or 8.37% from \$634,021 in fiscal year 1997-98 to \$687,104 in fiscal year 1998-99.

Community Development Block Grant revenue declined because the work which was the subject of the uncompleted grant, namely housing rehabilitation and improvements to substandard housing units, which are owned by eligible

March 24, 2000

low-income individuals and families neared completion during fiscal year 1997-98 and was subsequently completed during fiscal year 1998-99 in January 1999. Since the amount of grant revenue recognized is directly related to the amount of expenditures incurred, revenues also fell. Revenues from this grant cycle totaled \$446,054 during fiscal year 1997-98 and fell by \$86,744 or 19.45% to \$359,310 in fiscal year 1998-99.

The decrease of \$163,536 in Charges for Services revenues can be attributed to a change in the categorization of revenues which are more properly recognized in the miscellaneous revenue category. Specifically, rental revenues associated with the Venetian Cove Marina were reclassified during fiscal year 1998-99 from charges for services to miscellaneous revenues (which is where other rental revenues are recorded). These changes alone resulted in a decrease of \$177,090 which more than accounts for the overall decrease of \$163,563 in this category. The remainder of the individual revenue sources in this category experienced modest increases in the amount received during fiscal year 1998-99 when compared to fiscal year 1997-98. Revenues for fuel and merchandise sales at the Venetian Cove Marina rose by \$5,230 or 13.88% from \$37,686 in fiscal year 1997-98 to \$42,915 in fiscal year 1998-99.

A majority of the individual sources of revenue included within fines and forfeitures, which represent judgments and fines from judicial proceedings, experienced decreases in the amount received during fiscal year 1998-99 compared to fiscal year 1997-98. Nevertheless, certain court fines and code enforcement fines experienced nominal increases. As a result, there was an overall increase in this category of only \$5,669 or 1.90% from \$298,233 in fiscal year 1997-98 to \$303,902 in fiscal year 1998-99. It should be noted that because

of their nature, revenue from these sources is subject to extreme inestimable variances from year to year.

The increase of \$235,373 or 6.68% in miscellaneous revenues, is attributable to the sale of City owned property in the amount of \$33,837, which includes the sale of an easement to Romac Lumber as well as the reclassification of certain revenue sources as more fully described above in the discussion of charges for services revenues. In addition, during fiscal year 1998-99, the City received insurance proceeds in the amount of \$100,000 in conjunction with the negotiated settlement of the litigation with the Tri-City Branch of the NAACP of Lake County, which occurred at the very end of fiscal year 1997-98. In total, revenues from insurance proceeds in the general fund rose from \$10,144 in fiscal year 1997-98 to \$111,065 in fiscal year 1998-99. The balance of miscellaneous revenues experienced a net decrease during fiscal year 1998-99 from the amount received in fiscal year 1997-98. Notable examples include interest earnings, which declined by \$129,452 or 33.63% from \$384,961 in fiscal year 1997-98 to \$255,509 in fiscal year 1998-99. The reasons for the decrease in interest revenues are really three fold. First, the amount of surplus funds available for investment fell because of the expenditure of funds accumulated in prior years. Second, the rate of return which the City was able to obtain on invested funds diminished slightly from that available in prior years. Finally, the adjustments required (pursuant to the provisions of GASB Statement 31) to mark investment values at market prices resulted in a reduction to investment income totaling \$39,290.

Total expenditures, as included in the governmental funds, rose by \$2,186,029 or 11.57% from \$18,901,652 in fiscal year 1997-98 to \$21,087,681 in fiscal year 1998-99.

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Similar to the fashion in which revenues are classified into major categories, governmental fund type expenditures are classified into one of the following nine functional categories:

General Government - Includes the costs of services provided by the legislative, judicial and administrative branches of government for the benefit of the public and the governmental body as a whole.

Public Safety - Includes expenditures related to the security of persons and property, such as police services, building inspection services, fire protection services and fire rescue services.

Physical Environment - Includes the costs of services necessary for the attainment of a satisfactory living environment, such as pollution control, stormwater management, and other activities relating to the environment.

Transportation - Includes those expenditures necessary to provide for the safe and efficient flow of vehicle and pedestrian traffic throughout the City, primarily through construction and maintenance of roads, as well as those costs related to the construction and maintenance of airport facilities.

Economic Environment - Includes costs incurred for the development and improvement of economic conditions for the community and its citizens.

Human Services - Includes expenditures for the care, treatment, and control of human illness, injury, or handicap, and for the welfare of the community as a whole, such as the Citizens Utility Relief Effort (C.U.R.E.) and animal control services.

Culture/Recreation - Includes the costs of providing and maintaining cultural and recreational facilities throughout the City for the benefit of all City citizens.

Capital Projects - Includes expenditures for major construction projects, which generally require longer than one fiscal year to complete.

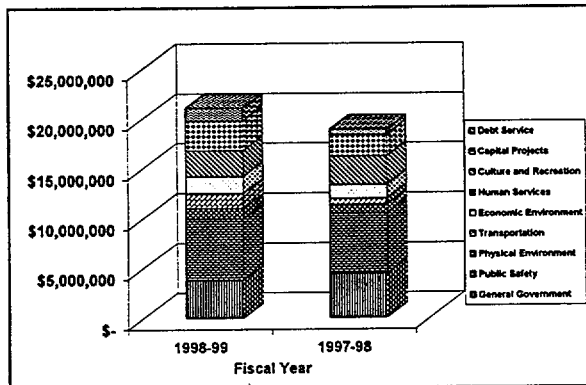
Debt Service - Includes the costs of liquidating long-term liabilities of the City, such as principal and interest on bond issues and notes and contracts payable and related expenditures.

Utilizing the functional categories listed above, the amount of expenditures incurred in the governmental funds during fiscal year 1998-99, as compared to fiscal year 1997-98, was as follows:

Description	Fiscal Year 1998-99	Fiscal Year 1997-98	Increase (Decrease)	Percent Change
General Government	\$ 3,844,042	\$ 4,446,495	\$ (602,453)	(13.55)%
Public Safety	6,093,036	6,096,292	(3,256)	(0.05)%
Physical Environment	1,113,690	883,875	229,815	26.00 %
Transportation	1,510,205	595,606	914,599	153.56 %
Economic Environment	1,638,637	1,335,247	303,390	22.72 %
Human Services	32,578	47,999	(15,421)	(32.13)%
Culture and Recreation	2,567,542	2,807,600	(240,058)	(8.55)%
Capital Projects	2,985,420	2,172,578	812,842	37.41 %
Debt Service	1,302,531	515,960	786,571	152.45 %
Totals	\$ 21,087,681	\$ 18,901,652	\$ 2,186,029	11.57 %

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The following is a graphic representation of the changes in expenditures by category from fiscal year 1997-98 to fiscal year 1998-99:



Expenditures for General Government functions decreased by 13.55% or \$602,453 from \$4,446,495 in fiscal year 1997-98 to \$3,844,042 in fiscal year 1998-99. Although many departments/divisions experienced modest increases and/or decreases, over 70% of the net decrease is attributable to the negotiated settlement of the litigation with the Tri-City Branch of the NAACP of Lake County. That settlement, which occurred at the very end of fiscal year 1997-98, resulted in general government expenditures during fiscal year 1997-98 totaling \$534,000. Expenditures for this purpose totaled \$100,000 during fiscal year 1998-99, a decrease of \$434,000 or 81.27%. In addition, expenditures for public buildings (which includes the costs of operating and maintaining buildings as well as the cost of purchasing buildings not funded from the capital projects fund) experienced a decrease of \$130,073 or 31.92% from \$407,463 in fiscal year 1997-98 to \$277,390 in fiscal year 1998-99. This decrease can be explained by the fact that during fiscal year 1997-98 the City purchased an office building in downtown Leesburg, at a total cost (funded out of the general fund) of \$148,262. In addition, expenditures for the Information and Communication Services Department experienced a decrease of

\$99,720 or 18.96% from \$526,055 in fiscal year 1997-98 to \$426,335 in fiscal year 1998-99. This decrease was caused in large part by the fact that during fiscal year 1998-99 there were a number of unfilled positions in this department.

Public Safety expenditures decreased by \$3,256 or 0.05%. This category includes a total of three departments: Police, Fire and Building Inspections. Expenditures for the Police and Building Inspections Departments declined by \$11,935 and \$3,987 respectively during fiscal year 1998-99 compared to fiscal year 1997-98, while expenditures for the Fire Department rose by \$12,666 or 0.63%.

Physical Environment expenditures rose by \$229,815 or 26.00% from \$883,875 in fiscal year 1997-98 to \$1,113,690 in fiscal year 1998-99. Each of the three activities reported in this category experienced an increase in the amount of expenditures reported during fiscal year 1998-99 compared to fiscal year 1997-98. The most significant increase occurred in the Engineering Division, where total expenditures rose by \$189,091 or 68.26% from \$277,034 in fiscal year 1997-98 to \$466,125 in fiscal year 1998-99. The Engineering Division includes three employees and associated expenditures which were reclassified from the Gas, Water and Wastewater Funds and consolidated into one department in the general fund in fiscal year 1998-99, with the utility funds paying for their allocated share of the expenditures. Expenditures for the Public Works Office Division rose by \$28,111 or 29.02% from \$96,876 in fiscal year 1997-98 to \$124,987 in fiscal year 1998-99. This increase was caused in large part by the employment, in January 1999, of a Public Works Director after an extended period of time when this position remained vacant. Finally in the physical environment category, expenditures from the Stormwater Utility Fund (which is accounted for as a special revenue fund) totaled \$509,965 in fiscal year

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1997-98 and rose by \$12,613 or 2.47% to \$522,578 in fiscal year 1998-99.

Transportation expenditures rose by \$914,599 or 153.56%. Nearly 60% of this increase is attributable to the downtown Streetscape project which began in July 1999. \$533,870 of the total estimated Streetscape project cost of \$1,882,921 was expended during fiscal year 1998-99. There were no expenditures related to Streetscape reported during fiscal year 1997-98. Expenditures for road and street facilities rose by \$349,755 or 70.5% from \$496,102 in fiscal year 1997-98 to \$845,857 in fiscal year 1998-99. The majority of this increase (\$196,738) is attributable to the reclassification of the operating costs of street lights. During fiscal year 1997-98, these costs were accounted for in the electric utility fund and therefore, not included within transportation expenditures in the governmental funds. A decision was subsequently made to transfer these expenditures back to the general fund in fiscal year 1998-99. In addition, a portion of this increase resulted from increased expenditures for street signs including replacement of many signs in the downtown area with newly designed decorative signs. Finally, expenditures associated with the Leesburg Regional Airport rose by \$30,974 or 31.13% from \$99,504 in fiscal year 1997-98 to \$130,478 in fiscal year 1998-99. Over half of this increase is attributable to the construction of capital improvements at the airport (beyond those funded out of the capital projects fund) and increases in the allocated costs of grounds maintenance at the airport.

The overall net increase of \$303,390 or 22.72% in Economic Environment expenditures from \$1,335,247 in fiscal year 1997-98 to \$1,638,637 in fiscal year 1998-99 may be explained in total by the purchase by the Greater Leesburg Community Redevelopment Agency during fiscal year 1998-99 of real property for the purpose of

developing a Town Square. Expenditures for this purpose totaled \$380,473 during fiscal year 1998-99. There were no capital outlay expenditures from this fund during fiscal year 1997-98. In addition, expenditures in the federally assisted housing voucher and certificate program rose by \$148,359 or 24.93% from \$595,092 in 1997-98 to \$743,451 in 1998-99. The reason for this increase, which is more fully described in the analysis of intergovernmental (housing grant) revenues above, resulted from a procedural change by the federal government, lifting the HUD requirement for a ninety day delay after day of application before issuing a certificate or voucher.

Each of the other three activities included in the economic environment category experienced decreases in the amount expended during fiscal year 1998-99 compared to the amount expended during fiscal year 1997-98. Expenditures in the Affordable Housing Fund fell by \$6,801 from \$7,731 in fiscal year 1997-98 to \$330 in fiscal year 1998-99. Work neared completion during fiscal year 1998-99 and was completed during fiscal year 1999-2000 on a housing rehabilitation program which was funded from the Small Cities Community Development Block Grant (CDBG) Program. Fiscal year 1997-98 expenditures from the Community Development Block Grant Fund totaled \$521,732 and fell by \$132,888 or 25.47% to \$388,844 in fiscal year 1998-99. Finally, expenditures associated with the City's Economic Development Department fell by \$57,081 or 45.96% from \$124,208 in fiscal year 1997-98 to \$67,127 in fiscal year 1998-99. This decrease occurred as a result of a vacancy in the Economic Development Director position which was filled late in fiscal year 1998-99.

Human Services expenditures decreased by \$15,421 or 32.13% from \$47,999 in fiscal year 1997-98 to \$32,578 in fiscal year 1998-99. Both activities reported in this category decreased. Due to a vacancy in

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the animal control officer position, expenditures in the Animal Control Division fell from \$34,422 in fiscal year 1997-98 to \$24,676 in fiscal year 1998-99, a decrease of \$9,746 or 28.31%. Expenditures associated with the Citizens Utility Relief Effort (C.U.R.E.) Program experienced a decrease of \$5,675 or 41.8% from \$13,577 in fiscal year 1997-98 to \$7,902 in fiscal year 1998-99. Since the amount available to fund C.U.R.E. payments is dependent on the amount of citizen contributions received, expenditures for this purpose tend to vary greatly from year to year.

Expenditures for Culture/Recreation totaled \$2,567,542 in fiscal year 1998-99, which represents a decrease of \$240,058 or 8.55% from the \$2,807,600 reported in fiscal year 1997-98. The only departments included in the culture/recreation category are the library and recreation departments. Total expenditures for the Leesburg Public Library rose by \$29,730 or 3.74% from \$795,706 in fiscal year 1997-98 to \$825,436 in fiscal year 1998-99. This increase is primarily attributable to ordinary increases in personnel costs and operating expenditures. Overall, the Recreation Department experienced a net decrease of \$269,788 or 13.41% from \$2,011,894 in fiscal year 1997-98 to \$1,742,106 in fiscal year 1998-99. Of the eight divisions included within the Recreation Department, only two experienced increases in total expenditures during fiscal year 1998-99 compared to fiscal year 1997-98. Expenditures for the Venetian Cove Marina rose by \$5,943 or 3.85% from \$154,476 in fiscal year 1997-98 to \$160,419 in fiscal year 1998-99. Expenditures for the Mote Morris House increased from \$14,009 in fiscal year 1997-98 to \$14,362 in fiscal year 1998-99, an increase of \$353 or 2.52%. Each of the remaining six divisions of the Recreation Department experienced decreases in the total amount expended in fiscal year 1998-99 when compared to fiscal year 1997-98. While it is difficult to pinpoint all of the reasons for the decreases in this

department, nearly 45% of the overall decrease was caused by decreases in the amount of major capital outlay expenditures paid out of this department in fiscal year 1998-99 as compared to fiscal year 1997-98. To be more specific, during fiscal year 1997-98, major capital expenditures made from the general fund on behalf of the Recreation Department included installation of the infrastructure required for the Lights of Lake Program (\$72,067), the purchase of a mower for the Parks Division (\$14,954), the purchase of a mower for the Athletic Fields Division (\$11,265), and other capital improvements to parks (\$21,904). There were no corresponding expenditures from the general fund for any of these items during fiscal year 1998-99. Collectively, these items total \$120,190.

Net capital project expenditures increased by \$812,842 or 37.41% from \$2,172,578 in fiscal year 1997-98 to \$2,985,420 in fiscal year 1998-99. Significant capital project expenditures during fiscal year 1998-99 included land acquisition and construction of improvements at the Leesburg Regional Airport (\$2,196,396), purchase of a new library site (\$113,720), purchase of two new vehicles for the fire department (\$48,807), purchase of new vehicles for the police department (\$143,899), and improvements to Fountain Lake Park (\$80,494). Each of these items contributed to the overall net increase in capital project expenditures. Capital Outlay expenditures related to the Leesburg Regional Airport consisted of completion of an airport master plan (\$78,859), land acquisition (\$1,726,475), construction of a building for Skybolt Aeromotive, Inc. (\$115,369), rehabilitation of taxiways and runway thresholds (\$212,354), and construction of new airport signage (\$63,339). The cost of these improvements, which are being funded with assistance from the federal, state, and county governments, totaled \$820,400 during fiscal year 1997-98, which compared to the \$2,196,396 expended

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for airport improvements in fiscal year 1998-99, represents an increase of \$1,375,996 or 167.72%. The increase in the cost of airport improvements more than accounts for the overall net increase in capital project expenditures.

Debt Service expenditures vary depending on the amount of the periodic installments of principal and interest due on long-term obligations during a particular fiscal year. Total debt service expenditures increased by \$786,571 or 152.45% from \$515,960 in fiscal year 1997-98, to \$1,302,531 in fiscal year 1998-99.

The overall increase in debt service expenditures was caused entirely by the issuance by the City, on September 17, 1999 of the \$7,345,000 City of Leesburg, Florida Refunding and Capital Improvement Bonds, Series 1999. A portion of the net proceeds of this issue (\$3,418,038) were placed in escrow and will ultimately be used to fully defease the outstanding balance of the Refunding and Capital Improvement Bonds, Series 1987. Of the remaining proceeds, \$3,577,999 was deposited into the project account for the purpose of funding eligible improvements. At this time, it is the City's intent to use these moneys, together with other legally available sources, for the purpose of constructing and equipping a new Police Department Building. The remainder of the proceeds (\$348,963) were used to

fund the original issue discount of \$107,323 and the estimated costs of issuance of \$241,640.

In addition to providing funding for the new Police Department Building, the other major objective of this advance refunding was to reduce the net interest cost to the City on the refunded bonds by taking advantage of the favorable interest rate conditions existing in the municipal bond market during 1999. The fiscal impact of reducing the rate of interest on bonds already outstanding, coupled with extending the final maturity on the refunding bonds to the year 2029, allowed the City to obtain the \$3,577,999 which was deposited to the project account without increasing (and in fact decreasing slightly) the annual debt service requirements. To illustrate, during fiscal year 2000-2001, debt service requirements associated with the refunded bonds (the Refunding and Capital Improvement Bonds, Series 1987) would have totaled \$513,650. However, debt service requirements associated with the refunding bonds (the Refunding and Capital Improvement Bonds, Series 1999) will total only \$503,805, a savings of \$9,845 or 1.92%.

Debt Administration

The following is a summary of long-term debt activity for the fiscal year ended September 30, 1999:

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Description	Balance October 1, 1998	Additions	Retirements	Balance September 30, 1999
Refunding and Capital Improvement Bonds, Series 1987	\$ 4,415,000	\$ -	\$ 4,415,000	\$ -
Refunding and Capital Improvement Revenue Bonds, Series 1999	\$ -	\$ 7,345,000	\$ -	\$ 7,345,000
Refunding Utilities Revenue Bonds, Series 1984 ⁽¹⁾	2,689,888	300,483	-	2,990,371
Refunding Utilities Revenue Bonds, Series 1989 ⁽¹⁾	16,018,793	-	16,018,793	-
Utilities System Refunding Revenue Bonds, Series 1999A ⁽¹⁾	-	15,705,000	-	15,705,000
Utilities System Revenue Bonds, Series 1999B ⁽¹⁾	-	12,145,000	-	12,145,000
Total Long-Term Bonded Debt⁽¹⁾	\$ 23,123,681	\$ 35,495,483	\$ 20,433,793	\$ 38,185,371
Plus:				
Florida Municipal Power Agency Initial Pooled Loan Program Notes Payable (1990) ⁽¹⁾	\$ 795,000	\$ -	\$ 385,000	\$ 410,000
Notes Payable ⁽²⁾	-	249,284	3,677	245,607
Compensated Absences ⁽³⁾	1,343,400	-	7,661	1,335,739
Suit Settlement Payable ⁽⁴⁾	270,000	-	30,000	240,000
Total Long-Term Debt⁽¹⁾	\$ 25,532,081	\$ 35,744,768	\$ 20,860,131	\$ 40,416,717

⁽¹⁾Includes the Long-Term portion of the Refunding Utilities Revenue Bonds, Series 1984, the Refunding Utilities Revenue Bonds, Series 1989, the Utilities System Refunding Revenue Bonds, Series 1999A, the Utilities System Revenue Bonds, Series 1999B, and the Florida Municipal Power Agency Initial Pooled Loan Program Notes which are all payable from the enterprise funds.

⁽²⁾Represents the purchase by the Greater Leesburg Community Redevelopment Agency (CRA) Fund during fiscal year 1998-99 of the Christley Property, which is subject to a 15 year mortgage.

⁽³⁾Includes only compensated absence liabilities payable from the governmental funds (i.e. the general fund and the special revenue funds).

⁽⁴⁾Represents that portion of the legal settlement with the Tri-County Branch of the NAACP which does not represent a current liability. Specifically, the terms of the settlement require the City of Leesburg to continue an annual funding subsidy, in the amount of \$30,000, to the Community Development Corporation, for a period of 10 years. \$30,000 of this obligation was reported as a general fund expenditure in fiscal year 1997-98, and \$30,000 is reported as a general fund expenditure in fiscal year 1998-99, leaving a balance of \$240,000 which is recorded as a long term liability.

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The \$6,145,000 Refunding and Capital Improvement Revenue Bonds, Series 1987 were insured by AMBAC Indemnity Corporation (AMBAC) and therefore carry a AAA Standard and Poors Bond Rating.

The \$7,345,000 Refunding and Capital Improvement Revenue Bonds, Series 1999 are insured by Ambac Assurance Corporation (Ambac) and therefore carry a AAA Standard and Poors Bond Rating and AAA Fitch IBCA Bond Rating.

The \$19,999,998.70 Refunding Utilities Revenue Bonds, Series 1984 are insured by the Municipal Bond Investors Assurance Corporation (MBIA) and therefore carry AAA Standard and Poors and Aaa Moody's Investors Service Bond Ratings.

The \$21,810,000 Refunding Utilities Revenue Bonds, Series 1989 were insured by the Financial Guaranty Insurance Company (FGIC) and therefore carry AAA Standard and Poors and Aaa Moody's Investors Service Bond Ratings.

The \$15,705,000 Utilities System Refunding Revenue Bonds, Series 1999A and the \$12,145,000 Utilities System Revenue Bonds, Series 1999B are insured by Ambac Assurance Corporation (Ambac) and therefore carry a AAA Standard and Poors Bond Rating and AAA Fitch IBCA Bond Rating.

Capital Projects Fund

As previously described, the City has created a capital projects fund to account for major construction projects, which generally require longer than one fiscal year to complete. As reported above, expenditures from the capital projects fund totaled \$2,985,420 during fiscal year 1998-99. Significant revenue sources used to fund the capital projects fund include the proceeds received by the City from the One Cent Local Government Infrastructure Surtax, as well as

federal and state grants such as the State Department of Transportation Airport Funding Agreements. Fiscal year 1998-99 capital projects fund revenues totaled \$2,802,431.

All other capital improvement expenditures are reported within the appropriate governmental fund type.

Fiduciary Operations

The City utilizes three pension trust funds to account for three defined benefit pension plans operated by the City: the General Employees' Pension Fund, the Municipal Police Retirement Trust Fund and the Municipal Firemen's Retirement Trust Fund. All investments are managed by outside fund managers. The operation of the three pension plans continued to improve during fiscal year 1998-99, primarily as a result of the extraordinary strength of the equity markets. Assets in the three plans totaled \$39,845,586 as of September 30, 1999.

General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions and exclude those fixed assets known collectively as infrastructure, i.e., roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets which are immovable and generally of value only to the City of Leesburg. Also excluded from general fixed assets are the fixed assets of enterprise and internal service funds, if any. As of September 30, 1999, the general fixed assets of the City amounted to \$32,797,906. This amount represents the historical cost of purchased assets or the estimated fair market value at the date of acquisition of assets acquired through donation or other means. The City's fixed asset accounting policy requires capitalization in the accounting records of fixed assets with a value of \$500 or more.

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Proprietary Operations

The City has created a total of six enterprise funds to account for the following utility services: electric, natural gas,

sanitation services, communication services, water and wastewater treatment. The results of operations of the enterprise funds for the fiscal year ending September 30, 1999 may be summarized as follows:

	Electric Utility	Gas Utility	Water Utility	Sanitary Sewer and Wastewater Utility	Sanitation Services Utility	Communi- cation Services Utility	Total
Operating Revenues	\$ 32,964,234	\$ 4,645,331	\$ 3,981,732	\$ 3,685,061	\$ 2,429,000	\$ 117,649	\$ 47,823,007
Operating Expenses	(27,266,037)	(3,419,979)	(2,216,295)	(3,118,512)	(2,056,956)	(115,010)	(38,192,789)
Operating Income	\$ 5,698,197	\$ 1,225,352	\$ 1,765,437	\$ 566,549	\$ 372,044	\$ 2,639	\$ 9,630,218
Nonoperating Revenue(Expenses)	428,662	93,041	249,980	119,863	83,688	(9,392)	965,842
Income before Operating Transfer	\$ 6,126,859	\$ 1,318,393	\$ 2,015,417	\$ 686,412	\$ 455,732	\$ (6,753)	\$ 10,596,060
Operating Transfer	(3,992,486)	(780,276)	(409,452)	(399,696)	(150,000)	(6,948)	(5,738,858)
Net Income	\$ 2,134,373	\$ 538,117	\$ 1,605,965	\$ 286,716	\$ 305,732	\$ (13,701)	\$ 4,857,202

As shown in the above schedule, five of the six enterprise funds had positive net income during fiscal year 1998-99. The Communication Services Utility Fund experienced a net loss of \$13,701. This fund is used to account for the City's efforts related to, among other things, construction of a fiber optic network. Since much of the capital investment in this effort must be made up front, the City will probably continue to struggle financially until such time as sufficient fiber customers are obtained. Nevertheless, in the aggregate, net income (after subtracting operating transfers to the General Fund) in the six enterprise funds totaled \$4,857,202.

Electric System

The Electric Utility Fund is the largest (both in terms of revenues as well as customers) of the City's six utility operations. The electric system was established in 1926. The service area of the electric system covers a total area of approximately 59 square miles. The service area of the electric system includes most of the incorporated areas of the City, the City of Fruitland Park

(located immediately north of the City), and portions of unincorporated Lake County adjacent to the City. As of September 30, 1999, the City served 18,189 electric customers. The City believes that it has a diverse customer base, with no material concentration of users, except that one user, Cutrale Citrus Juices, U.S.A., Inc. accounted for 2.90% of the gross revenues of the electric system (and 2.11% of total combined utility fund revenues, that is revenues for all enterprise funds other than the Sanitation Services and Communication Services Funds) for the fiscal year ending September 30, 1999.

The City's distribution system includes five substations, 358 miles of primary electric lines, and other facilities for the distribution of electric energy. The City maintains an active program of maintenance and considers the electric system to be in good condition.

The City operates no generation facilities, but does own an undivided 0.8244% interest in and generation entitlement share to the Crystal River Number 3

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(CR-3) nuclear steam electric generating unit. CR-3 is 90% owned by Florida Progress (formerly known as Florida Power Corporation) and 10% owned by 11 other co-owners, including the City. CR-3 is operated by Florida Progress. The City is, in general, obligated to pay its proportionate share (0.8244%) of the costs of operating CR-3. In return, the City is entitled to 0.8244% of the electrical output of CR-3. Nuclear fuel payments are required of participants in advance. The City acquired its share of CR-3 in 1975.

The City's ownership interest in CR-3 will terminate and revert to Florida Progress in 2050, or earlier (but not sooner than 2008) in the event CR-3 ceases operation for the reason that the cost of energy that could have been generated by CR-3 would have been more expensive than energy from other sources. In the event operation of CR-3 ceases as described in the preceding sentence, until 2008 Florida Progress is obligated to make replacement power available to the City at a cost equal to the cost reasonably anticipated to have been the cost had CR-3 continued in operation.

Under federal law, the City is responsible for its proportionate share of the future cost to decommission CR-3. The City is accruing the estimated cost over the expected useful life of the facility.

During the fiscal year ending September 30, 1999, the City's ownership interest in CR-3 supplied approximately 14.06% of the City's electric system requirements. In the event electrical output is not available from CR-3, the City has an agreement with the Florida Municipal Power Agency to supply the City with replacement power.

The Florida Municipal Power Agency (FMPA) is a legal entity organized in 1978 under the laws of the State of Florida. FMPA was created pursuant to Florida Statutes Chapter 163, Parts I and II ("The Interlocal Act": and "The Joint Power Act") which, among other things, provides a means for Florida municipal corporations to cooperate with each other to provide for their present and future energy needs. FMPA consists of its member electric systems, including the City of Leesburg. The City has limited control over the activities of FMPA, other than its right to vote as a member of FMPA. The City presently participates in FMPA's St. Lucie Project and in FMPA's All-Requirements Project, as described below.

FMPA has purchased an 8.806% undivided ownership interest in a nuclear generating facility known as St. Lucie Number 2 (the St. Lucie Project). The St. Lucie Project is operated by Florida Power and Light Company (FPL). The City, through FMPA, has negotiated an agreement with Florida Power and Light Corporation (FPL) guaranteeing the City the right to purchase up to 1.716 megawatts (a 2.326% share of FMPA's 8.806% interest) of generating capacity from the St. Lucie Number 2 nuclear generating plant and related exchange and replacement power and transmission agreements with FPL. The St. Lucie Number 2 nuclear generating plant began commercial operation on August 14, 1983.

The City of Leesburg purchases power from the Florida Municipal Power Agency (FMPA) on an all-requirements basis. Pursuant to an All-Requirements Power Supply Project Contract dated May 24, 1991 (the All-Requirements Power

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Supply Contract), which remains in effect until October 1, 2025, with two optional successive five-year renewal periods, FMPA provides the City's total power supply requirements, including any associated transmission and dispatching services, in excess of the requirements satisfied through the City's ownership interest in CR-3 and the City's share of the St. Lucie Project. The power rates that FMPA charges the City for the All-Requirements Power Supply Contract are subject to a majority vote of the FMPA Board of Directors.

Rates for the All-Requirements Services provided to the City by FMPA are calculated by FMPA so as to permit FMPA to recover all costs (but no profits) associated with its obligations related to the All-Requirements Power Supply Project including, but not limited to, the payment of debt service and other costs related to bonds issued or to be issued by FMPA in the acquisition, purchase, construction, operation and financing of the power supply resources utilized by FMPA in the All-Requirements Power Supply Project. The City has no control over the amount of electrical energy used by other participants in the All-Requirements Power Supply Project.

All amounts paid by the City to FMPA are treated by the City as a cost of operation and maintenance. The obligations of the participants in the All-Requirements Power Supply Project are joint and several, and if one of the other participants in the All-Requirements Power Supply Project defaults in its obligations to make payments to FMPA, the remaining participants are required to assume a pro rata share of that defaulting participant's costs.

The Florida Public Service Commission (PSC) has jurisdiction over municipal rate structures. Pursuant to the rules of the

PSC, rate structure is defined as "... the classification system used in justifying different rates and, more specifically, ... the rate relationship between various customer classes, as well as the rate relationship between members of a customer class." Except for its rate structure jurisdiction, the PSC does not have jurisdiction over electric utility rates charged by the City.

The rates of the electric system are established by ordinance of the City Commission. The current rate structure of the City is approved by the PSC. The City believes the rates charged for the use of the electric system are reasonably comparable to rates charged by similar utilities.

The Public Service Commission approved a territorial agreement with Florida Power Corporation in May 1982 and with Sumter Electric Cooperative in May 1991. In addition, the cities of Leesburg and Fruitland Park have entered into a franchise agreement, effective November 1, 1983, for the provision of electric services by the City of Leesburg to Fruitland Park. The agreement has a term of twenty-five (25) years and provides that, at the end of the fifth, tenth, fifteenth, twentieth or twenty-fifth year of such contract, Fruitland Park has the right to purchase the distribution system, lines, conduits, and other conveyances for distribution of electric energy on property owned by the City of Leesburg in Fruitland Park.

The capital improvements plan for the electric system for the fiscal years ending September 30, 2000 through 2004 includes various capital expenditures aggregating approximately \$11,606,000, all of which are projected to be paid from revenues of the electric system. No indebtedness is anticipated to be issued with respect to the electric system in

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order to finance such capital improvements.

Natural Gas System

The Natural Gas Utility Fund is the second largest (in terms of revenues) of the City's six utility operations. The natural gas system, established in 1959, serves 8,361 customers throughout the utility service area including the municipal industrial park, enterprise zone, the Coleman Federal Correction Facility and other rural areas. The gas service area encompasses approximately 70 square miles, both inside and outside the City limits, and is composed of 225 miles of gas mains. The City owns no gas production facilities.

Installation and maintenance of all gas mains and service lines are the responsibility of the City Gas Department. The City considers the Gas System to be in good condition. The City of Leesburg purchases firm gas for resale through the Municipal Gas Authority of Florida. The City has an interlocal agreement with Pace Energy to manage gas purchases and day-to-day nominations to meet the daily consumption needs of the City. Pursuant to contracts with Florida Gas Transmission Company (Florida Gas) which terminate October 31, 1999, the City acquired the right to a quantity of gas transmission on the Florida Gas pipeline system.

Rates for the use of the Gas System are set by ordinance of the City Commission. The City believes the rates charged for the use of the Gas System are reasonably comparable to rates charged by other similar utilities. The City believes that the Gas System customer base is diverse, with no material concentration of users, except

that one user, Cutrale Citrus Juices, U.S.A., Inc. accounted for 16.58% of the gross revenues of the Gas System (and 1.70% of total combined utility fund revenues, that is revenues for all enterprise funds other than the Sanitation Services and Communication Services Funds), for the fiscal year ending September 30, 1999.

The cities of Leesburg and Fruitland Park have entered into a franchise agreement, effective November 1, 1983, for the provision of gas services by the City of Leesburg to Fruitland Park. The agreement has a term of twenty-five (25) years and provides that, at the end of the fifth, tenth, fifteenth, twentieth or twenty-fifth year of such contract, Fruitland Park has the right to purchase the distribution system, lines, conduits, and other conveyances for distribution of natural gas energy on property owned by the City of Leesburg in Fruitland Park.

The Capital Improvement Plan for the Gas System for the fiscal years ending September 30, 2000 through 2004 include various capital expenditures aggregating approximately \$4,888,121 all of which are projected to be paid from revenues of the Gas System. No indebtedness is anticipated to be issued with respect to the Gas System in order to finance such capital improvements.

Water System

The Water Utility Fund is the oldest and second largest (in terms of customers) of the City's six utility operations. The water system was established nearly 100 years ago. The water service area encompasses approximately 24 square miles inside and outside the City limits and serves 12,100 customers. The water distribution system is primarily composed of 332 miles of water mains, including chlorination and fluoridation

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only, one booster station facility, three (3) ground storage tanks (two of the tanks are rated at 1.5 million gallons per day (MGD) and one at 500,000 MGD), and four (4) elevated storage tanks, one 500,000 gallons, one 250,000 gallons, one 200,000 gallons and one 150,000 gallons. In addition to the tanks listed above, there are two (2) 10,000 gallon hydropneumatic tanks. Water is obtained from 14 Floridian aquifer wells. The City has a consumptive use permit from St. Johns River Water Management District to withdraw a daily maximum not to exceed 3.5 MGD of ground water. Treatment of the raw water is accomplished through a 19 million gallons per day treatment plant. The City meets all federal and state drinking water standards.

The Water System is anticipated to have the capacity to meet the needs of the City through the year 2020. The City of Leesburg believes that the Water System is in good condition. The City believes that the Water System has a diverse customer base with no material concentration of users. Rates for the Water System are established by ordinance of the City Commission and are not regulated by any other agency. The City of Leesburg believes the rates charged for the use of the Water System are reasonably comparable to rates charged by other similar utilities.

The Capital Improvement Plan for the Water System for the fiscal years ending September 30, 2000 through 2004 include various capital expenditures aggregating approximately \$6,442,215 all of which are projected to be paid from revenues of the Water System. No indebtedness is anticipated to be issued with respect to the Water System in order to finance such capital improvements.

Wastewater System

The Sanitary Sewer and Wastewater Utility Fund is the second oldest of the City's six utility operations. The wastewater treatment system was established in 1920. The wastewater collection system serves the City and the surrounding service area which totals twenty square miles and serves 10,541 customers. The wastewater collection system consists of approximately 90 pumping and lift stations, 161 miles of sanitary sewer lines, and a spray irrigation effluent disposal system. Gravity sewer lines range from 4 to 24 inches in diameter and force mains range from 4 to 20 inches in diameter. The City has an operating permit from the Florida Department of Environment Protection Agency to operate a 3.5 million gallons per day rated plant. The system is in compliance with all state and federal regulations. The City treats its effluent water to an advance secondary standard and uses it for irrigation on a 640 acre City owned tree farm located inside and outside the City limits. The City of Leesburg believes that the Wastewater System is in good condition, although additional capacity is needed and is being financed with the proceeds of the 1999B Bonds as further described below.

The City believes that the Wastewater System has a diverse customer base, with no material concentration of users. Rates for the Wastewater System are established by ordinance of the City Commission, and the City believes the rates charged for the use of the Wastewater System are reasonably comparable to rates charged by other similar utilities.

The \$12,145,000 Utilities System Revenue Bonds, Series 1999B were issued for the primary purpose of

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providing funds, together with other available funds of the City of Leesburg, to finance the cost of capital improvements to the City's wastewater collection and treatment facilities (the 1999 Project). The 1999 Project consists of the acquisition of a site for sludge disposal and the acquisition, construction and equipping of a new wastewater treatment plant and a wastewater reuse system, and other capital improvements to the wastewater facilities of the City of Leesburg through the year 2003.

The total estimated cost of the 1999 Project is approximately \$15,613,700, of which approximately \$12,000,000 is to be financed with the proceeds of the 1999B Bonds and the balance of which is to be financed with other available funds of the City of Leesburg.

The City's existing wastewater treatment facility is operating at its capacity. Therefore, the City is constructing a new wastewater treatment facility (the Turnpike Plant) and related improvements. The site for the Turnpike Plant is located near the intersection of CR 470 and the Florida Turnpike, and construction of the plant is 50% complete. The Turnpike Plant is expected to be operational by Fall 2000. The cost of the Turnpike Plant and related improvements is estimated to be approximately \$10,550,000. After construction of the Turnpike Plant, the City will continue to operate both wastewater treatment facilities. With both the Turnpike Plant and the existing plant maintained and in service the City anticipates having sufficient wastewater treatment capacity through the year 2015. The Turnpike Plant has also been designed to facilitate future expansion so as to be able to provide the City of Leesburg with treatment capacity for the foreseeable future.

The 1999 Project also consists of the acquisition of land for the disposal of sludge produced by the Wastewater System and the construction of a wastewater reuse system. Negotiations for the site acquisition are underway and the wastewater reuse system is in the design phase. The cost of the reuse system is preliminarily estimated to be \$3,063,700 and the City has estimated the cost of the sludge disposal site to be approximately \$2,000,000.

Sanitation System

The Sanitation Services Fund was created to account for the collection, transport and disposal of solid waste for residential and commercial customers in the City. The sanitation services system serves the incorporated area of the City which totals slightly over twenty-two square miles and serves 6,566 customers.

The City provides garbage cans for all residential and small commercial customers. Large commercial customers secure dumpsters in various sizes up to 10 cubic yards. Recycling is a major part of this system.

Communication System

The Communication Services Fund is the newest of the City's six utility operations and was created to account for the provision of communication services. The communication utility system was established in 1993 and serves customers both inside and outside the City limits. The City has embarked on an aggressive campaign to install fiber optic cable. This utility has a variety of customers: cellular tower rental, internet, and fiber optic connections. A monopole tower, located at the spraysite on CR 470, was constructed in fiscal

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year 1996 and currently has two (2) cellular tower rental customers. The water tower at the mall serves two (2) customers for cellular tower rental space. Internet services were first offered in November 1998 and currently serves approximately 100 customers. The fiber optic extensions basically serve 20 municipal facilities that interconnect all City offices to the AS 400 computer located in the City Hall building. The City has three (3) outside commercial customers. The City has installed forty-one miles of fiber and will seek additional customers during this fiscal year to connect to the cable. A business or individual wishing to improve computer networking can utilize these fiber optic lines.

The City has created three internal service funds to account for motor pool services, general employee's health benefits coverage, and workers' compensation coverage.

In the Motor Pool Service Fund, operating revenues for the year ending September 30, 1999 totaled \$279,882. Investment income totaled \$11,170. Operating expenses totaled \$291,518, resulting in a net loss for the year of \$466.

In the General Employees' Health Insurance Fund, user charges and miscellaneous revenues received during fiscal year 1998-99 totaled \$1,474,183 and benefits, claims, premiums and expenses paid during fiscal year 1998-99 totaled \$2,205,840. Adding the \$59,332 of investment income earned during the year, the net loss for the year totaled \$388,604. After subtracting the net loss from the Retained Earnings Balance as of October 1, 1998 of \$1,306,731, Retained Earnings as of September 30, 1999 totaled \$918,127. Because of continuing financial difficulties within the General Employees' Health Insurance Fund, on October 1, 1999, the City

suspended the operation of self insurance program for major medical benefits, opting instead to purchase third party insurance.

Finally, in the Workers' Compensation Insurance Fund, user charges received during fiscal year 1998-99 totaled \$190,392. Benefits, claims, premiums and expenses paid during fiscal year 1998-99 totaled \$189,262. Investment income earned during the year totaled \$78,528, resulting in net income before operating transfers of \$99,566. After subtracting an operating transfer to the general fund of \$6,294, there is a net income in the fund of \$93,272, which, when added to the Retained Earnings Balance as of October 1, 1998 of \$1,491,758, results in Retained Earnings as of September 30, 1999 of \$1,585,030. During fiscal year 1997-98, the operating transfer from the workers compensation fund to the general fund was eliminated, and additional reductions were made to the workers compensation premiums charged to the participating departments.

Risk Management

Risk management is the process of managing the City's activities in order to minimize the potential adverse effects of certain types of losses. The main elements of the risk management program are risk control (loss reduction) and risk financing (restoration of the economic damages of losses incurred).

Presently, the City's risk management program calls for self-insuring many types of risk, subject to the following limitations:

Type of Risk	Amount of Risk Retained by City	Limit of Excess Insurance Coverage
Workers' Compensation	\$ 400,000	None
Health Benefits	\$ 45,000	\$ 955,000

The limits stated above are on a per occurrence basis.

Cash Management

The City Clerk/Finance Director invests and disburses funds on behalf of the City Commission as required by law and applicable management directives. During fiscal year 1994-95, the City Commission adopted the City's first comprehensive investment policy. These policies were amended during fiscal year 1997-98 to incorporate basic internal controls over the investment function. Cash temporarily idle during the year was invested in time and demand deposits, in overnight repurchase agreements, in the Local Government Surplus Funds Trust Fund administered by the State Board of Administration, in Fidelity Investments Institutional Cash Portfolio Government Class I, and in government securities authorized by the investment policy. Interest rates and maturities (from the date of purchase) on securities purchased by the City during fiscal year 1998-99 were as follows:

Description	Days to Maturity		Interest Rate	
	Low	High	Low	High
Federal Agencies and Discount Notes:				
Federal National Mortgage Association	1,096	1,096	5.420	5.600
Federal Home Loan Bank Discount Notes	913	1,280	5.450	6.110

Funds deposited in local banks and savings and loan associations were secured by a pledge of approved collateral securities by the participating institutions with the State Treasurer's office. In addition, funds were invested in the Local Government Surplus Funds Trust Fund in order to take advantage of the higher yields and greater liquidity available therein.

Interest income in the governmental funds totaled \$255,509 during the year, which represents a decrease of \$129,452 or 33.63% from the \$384,961 recorded in fiscal year 1997-98. As noted previously, the reasons for the decrease in interest revenues include (1) a decrease in the

amount of surplus funds available for investment, (2) a slight decrease in the rate of return which the City was able to obtain on invested funds, and (3) the impact of implementing the provisions of GASB Statement 31 by marking investment values to market prices (which resulted in a reduction to investment income of \$39,290).

Major Initiatives

As reported previously in this correspondence, a number of capital improvements were either begun, completed, or in progress during fiscal year 1998-99. Perhaps none of these improvements has a greater potential to change the face of the City than the Downtown Streetscape/Towne Square Project. Work on this project was slightly less than half complete as of September 30, 1999. Funding of the estimated total project costs of \$1,882,921 is being generated from a number of sources including the Community Redevelopment Agency Fund, utility fund transfers, and special assessments against the owner of benefited properties. Upon completion, it is hoped that this project will serve to economically revitalize downtown Leesburg.

Also during fiscal year 1998-99, during the month of November, the City entered the internet service provider business. Although this enterprise has thus enjoyed only minimal success, it is hoped that through diversification, the City will ultimately grow stronger financially.

The fiscal year 1998-99 budget of the City of Leesburg was submitted to the Government Finance Officers Association of the United States and Canada (GFOA) to determine its eligibility for the Distinguished Budget Award. The Distinguished Budget Presentation Awards Program was established in 1984 to recognize exemplary budget documentation by state, provincial and local governments, as well as public universities and colleges. Each budget

March 24, 2000

document is evaluated using a comprehensive evaluation checklist and those judged proficient receive the award. On August 13, 1999, GFOA awarded the City of Leesburg the Distinguished Budget Presentation Award for the fiscal year 1998-99 budget. We have submitted our 1999-2000 budget document to the GFOA to determine its eligibility for another award.

During fiscal year 1998-99, the Finance Department implemented a conversion to a new utility billing customer information system. This application integrates with the financial accounting management software application. Work began during fiscal year 1998-99 on implementation of the work order system for the water department. The electric and gas departments are fully operational on the work order system as of September 30, 1999.

During fiscal year 1998-99 the City also continued an active annexation program. During the year, the City annexed a total of 496.19 acres. Over the past ten years, the City has virtually doubled in size, from 11.41 square miles (7,246.73 acres) in 1989, to 23.40 square miles (14,976.99 acres) as of September 30, 1999. While annexations do provide the City with an expanding revenue base, they also create demands for additional services which must be carefully considered as a part of the overall annexation decision.

Prospects for the Future

Much has been made, both in the accounting profession as well as in the news media, about the year 2000 problem or Y2K. All efforts to ensure compliance of computer programs and electronic equipment such as environmental systems, 911 equipment, and security systems with which the City interfaces including depositories, telephone systems, vendors, federal government grantors, federal forfeitures, and state and county government were successful. The

City devoted significant resources to the year 2000 problem. To our knowledge, each of the various City of Leesburg Utilities were able to provide service without interruption. The City of Leesburg recognized the significance of the year 2000 issue before it became a major public issue and will continue its efforts to ensure its impacts are minimized.

The City of Leesburg Electric Utility represents the single most important financial facet of the City's operation. Revenues in the electric utility account for nearly 1/2 of all City revenues. Nevertheless, the electric system may be affected by a number of factors which could have a material adverse impact on its financial condition, including, but not necessarily limited to, (a) effects of competition of other suppliers of electricity through deregulation of the electric industry, (b) uncertainties in predicting future load requirements, (c) increased financing requirements coupled with limited availability of capital, (d) exposure to cancellation and penalty charges on new generating units under construction, (e) problems of cost and availability of fuel, (f) compliance with rapidly changing environmental, safety and licensing requirements, (g) litigation and proposed legislation designed to delay or prevent construction of generating and other facilities and to limit the use of existing facilities, (h) uncertainties associated with the development of a national energy policy, (i) the effects of inflation upon the costs of operation and construction, (j) the effects of conservation on the use of electrical energy, and (k) regulatory, licensing, safety, operational, waste disposal and related problems experienced by nuclear generating station owners and operators.

Deregulation of the electric utility industry has the potential for significant detrimental impact upon the City of Leesburg. Presently, due in large part to governmental regulation, most customers of electric utilities are unable

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to choose among various suppliers of electricity and are dependent upon the local utility. Rates charged by local utilities are either set or regulated by the government and utilities are, to a large degree, not subject to competitive pressures. The electric utility industry may in the future become subject to open retail competition. Most utilities, including the City of Leesburg, now own sources of generation, transmission and distribution facilities and have financial obligations that do not decrease relative to the amount of energy sold by the utility. It is possible that in a deregulated environment, consumers would be able to choose from among various suppliers of electricity, and that therefore utilities, including the City of Leesburg, owning fixed assets or having fixed obligations may be unable to compete effectively with other utilities. Furthermore, the City of Leesburg has also become increasingly dependent upon generating net income within the Electric Utility Fund and transferring a portion of that net income to the City's General Fund. During the fiscal year ending September 30, 1999, this transfer totaled \$3,992,486. To place this in the proper perspective, property taxes provided a total of only \$2,659,480 during fiscal year 1998-99. It has been estimated that, in a worst case scenario, the impact of becoming a "wires only" company could result in a reduction in available funding of approximately \$2,500,000. Should this occur, the City would be faced with a difficult dilemma: cut existing services or find a source of revenue to replace the net income currently generated by the electric utility.

It is not possible at this time to predict when or whether deregulation will occur, and whether it would have any adverse impact upon the electric system. The federal government is clearly moving towards deregulation of the electric industry, and it appears likely, however, that some form of deregulation will occur in which customers of the City's electric utility have the ability to purchase electric energy from providers

other than the City of Leesburg. When this will occur, and under precisely what circumstances, cannot be predicted.

The City is sensitive to the deregulation issue and is presently taking a number of steps designed to both make electric rates charged by the City of Leesburg competitive, while at the same time insulating the dependency of the general fund on utility operations from the effects of deregulation. One way the City hopes to accomplish these objectives is by implementing a public service tax on electric, gas, and water services, which should reduce general fund dependence on utility fund income for survival.

In an additional attempt to cope with this issue, during the fiscal year 1997-98 budget adoption process the City, for the first time, adopted a policy governing the transfer of funds from each of the six (6) enterprise funds to the general fund. The policy establishes the transfer as 10% of gross revenues generated by each of the City's enterprise funds.

One other major issue on the horizon which is of significant concern to the City of Leesburg is the upcoming implementation of the Governmental Accounting Standards Board Statement 34 entitled *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. While the City intends to implement the provisions of Statement 34 as required for the fiscal year ending September 30, 2003, nevertheless the City has concerns over the effects of its implementation. Specifically, in the global sense, Statement 34 radically changes the traditional focus of governmental financial reporting from one of stewardship and the flow of current financial resources, to a focus on the results of operations and the flow of economic resources. We believe this radical change may not be readily acceptable by several of the classes of users of governmental

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financial reports, namely, elected officials, the public and the news media. To illustrate, one of the principal tenets of Statement 34 is the preparation of government wide financial statements. Under current practice, long-lived assets and long term liabilities associated with the governmental funds are accounted for in account groups rather than being reported on the balance sheet of the various funds. This permits the users of the financial statements to evaluate the amount of current financial resources available in the governmental funds. However, with the statement of net assets (there will no longer be a balance sheet) required pursuant to Statement 34, long lived assets and long term liabilities will be commingled with current assets and liabilities and, we believe, may distort the total amount of resources available to fund the ongoing operations of the City. The total value of general fixed assets, as reported on the September 30, 1999 balance sheet was \$32,797,906. If, for the purposes of this analysis, we assume that, in the aggregate, all assets have approximately $\frac{1}{2}$ of their economic useful life remaining, then as of September 30, 1999, the undepreciated value of these fixed assets totals \$16,398,953. Similarly, the total amount reported in the general long term debt account group as of September 30, 1999 was \$9,166,346. If we subtract the long term debt of \$9,166,346 from the estimated undepreciated value of fixed assets of \$16,398,953, under the government wide financial statement approach, the result is an increase to net asset value of \$7,232,607. Fund Balance as reported on the September 30, 1999 balance sheet for the governmental funds totaled \$8,361,434. Although the \$7,232,607 does not represent current spendable resources, we are nevertheless concerned about the perception created about the financial health, or lack thereof, of the governmental unit as a whole.

Economic Condition and Outlook

The City of Leesburg is part of the Greater Orlando Metropolitan Statistical Area (MSA). The economic condition and outlook of the City has brightened with significant increases in industrial leasing, employment generating activity, and new commercial building activity. New construction continues to show economic growth over previous years.

With the adoption of the 1996 fiscal year budget, the City Commission made a commitment to continue city-wide economic development activities to create more and better jobs for our citizens, stability for their families, and develop balance within the local economy.

Since March 1993, when the City initiated its first formal economic development office, efforts to attract new industry and assist the expansion of existing business in Leesburg has been significant. The City has developed strategies to diversify its service based job economy by creating more semi-skilled and skilled positions at higher wages. By doing so, the City also hopes to enhance property values and to stabilize taxes.

Independent Audit

Section 11.45, Florida Statutes, requires a financial audit of the annual financial statements of The City of Leesburg by an independent Certified Public Accountant selected by the City Commission and paid from City funds. This requirement has been accomplished, and the report of our auditors is included in the financial section of this report.

March 24, 2000

Certificate of Achievement

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, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both generally accepted accounting principles and applicable legal requirements.

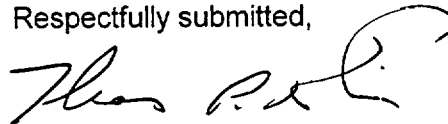
A Certificate of Achievement is valid for a period of one year only. The City of Leesburg has received a Certificate of Achievement for the last nine consecutive years (fiscal years ended 1990-1998). I

believe our current report continues to conform to the Certificate of Achievement Program requirements, and I am submitting it to the GFOA to determine its eligibility for another Certificate.

Acknowledgments

A comprehensive annual financial report of this nature could not have been prepared without the efficient and dedicated service of all staff members involved. I would like to express my appreciation to the staff of the Finance Division of the Office of the City Clerk/Finance Director for their efforts in producing this report, and to the accounting firm of Purvis Gray and Company for their contributions to the design, preparation and publication of this document. Finally, my thanks for the interest and support of the City Commission and the City Manager in planning and conducting the fiscal operations of the City of Leesburg.

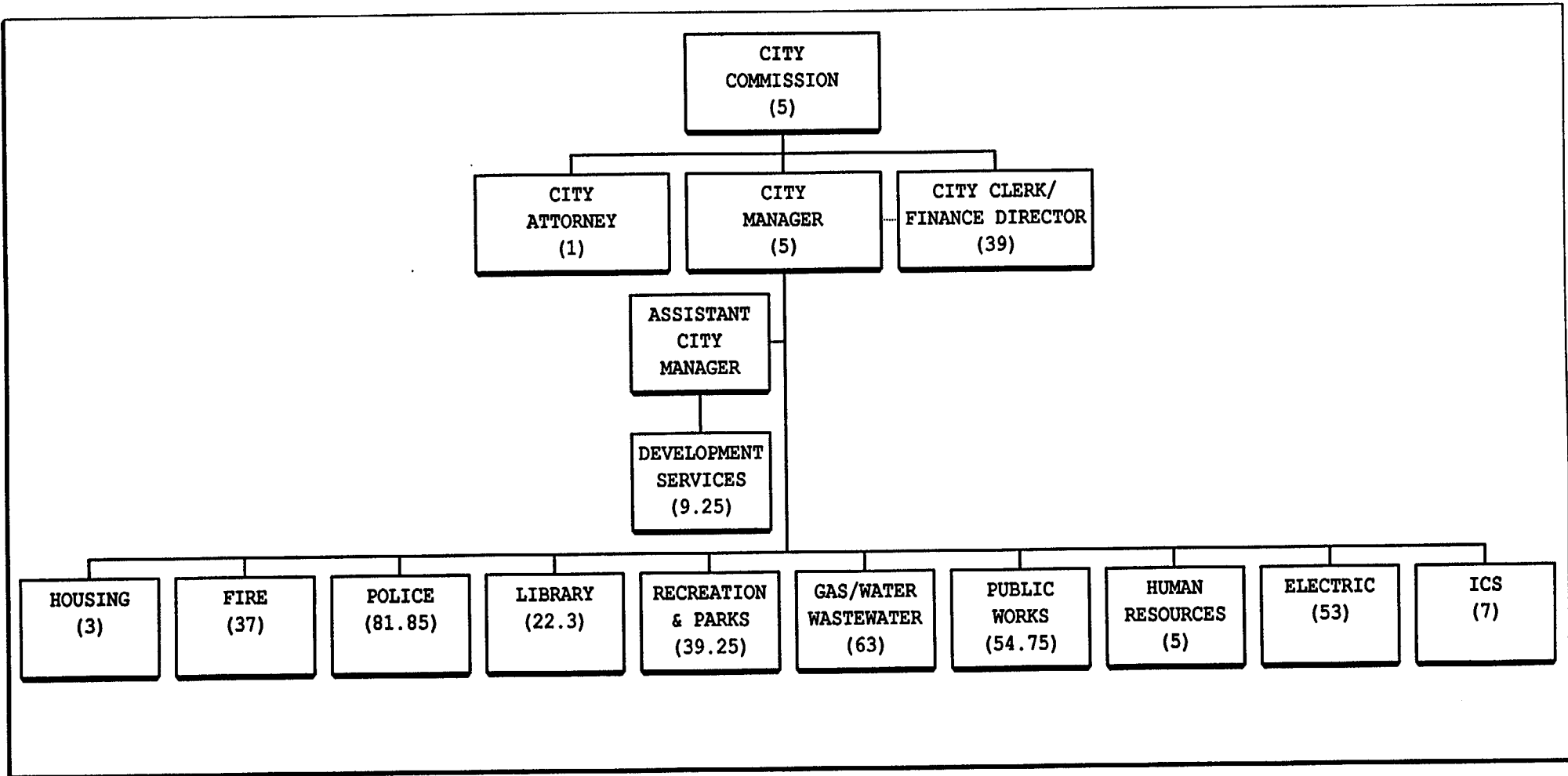
Respectfully submitted,



Thomas P. Klinker, CPA, CGFO
City Clerk/Finance Director

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Organizational Chart



- NUMBERS REFLECT FULL TIME EQUIVALENT EMPLOYEES IN RESPECTIVE DEPARTMENTS

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The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leesburg, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 1998. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

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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, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Cary Brueck
President
Jeffrey L. Esser
Executive Director

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FINANCIAL SECTION

This section contains the following subsections:

- ◆ Report of Independent Auditors
- ◆ General Purpose Financial Statements
- ◆ Combining Statements – By Fund Type
- ◆ Schedules

INDEPENDENT AUDITORS' REPORT

Honorable City Commission
City of Leesburg
Leesburg, Florida

We have audited the accompanying general-purpose financial statements of the City of Leesburg, Florida, as of and for the year ended September 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Leesburg, Florida's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

Our audit was made in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Leesburg, Florida at September 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 1999, on our consideration of the City of Leesburg, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of the City of Leesburg, Florida taken as a whole. The required supplementary information listed in the table of contents is not a required part of the general-purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it. The combining and individual fund and account group financial

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

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Honorable City Commission
City of Leesburg
Leesburg, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Leesburg, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole. The information presented in the statistical section is presented for the purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

December 30, 1999
Ocala, Florida

Purvis, Gray and Company

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GENERAL-PURPOSE FINANCIAL STATEMENTS

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Equity in Pooled Cash and Cash Equivalents	\$ 2,805,789	\$ 1,091,539	\$ 90,969	
Cash and Investments With Trustees				
Receivables:				
Customer Accounts:				
Unbilled		48,283		
Billed		34,301		
Allowance For Doubtful Accounts		(9,750)		
Accrued Interest				
Other	69,623	17,357		
Prepaid Items	7,662			
Due From Other Funds	826,661			
Due From Other Governments	199,763	18,652		\$ 856,647
Inventory	18,320			
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents				4,339,528
Investments				
Notes Receivable - Employees	155,865			
Property, Plant and Equipment				
General Fixed Assets				
(Accumulated Depreciation)				
Construction in Progress				
Unamortized Bond Issue Costs				
Amount Available in Debt Service Funds				
Amount to Be Provided For Retirement of General Long-Term Debt				
Total Assets and Other Debits	\$ 4,083,683	\$ 1,200,382	\$ 90,969	\$ 5,196,175

See accompanying notes.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	1999	1998
\$ 41,842,278	\$ 2,840,634	\$ 39,733,687			\$ 48,671,209	\$ 45,102,869
					39,733,687	36,823,300
2,526,841					2,575,124	2,998,875
3,675,243					3,709,544	3,396,455
(552,804)					(562,554)	(561,497)
117,717		111,899			229,616	246,251
	245,300				332,280	124,978
					7,662	19,461
144,719					971,380	506,692
4,159					1,079,221	876,418
1,401,113	31,893				1,451,326	1,318,168
15,378,787					19,718,315	9,604,799
5,573,987					5,573,987	5,642,026
					155,865	199,525
102,330,869	214,590				102,545,459	100,254,195
			\$ 32,797,906		32,797,906	28,563,884
(43,383,340)	(138,033)				(43,521,373)	(40,050,351)
9,900,122					9,900,122	2,797,548
559,742					559,742	142,157
					0	755,880
				\$ 9,166,346	9,166,346	5,272,520
\$ 139,519,433	\$ 3,194,384	\$ 39,845,586	\$ 32,797,906	\$ 9,166,346	\$ 235,094,864	\$ 204,034,153

(Continued)

See accompanying notes.

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA
(Concluded)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$ 415,918	\$ 31,947	\$ 26,667	\$ 34,022
Accrued Items	610,349			
Customer Advances For Construction				
Due to Other Governments		19,490		
Due to Other Funds				753,430
Payable From Restricted Assets:				
Customer Deposits				
Accrued Interest on Revenue Bonds				
Current Portion - Revenue Bonds				
Claims Payable				
Notes Payable				
Capital Lease Payable				
Matured Interest Payable			64,302	2,304
Revenue Bonds Payable - Net				
Compensated Absences				
Suit Settlement Payable				
Mortgage Payable				
Unearned Revenue	251,346			
Landfill Postclosure Costs Payable				
Decommissioning Costs Payable				
Total Liabilities	<u>1,277,613</u>	<u>51,437</u>	<u>90,969</u>	<u>789,756</u>
Fund Equity and Other Credits				
Contributed Capital				
Investment in General Fixed Assets				
Retained Earnings:				
Reserved				
Unreserved				
Fund Balances:				
Reserved For Employee Benefits				
Other Reserves	376,087	238,143		4,406,419
Unreserved	2,429,983	910,802		
Total Fund Equity and Other Credits	<u>2,806,070</u>	<u>1,148,945</u>	<u>0</u>	<u>4,406,419</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 4,083,683</u>	<u>\$ 1,200,382</u>	<u>\$ 90,969</u>	<u>\$ 5,196,175</u>

See accompanying notes.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	1999	1998
\$ 3,884,775	\$ 83,568				\$ 4,476,897	\$ 2,642,193
1,382,108	69,457				2,061,914	1,942,279
101,159					101,159	92,397
					19,490	95,345
217,950					971,380	506,692
2,028,038					2,028,038	1,950,651
460,389					460,389	640,031
1,245,000					1,245,000	1,159,999
	466,977				466,977	488,194
795,000					795,000	1,155,000
					0	49,167
					66,606	152,380
29,930,912				\$ 7,345,000	37,275,912	23,123,681
				1,335,739	1,335,739	1,343,400
				240,000	240,000	804,000
				245,607	245,607	0
					251,346	238,875
864,528					864,528	918,561
2,974,390					2,974,390	2,661,610
<u>43,884,249</u>	<u>620,002</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>9,166,346</u>	<u>55,880,372</u>	<u>39,964,455</u>
22,692,238	15,979				22,708,217	21,994,144
				32,797,906	32,797,906	28,563,884
9,014,440	2,503,157				11,517,597	11,211,625
63,928,506	55,246				63,983,752	59,728,320
		39,845,586			39,845,586	36,823,352
					5,020,649	2,243,483
					3,340,785	3,504,890
<u>95,635,184</u>	<u>2,574,382</u>	<u>39,845,586</u>	<u>32,797,906</u>	<u>0</u>	<u>179,214,492</u>	<u>164,069,698</u>
<u>\$ 139,519,433</u>	<u>\$ 3,194,384</u>	<u>\$ 39,845,586</u>	<u>\$ 32,797,906</u>	<u>\$ 9,166,346</u>	<u>\$ 235,094,864</u>	<u>\$ 204,034,153</u>

See accompanying notes.

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**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA**

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	1999	1998
Revenues						
Taxes	\$ 3,452,735			\$ 1,107,662	\$ 4,560,397	\$ 4,138,872
Licenses and Permits	296,298				296,298	273,436
Intergovernmental	836,451	\$ 1,173,757	\$ 513,892	1,671,139	4,195,239	3,192,427
Charges For Services	235,322	589,129			824,451	987,987
Fines and Forfeitures	303,902				303,902	298,233
Miscellaneous:						
Interest	171,900	47,313	32,759	3,537	255,509	384,961
Other	3,460,318	25,002		20,093	3,505,413	3,140,588
Total Revenues	<u>8,756,926</u>	<u>1,835,201</u>	<u>546,651</u>	<u>2,802,431</u>	<u>13,941,209</u>	<u>12,416,504</u>
Expenditures						
Current:						
General Government	3,844,042				3,844,042	4,446,495
Public Safety	6,093,036				6,093,036	6,096,292
Physical Environment	591,112	522,578			1,113,690	883,875
Transportation	1,510,205				1,510,205	595,606
Economic Development	67,127	1,571,510			1,638,637	1,335,247
Human Services	32,578				32,578	47,999
Culture and Recreation	2,567,542				2,567,542	2,807,600
Capital Projects				2,985,420	2,985,420	2,172,578
Debt Service:						
Principal			1,141,163		1,141,163	210,000
Interest			161,368		161,368	305,960
(Total Expenditures)	<u>(14,705,642)</u>	<u>(2,094,088)</u>	<u>(1,302,531)</u>	<u>(2,985,420)</u>	<u>(21,087,681)</u>	<u>(18,901,652)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(5,948,716)</u>	<u>(258,887)</u>	<u>(755,880)</u>	<u>(182,989)</u>	<u>(7,146,472)</u>	<u>(6,485,148)</u>
Other Financing Sources (Uses)						
Operating Transfers In	5,745,152	77,379			5,822,531	5,442,015
Operating Transfers Out	(77,379)				(77,379)	(98,999)
Proceeds From Issuance of Debt		249,284	3,527,764	3,765,097	7,542,145	0
Principal Payment of Bonds			(3,527,764)		(3,527,764)	0
Total Other Financing Sources (Uses)	<u>5,667,773</u>	<u>326,663</u>	<u>0</u>	<u>3,765,097</u>	<u>9,759,533</u>	<u>5,343,016</u>
(Deficiency) Excess of Revenues and Other Financing Sources (Under) Over Expenditures and Other Financing Uses	<u>(280,943)</u>	<u>67,776</u>	<u>(755,880)</u>	<u>3,582,108</u>	<u>2,613,061</u>	<u>(1,142,132)</u>
Fund Balances, Beginning of Year	3,081,251	1,086,931	755,880	824,311	5,748,373	6,887,575
Prior Period Adjustment	0	0	0	0	0	2,930
Residual Equity Transfers In (Out)	5,762	(5,762)	0	0	0	0
Fund Balances, End of Year	<u>\$ 2,806,070</u>	<u>\$ 1,148,945</u>	<u>\$ 0</u>	<u>\$ 4,406,419</u>	<u>\$ 8,361,434</u>	<u>\$ 5,748,373</u>

See accompanying notes.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA**

	General		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 3,205,126	\$ 3,452,735	\$ 247,609
Licenses and Permits	306,800	296,298	(10,502)
Intergovernmental	824,662	836,451	11,789
Charges For Services	240,800	235,322	(5,478)
Fines and Forfeitures	286,200	303,902	17,702
Miscellaneous:			
Interest	261,000	171,900	(89,100)
Other	3,513,352	3,460,318	(53,034)
Total Revenues	<u>8,637,940</u>	<u>8,756,926</u>	<u>118,986</u>
Expenditures			
Current:			
General Government	3,948,057	3,844,042	104,015
Public Safety	6,097,063	6,093,036	4,027
Physical Environment	615,303	591,112	24,191
Transportation	1,886,776	1,510,205	376,571
Economic Development	67,996	67,127	869
Human Services	39,080	32,578	6,502
Culture/Recreation	2,779,419	2,567,542	211,877
Capital Projects			
Debt Service:			
Principal			
Interest			
Other Uses			
(Total Expenditures)	<u>(15,433,694)</u>	<u>(14,705,642)</u>	<u>728,052</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(6,795,754)</u>	<u>(5,948,716)</u>	<u>847,038</u>
Other Financing Sources (Uses)			
Operating Transfers In	6,116,331	5,745,152	(371,179)
Operating Transfers Out	(82,865)	(77,379)	5,486
Proceeds From Issuance of Debt			
Principal Paid on Bonds			
Total Other Financing Sources (Uses)	<u>6,033,466</u>	<u>5,667,773</u>	<u>(365,693)</u>
(Deficiency) Excess of Revenues and Other Financing Sources (Under) Over Expenditures and Other Financing Uses	<u>(762,288)</u>	<u>(280,943)</u>	<u>481,345</u>
Fund Balances, Beginning of Year	762,288	3,081,251	2,318,963
Residual Equity Transfer In (Out)	<u>0</u>	<u>5,762</u>	<u>5,762</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 2,806,070</u>	<u>\$ 2,806,070</u>

See accompanying notes.

Special Revenue			Debt Service			Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
						\$ 1,138,978	\$ 1,107,662	\$ (31,316)
\$ 1,930,558	\$ 1,173,757	\$ (756,801)	\$ 500,585	\$ 513,892	\$ 13,307	1,958,430	1,671,139	(287,291)
580,900	589,129	8,229						
47,000	47,313	313	34,300	32,759	(1,541)	48,200	3,537	(44,663)
20,000	25,002	5,002				16,333	20,093	3,760
<u>2,578,458</u>	<u>1,835,201</u>	<u>(743,257)</u>	<u>534,885</u>	<u>546,651</u>	<u>11,766</u>	<u>3,161,941</u>	<u>2,802,431</u>	<u>(359,510)</u>
767,841	522,578	245,263						
2,365,461	1,563,494	801,967						
						7,365,570	2,985,420	4,380,150
8,100	8,016	84	225,000	1,141,163	(916,163)			
			161,385	161,368	17			
142,859	0	142,859						
<u>(3,284,261)</u>	<u>(2,094,088)</u>	<u>1,190,173</u>	<u>(386,385)</u>	<u>(1,302,531)</u>	<u>(916,146)</u>	<u>(7,365,570)</u>	<u>(2,985,420)</u>	<u>4,380,150</u>
<u>(705,803)</u>	<u>(258,887)</u>	<u>446,916</u>	<u>148,500</u>	<u>(755,880)</u>	<u>(904,380)</u>	<u>(4,203,629)</u>	<u>(182,989)</u>	<u>4,020,640</u>
82,865	77,379	(5,486)						
	249,284	249,284	3,801,100	3,527,764	(273,336)	3,765,100	3,765,097	(3)
			(4,497,000)	(3,527,764)	969,236			
<u>82,865</u>	<u>326,663</u>	<u>243,798</u>	<u>(695,900)</u>	<u>0</u>	<u>695,900</u>	<u>3,765,100</u>	<u>3,765,097</u>	<u>(3)</u>
(622,938)	67,776	690,714	(547,400)	(755,880)	(208,480)	(438,529)	3,582,108	4,020,637
622,938	1,086,931	463,993	547,400	755,880	208,480	438,529	824,311	385,782
0	(5,762)	(5,762)	0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 1,148,945</u>	<u>\$ 1,148,945</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,406,419</u>	<u>\$ 4,406,419</u>

See accompanying notes.

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA**

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
Operating Revenues				
Charges For Services	\$ 47,199,649	\$ 1,944,457	\$ 49,144,106	\$ 51,834,580
Other Operating	623,358		623,358	689,954
Total Operating Revenues	<u>47,823,007</u>	<u>1,944,457</u>	<u>49,767,464</u>	<u>52,524,534</u>
Operating Expenses				
Power Generation and Transmission	2,009,232		2,009,232	2,108,391
Purchased Energy	20,569,541		20,569,541	22,964,284
Operating and Maintenance	8,201,286	636,615	8,837,901	10,162,112
General and Administrative	2,908,201	140,838	3,049,039	2,351,657
Depreciation and Amortization	4,558,562	9,237	4,567,799	4,512,779
Claims Expense		1,899,930	1,899,930	1,830,572
Change in Postclosure Estimate	(54,033)		(54,033)	(70,071)
(Total Operating Expenses)	<u>(38,192,789)</u>	<u>(2,686,620)</u>	<u>(40,879,409)</u>	<u>(43,859,724)</u>
Operating Income	<u>9,630,218</u>	<u>(742,163)</u>	<u>8,888,055</u>	<u>8,664,810</u>
Nonoperating Revenues (Expenses)				
Interest Earnings	2,225,274	149,030	2,374,304	3,030,151
Interest Expense	(1,701,595)		(1,701,595)	(1,767,753)
Other Income and Expenses	442,163	303,629	745,792	(374,743)
Total Nonoperating Revenues (Expenses)	<u>965,842</u>	<u>452,659</u>	<u>1,418,501</u>	<u>887,655</u>
Income Before Operating Transfers	10,596,060	(289,504)	10,306,556	9,552,465
Operating Transfers (Out)	<u>(5,738,858)</u>	<u>(6,294)</u>	<u>(5,745,152)</u>	<u>(5,343,016)</u>
Net Income (Loss)	4,857,202	(295,798)	4,561,404	4,209,449
Retained Earnings, Beginning of Year	68,085,744	2,854,201	70,939,945	66,559,169
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>171,327</u>
Retained Earnings, End of Year	<u>\$ 72,942,946</u>	<u>\$ 2,558,403</u>	<u>\$ 75,501,349</u>	<u>\$ 70,939,945</u>

See accompanying notes.

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
Net Cash Provided By (Used In) Operating Activities	\$ 16,590,023	\$ (642,937)	\$ 15,947,086	\$ 13,355,668
Cash Flows From Noncapital Financing Activities				
Operating Transfers (to) Other Funds	(5,738,858)	(6,294)	(5,745,152)	(5,343,013)
Cash Flows From Capital and Related Financing Activities				
Interest Paid on Capital Leases and Notes Payable	(33,895)		(33,895)	(68,322)
Interest Paid on Revenue Bonds	(2,819,768)		(2,819,768)	(1,420,828)
Acquisition and Construction of Capital Assets	(10,076,571)	(49,193)	(10,125,764)	(3,283,817)
Principal Paid on Capital Lease	(49,167)		(49,167)	(96,506)
Principal Paid on Bond Maturities	(334,998)		(334,998)	(1,090,000)
Principal Paid on Note Payable	(360,000)		(360,000)	(335,000)
Capital Contributed	714,073		714,073	805,828
Proceeds From Sale of Bonds	12,145,000		12,145,000	0
Net Cash (Used In) Capital and Related Financing Activities	(815,326)	(49,193)	(864,519)	(5,488,645)
Cash Flows From Investing Activities				
Interest on Investments	2,443,918	149,030	2,592,948	2,922,933
Purchase of Crystal River Decommissioning Investments	(150,604)		(150,604)	(112,432)
Net Cash Provided By Investing Activities	2,293,314	149,030	2,442,344	2,810,501
Net Increase (Decrease) in Cash and Cash Equivalents	12,329,153	(549,394)	11,779,759	5,334,511
Cash and Cash Equivalents, Beginning of Year	44,891,912	3,390,028	48,281,940	42,947,429
Cash and Cash Equivalents, End of Year	\$ 57,221,065	\$ 2,840,634	\$ 60,061,699	\$ 48,281,940

**Reconciliation of Cash and Cash Equivalents
(Above) to Combined Balance Sheet**

Current Assets

Equity in Pooled Cash and Cash Equivalents

\$ 41,842,278 \$ 2,840,634 \$ 44,682,912 \$ 39,274,192

Restricted Assets

Equity in Pooled Cash and Cash Equivalents

15,378,787 0 15,378,787 9,007,748

Cash and Cash Equivalents, End of Year

\$ 57,221,065 \$ 2,840,634 \$ 60,061,699 \$ 48,281,940

(Continued)

See accompanying notes.

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA
(Concluded)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
Operating Income (Loss)	\$ 9,630,218	\$ (742,163)	\$ 8,888,055	\$ 8,664,810
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:				
Depreciation and Amortization	4,558,562	9,237	4,567,799	4,512,779
Bad Debt Expense	123,443		123,443	166,027
Nonoperating Income	596,393	303,629	900,022	355,505
Nonoperating Expense	(154,230)		(154,230)	(730,248)
Change in Postclosure Estimate	(54,033)		(54,033)	(70,071)
(Increase) in Customer Accounts	(2,589)		(2,589)	(20,764)
Decrease (Increase) in Due From Other Governments	15,344		15,344	(19,503)
Decrease in Due to/From Other Funds	73,231		73,231	0
Decrease in Prepaids			0	7,500
(Increase) Decrease in Inventory	(132,422)	1,199	(131,223)	188,199
(Increase) in Miscellaneous Receivables		(187,365)	(187,365)	(18,309)
Increase in Accounts Payable	1,695,892		1,695,892	39,538
(Decrease) Increase in Claims Payable		(21,217)	(21,217)	41,896
Increase (Decrease) in Accrued Expenses	154,065	(6,257)	147,808	219,079
Increase (Decrease) in Customer Advances For Construction	8,762		8,762	(33,973)
Increase in Customer Deposits	77,387		77,387	53,203
Net Cash Provided By (Used In) Operating Activities	<u>\$ 16,590,023</u>	<u>\$ (642,937)</u>	<u>\$ 15,947,086</u>	<u>\$ 13,355,668</u>

See accompanying notes.

**COMBINING STATEMENT OF ADDITIONS, DELETIONS AND
CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	Pension Trust Funds			Totals	
	Municipal Police Retirement Trust	Municipal Firemen's Retirement Trust	General Employees' Retirement	1999	1998
Additions					
Contributions:					
Employer		\$ 80,418	\$ 581,715	\$ 662,133	\$ 823,472
Employee	\$ 159,219	80,418		239,637	262,361
State of Florida	118,411	94,116		212,527	213,773
Total Contributions	<u>277,630</u>	<u>254,952</u>	<u>581,715</u>	<u>1,114,297</u>	<u>1,299,606</u>
Investment Income:					
Net Appreciation in Fair Value of Investments	473,452	62,581	1,683,699	2,219,732	159,095
Interest and Dividend Income	306,893	227,330	862,115	1,396,338	1,131,109
Other Income				0	6,528
Total Investment Income	<u>780,345</u>	<u>289,911</u>	<u>2,545,814</u>	<u>3,616,070</u>	<u>1,296,732</u>
Total Additions	<u>1,057,975</u>	<u>544,863</u>	<u>3,127,529</u>	<u>4,730,367</u>	<u>2,596,338</u>
Deletions					
Benefit Payments	225,121	419,270	727,983	1,372,374	1,031,487
Administrative Expenses	<u>72,649</u>	<u>72,361</u>	<u>190,749</u>	<u>335,759</u>	<u>309,749</u>
(Total Deletions)	<u>(297,770)</u>	<u>(491,631)</u>	<u>(918,732)</u>	<u>(1,708,133)</u>	<u>(1,341,236)</u>
Net Increase	760,205	53,232	2,208,797	3,022,234	1,255,102
Net Assets Held in Trust For Pension Benefits:					
Beginning of Year	<u>7,539,535</u>	<u>8,077,531</u>	<u>21,206,286</u>	<u>36,823,352</u>	<u>35,568,250</u>
End of Year	<u>\$ 8,299,740</u>	<u>\$ 8,130,763</u>	<u>\$ 23,415,083</u>	<u>\$ 39,845,586</u>	<u>\$ 36,823,352</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA

Note 1 - Summary of Significant Accounting Policies

The City of Leesburg, Florida (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 services to its citizens including fire and police protection, electric, gas, water, wastewater, sanitation, parks and recreation, streets, and other general governmental activities. 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. The execution of such policy is the responsibility of the Commission-appointed City Manager.

The accounting policies of the City conform to generally accepted accounting principles for governmental entities. The following is a summary of significant accounting policies.

Reporting Entity

The accompanying general-purpose financial statements present the financial position, results of operations and cash flows of the applicable fund types and account groups governed by the City Commission of the City in accordance with governmental accounting standards. The reporting entity for the City (the primary government) contains one separate legal entity (component unit) for which the City Commission has financial accountability. Financial accountability is present if the City Commission appoints a voting majority of a component unit's governing body and has the ability to impose its will on that organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

The City established the Greater Leesburg Community Redevelopment Agency as a component unit of the City. The Greater Leesburg Community Redevelopment Agency's Governing Board is composed of the City Council plus two members appointed by the City Council, and is accounted for as a blended special revenue fund in the accompanying general-purpose financial statements. Separate financial statements are not issued for the Greater Leesburg Community Redevelopment Agency.

Basis of Presentation

The City maintains its accounting records in accordance with the principles and policies applicable to governmental units set forth by the Governmental Accounting Standards Board (GASB), as well as generally accepted accounting principles (GAAP) as promulgated by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board (FASB). The proprietary funds do not apply FASB statements and interpretations issued after November 30, 1989.

Fund Accounting

The accounting system and financial reports of the City are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Concluded)

equities or balances, and changes therein which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund and Account Group Categories

The categories of funds and account groups of the City are summarized as follows:

Governmental fund types are those through which most government functions typically are financed. The acquisition, use, and balances of expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental type funds. Governmental funds used by the City are as follows:

- **General Fund** - The general fund is used to account for all revenues and expenses of the City which are not properly accounted for in other funds.
- **Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- **Debt Service Fund** - The debt service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- **Capital Projects Funds** - The capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary funds types are used to account for the City's ongoing activities which are similar to those found in the private sector.

- **Enterprise Funds** - Enterprise funds are used to account for operations that are similar to private business enterprises with the intent to recover costs to provide goods through user charges.
- **Internal Service Funds** - Internal service funds are used to account for the financing of goods and services provided by one department to other departments of the governmental unit on a cost-reimbursement basis.

Fiduciary fund types are used to account for assets held in a trustee capacity for others.

- **Pension Trust Funds** - Pension trust funds are used to account for assets held by the City in a trustee capacity for public employee retirement systems.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies *(Continued)*

Fund and Account Group Categories *(Concluded)*

Account groups record and control the City's general fixed assets and general long-term debt. The account groups are not funds and do not reflect available financial resources and related liabilities. The following account groups are maintained by the City:

- **General Fixed Assets** - The general fixed assets account group is used to maintain control and cost information on City-owned property, plant and equipment, including construction in progress.
- **General Long-Term Debt** - The general long-term debt account group is used to account for all long-term debt (principal balances of debt, capital lease obligations, and obligations for compensated absences), which is backed by the full faith and credit of the City and other long-term debt for which special revenues are pledged.

Measurement Focus

Governmental fund types (general, special revenue, debt service and capital projects funds) are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. Reported fund balance (net current assets) is considered a measure of "available, spendable, or appropriable resources." Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary and pension trust fund types are accounted for on a "cost of services" or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet to provide an indication of the economic net worth of the funds. The reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. The proprietary fund types operating statement presents increases (revenues) and decreases (expenses) in net total assets.

Basis of Accounting

Governmental fund type revenues and expenditures are recognized on the modified accrual basis. This method recognizes revenues in the accounting period in which they become available and measurable. Expenditures are recognized in the period in which the fund liability is incurred (except unmatured interest on general long-term debt, which is recognized when due).

Governmental fund type revenues that are susceptible to accrual include property taxes, franchise fees, federal and state revenue sharing revenues, and reimbursements from grants for authorized expenditures through September 30.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Concluded)

Proprietary fund revenues and expenses are recognized on the accrual basis. Revenues are recorded when earned, and expenses are recorded when incurred.

Fiduciary funds of the City consist of pension trust funds which are accounted for on the accrual basis.

Transfers

Transfers are recognized in the accounting period in which the interfund receivable and payable arise. Transfers are made from the utility funds to finance operations of the general fund, and the general fund makes transfers to the special revenue, debt service and capital projects funds.

Grants—Proprietary Funds

Unrestricted grants, entitlements or shared revenues received are reported as nonoperating revenues. Such resources externally restricted for capital acquisitions or construction are reported as contributed capital.

Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments held outside of the City's pooled cash system (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. All cash and investments held by the pooled cash system are considered cash equivalents for the cash flow statement.

Investments

In all funds, investments are stated at fair value. During 1998, the City implemented GASB Statement No. 31, via a prior period adjustment to adjust the carrying value of all investments from amortized cost to fair value.

Receivables

Utility operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered after the last billing date and up to September 30 is estimated and accrued at year end.

Inventories

Inventories held by the utility, sanitation services and motor pool funds are priced by the weighted average cost method at the lower of cost or market. Inventory shown in the general fund consists of fuel held for consumption. General fund inventories are valued at cost as determined on the first-in, first-out (FIFO) method. Inventory is accounted for by use of the consumption method.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Amortization

Bond issue costs and discounts are amortized over the life of the bonds using the effective interest method.

Cost Reimbursements

Certain personal services and operating expenses recorded in various funds and departments are a result of services performed and expenses/expenditures incurred for the benefit of other funds and departments. Cost reimbursements are recorded as nonrevenue receipts in the receiving fund. The funds and departments that benefit from the services and expenses/expenditures record a cost reimbursement as an increase in expenditures or expenses.

Proprietary Fund Fixed Assets

Proprietary fund fixed assets are recorded at historical cost. Donated fixed assets are recorded at fair market value on the date received. Depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

<u>Description</u>	<u>Useful Lives</u>
Buildings	10 to 50 Years
Improvements Other Than Buildings	20 to 50 Years
Vehicles and Equipment	5 to 10 Years

General Fixed Assets

General fixed assets purchased are recorded as expenditures in the governmental fund types at the time of purchase. Such assets are capitalized at cost in the general fixed assets account group. The City's policy is not to capitalize public domain fixed assets such as streets, right-of-ways, sidewalks, drainage systems and similar assets. Donated fixed assets are valued at their estimated fair market value at the time of acquisition. Depreciation is not provided on general fixed assets.

Compensated Absences

The City accrues accumulated compensated absences for governmental and proprietary funds. Compensated absences are recorded in the governmental fund types as an expenditure for the amount accrued during the year that would normally be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term debt account group. The proprietary funds accrue compensated absences in the period they are earned. Personnel policies allow employees to accumulate a maximum of 90 days vacation leave and unlimited sick leave. Upon termination, employees are paid for their accrued vacation leave and 25% of their accrued sick leave balance up to 200 hours. Upon retirement, employees are paid for their accrued vacation and 50% of their accrued sick leave balance up to 400 hours.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Encumbrances

Encumbrances represent contractual commitments in the form of purchase orders and contracts. Such encumbrances are not recorded as current year expenditures. They will become expenditures upon vendor performance and will be charged against the ensuing year's budget. Encumbrances outstanding at year end are deemed canceled and amounts sufficient to re-establish the commitment are included in the appropriations for the subsequent year.

Reserves

Fund balances and retained earnings are reserved as follows:

General Fund

Reserved For Notes Receivable - Employees	\$ 155,865
Reserved For Police Education and Other Expenditures	154,528
Reserved For Citizens Utility Relief Effect (C.U.R.E.)	5,936
Reserved For Computer Maintenance	55,100
Reserved For Fire Expenditures	4,658
Total General Fund	<u><u>\$ 376,087</u></u>

Special Revenue Funds

Reserved For Community Redevelopment	\$ 218,281
Reserved For Capital Improvements	19,862
Total Special Revenue Funds	<u><u>\$ 238,143</u></u>

Capital Projects Funds

Reserved For Construction	<u><u>\$ 4,406,419</u></u>
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Enterprise Funds

Retained earnings are reserved as follows:

Debt Service	\$ 3,873,965
Renewal and Replacement	5,140,475
Total Enterprise Funds	<u><u>\$ 9,014,440</u></u>

Internal Service Funds

Retained earnings are reserved as follows:

Reserved For Self-Insured Employee Health Insurance	\$ 918,127
Reserved For Self-Insured Workers' Compensation Insurance	1,585,030
Total Internal Service Funds	<u><u>\$ 2,503,157</u></u>

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Budgeting

The City's procedures in preparing and adopting the annual budget are as follows:

- The City Manager is responsible for preparing a proposed operating budget for all governmental funds for the upcoming year prior to September 30, that includes estimated revenues, proposed expenditures, and other financing sources and uses.
- Public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through passage of an ordinance.
- The City Manager is authorized to transfer budgeted amounts within any fund, but may not revise total fund expenditures without the approval of the City Commission. The budgetary data presented is in agreement with the originally adopted budget as amended by the City Commission.
- Formal budgetary integration is employed as a management control device during the year for substantially all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. Total budgeted appropriations within a governmental fund type may not be exceeded legally. Appropriations lapse at the end of the year. Budget data, when presented in the general-purpose financial statements, is prepared on the same basis of accounting as that prescribed for the fund.

During the year, the City made supplemental budget appropriations which increased or decreased the budgets as indicated below:

	<u>Original Adopted</u>	<u>Final Amended</u>	<u>Increase (Decrease)</u>
General Fund	\$ 14,524,987	\$ 15,536,559	\$ 1,011,572
Special Revenue Funds	3,682,085	3,284,261	(397,824)
Debt Service Fund	476,900	4,883,385	4,406,485
Capital Projects Funds	4,330,470	7,365,570	3,035,100
Total Governmental Funds	<u>\$ 23,014,442</u>	<u>\$ 31,069,775</u>	<u>\$ 8,055,333</u>

Total Columns on Combined Statements

Total columns on the combined statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. The data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills.

The tax levy of the City is established by the City Commission prior to October 1 of each year and the Lake County Property Appraiser incorporates the City millages into the total tax levy, which includes the County and the County School Board tax requirements.

All property is reassessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if it meets all of the appropriate requirements of the Florida Statutes.

Taxes are assessed on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. Unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount.

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of property or by the five-year statute of limitations.

The City does not accrue its portion of the County held tax sales certificates or personal property tax warrants because such amounts are not measurable and available as of the balance sheet date.

Note 2 - Deposits and Investments

Pooled Cash and Investments

The City maintains a cash and investment pool which carries substantially all cash and investments of the City, and is used by all funds except the pension trust funds and agency fund. Each fund's portion of the pool is displayed in the accompanying general-purpose financial statements as "Cash and Investments." The cash and investments of the pension trust funds are held separately from those other funds of the City.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 2 - Deposits and Investments (Continued)

Deposits

All of the City's deposits are maintained in banks and financial institutions which are covered by the Florida Security for Public Deposits Act (the Act); Chapter 280 of the Florida Statutes. The Act established a multiple financial institution collateral pool with the ability to assess member institutions to satisfy the claims of governmental entities if any member financial institution fails. This ability to assess provides protection which is similar to depository insurance. At September 30, 1999, the carrying amount of the City's deposits was \$429,517 and the bank balance was \$557,867.

Investments

Florida Statutes, the City Charter and 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 deposits with the State Board of Administration pool. Revenue bond covenants also restrict the type and maturities of investments in bond-related funds.

Investments of the municipal police officers' retirement trust fund may be held in bonds, stocks, or other evidence of indebtedness issued or guaranteed by a corporation under the laws of the United States provided the corporation meets certain rating and profitability criteria.

Investments of the municipal firemen's retirement trust fund and the general employees' pension fund may be invested in accordance with Florida Statutes as previously described.

A summary of the carrying amount and market value of all City investments classified by category of credit risk follows:

	Category of Risk			Carrying Amount	Fair Value
	1	2	3		
Pooled Investments					
SunTrust Repurchase Agreement			\$ 19,705,000	\$ 19,705,000	\$ 19,705,000
U.S. Treasury Bills, Notes and Bonds			30,507,635	30,507,635	30,507,635
Pension Trust and Agency Fund Investments					
Corporate Stocks			14,617,466	14,617,466	14,617,466
Corporate Bonds			11,403,042	11,403,042	11,403,042
U.S. Treasury Notes and Municipal Bonds			8,150,514	8,150,514	8,150,514
Subtotal	\$ 0	\$ 0	\$ 84,383,657	84,383,657	84,383,657

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 2 - Deposits and Investments (Continued)

Investments (Continued)

	Carrying Amount	Fair Value
FMPA Crystal River Decommissioning Trust	\$ 1,700,022	\$ 1,700,022
State Board of Administration of Florida, Local Government Pooled Investment Account	21,621,337	21,621,337
Mutual Fund Investments - Pension Investment	1,331,832	1,331,832
Collective Trust Funds - Pension Investment	4,230,833	4,230,833
Total Investments	<u><u>\$ 113,267,681</u></u>	<u><u>\$ 113,267,681</u></u>

	Carrying Amount
Carrying Amount of Deposits	\$ 429,517
Carrying Amount of Investments (Above)	113,267,681
Total	<u><u>\$ 113,697,198</u></u>

Shown in the Accompanying Combined Balance Sheets As:

Equity in Pooled Cash and Investments	\$ 48,671,209
Cash and Investments at Market Value	39,733,687
Restricted Assets:	
Equity in Pooled Cash, Cash Equivalents and Investments	25,292,302
Total	<u><u>\$ 113,697,198</u></u>

Levels of credit risk assigned to the above investments are based on an evaluation in accordance with GASB Statement No. 3 to give an indication of the level of risk assumed at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

The State Board of Administration deposits in Tallahassee, Florida are maintained in an investment pool which invests primarily in commercial paper, repurchase agreements, bankers' acceptance notes and U.S. Government obligations. The carrying value of the investment pool approximates market value.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 2 - Deposits and Investments (Concluded)

Investments (Concluded)

The following pension investments, including U.S. Government and U.S. Government guaranteed obligations, exceed 5% of the net assets available for pension benefits:

	Fair Value	Percentage of Plan Net Assets
Municipal Police		
KeyTrust Government Securities	\$ 1,974,607	23.97%
KeyTrust Mortgages	569,259	6.91%
KeyTrust Corporate Fixed Income	983,857	11.94%
KeyTrust Corporate Stocks	4,132,493	50.16%
Total Municipal Police	<u>\$ 7,660,216</u>	
Municipal Firemen		
Oppenheimer Corporate Fixed Income	\$ 3,706,876	45.84%
Oppenheimer Collective Trust Funds	4,230,833	52.32%
Total Municipal Firemen	<u>\$ 7,937,709</u>	
General Employees		
SunTrust Corporate Fixed Income	\$ 2,428,546	10.37%
SunTrust Corporate Stocks	2,582,438	11.03%
SunTrust Government Securities - Loomis	4,986,646	21.30%
SunTrust Corporate Fixed Income - Loomis	4,283,763	18.30%
SunTrust Corporate Stocks - Loomis	7,902,535	33.76%
Total General Employees	<u>\$ 22,183,928</u>	

Note 3 - Fixed Assets

A summary of changes in general fixed assets follows:

	Balance October 1, 1998	Additions	(Deletions)	Balance September 30, 1999
Land	\$ 2,730,719	\$ 831,417	\$ (31,340)	\$ 3,530,796
Buildings	11,159,929	144,302	(1,190)	11,303,041
Improvements Other Than Buildings	6,292,286	47,828		6,340,114
Equipment and Vehicles	7,107,715	1,181,902	(438,679)	7,850,938
Construction in Progress	1,273,235	2,921,718	(421,936)	3,773,017
Total	<u>\$ 28,563,884</u>	<u>\$ 5,127,167</u>	<u>\$ (893,145)</u>	<u>\$ 32,797,906</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 3 - Fixed Assets (Concluded)

A summary of proprietary fund type property, plant and equipment at September 30, 1999, follows:

	Enterprise Funds	Internal Service Funds
Land	\$ 4,666,547	
Buildings	5,387,488	\$ 63,443
Improvements Other Than Buildings	69,437,199	4,359
Equipment	22,839,635	146,788
Total	\$ 102,330,869	\$ 214,590

Note 4 - Interfund Account

Individual fund interfund receivable and payable balances at year end are as follows:

	Interfund Receivable	Interfund Payable
Governmental Funds		
General	\$ 826,661	
Capital Project		\$ 753,430
Enterprise Funds		
Electric Utility	144,719	
Communication Services		217,950
Total	\$ 971,380	\$ 971,380

Note 5 - Long-Term Liabilities

Bond Refunding

During 1999, the City issued \$27,850,000 of Utilities System Refunding Revenue Bonds, Series 1999A and 1999B, with an average interest rate of 5.47% to advance refund \$14,880,000 of outstanding 1989 Series Bonds with an average remaining interest rate of 7.45%, to provide money to construct a new wastewater treatment plant and pay the cost of issuance. The proceeds from the refunding portion of the bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1989 Series Bonds, except for the serial bond due October 1, 1999, which was not refunded. As a result, remaining 1989 Series Bonds are considered to be defeased and the liability for those bonds has been removed from the accompanying financial statements.

The result of the City advance refunding the 1989 Series Bonds to increase its debt service payments over the next twenty-five years by almost \$6 million, although most of the increase occurs in the latter years, so there is a \$1.4 million economic gain (difference between the present values of the debt service payments on the refunded and refunding debt).

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 5 - Long-Term Liabilities (Continued)

Bond Refunding (Concluded)

The advance refunding resulted in a difference between the carrying value of the refunded and refunding debt of \$457,370. This difference is reported in the accompanying financial statements as a deduction from bonds payable and is being charged to operations through the year 2011 using the effective interest method.

The following is a summary of all long-term liabilities of the proprietary funds at September 30, 1999:

Bonds Payable

Refunding Utilities Revenue Capital Appreciation Bonds, Series 1984; Dated September 1, 1984; Issued on September 27, 1984	\$ 609,999
Accrued Interest on Series 1984 Capital Appreciation Bonds Through September 30, 1999	2,380,372
Utilities Refunding Revenue Bonds, Series 1989; Dated December 1, 1998; Issued on January 11, 1989; Remaining Final Maturity October 1, 1999; Interest Rate 7.10%	1,245,000
Utilities System Refunding Revenue Bonds, Series 1999A and 1999B; Dated June 15, 1999; Issued July 16, 1999; Final Maturity October 1, 2028; Interest Rates From 3.60% to 5.375%	27,850,000
Total Bonds Payable	<u>32,085,371</u>
(Unamortized Discount and Refunding Loss)	(909,459)
(Current Maturities)	(1,245,000)
Long-Term Portion	<u><u>\$ 29,930,912</u></u>

The 1984, 1989, and 1999 bonds are fully registered bonds and are collateralized by a pledge of the net revenues of the utilities system. The bond ordinances provide for a current sinking fund, debt service reserve, term bond security purchase agreement, and a renewal and replacement account. The bonds are callable at various dates from 100% to 105% of face value. Bond maturity dates and debt service requirements for the combined 1984, 1989 and 1999 issues are as follows:

Due October 1,	Principal	Interest	(Sinking Fund Securities Income)	Total Debt Service
1999	\$ 1,245,000	\$ 460,389	\$ (313,913)	\$ 1,391,476
2000	470,000	1,413,481	(313,913)	1,569,568
2001	485,000	1,396,561	(313,913)	1,567,648
2002	505,000	1,377,161	(313,913)	1,568,248
2003	525,000	1,356,456	(313,913)	1,567,543
Thereafter	31,510,000	21,193,117	(4,432,821)	48,270,296
Total	<u><u>\$ 34,740,000</u></u>	<u><u>\$ 27,197,165</u></u>	<u><u>\$ (6,002,386)</u></u>	<u><u>\$ 55,934,779</u></u>
Total Principal Above				\$ 34,740,000
(Unearned Interest Discount on Capital Appreciation)				(2,654,629)
Total				<u><u>\$ 32,085,371</u></u>

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 5 - Long-Term Liabilities (Continued)

1984 Capital Appreciation Bonds

The remaining 1984 bond issue consists of \$609,999 of capital appreciation bonds that mature on October 1, 2005, at \$5,645,000. The carrying value of the capital appreciation bonds as of September 30, 1999, is \$2,990,371, which is composed of the maturity value of \$5,645,000 less the unearned interest discount of \$2,654,629. This is displayed in the accompanying general-purpose financial statements as follows:

Bond Payable (1984 Series)	\$ 609,999
Accrued Interest on Capital Appreciation Bonds	2,380,372
Total	<u><u>\$ 2,990,371</u></u>

Note Payable

FMPA Pooled Loan Project, Principal Payable Annually
 With Variable Interest Payable Monthly, Collateralized
 By a Junior Lien on the Net Revenues of the Utility
 System

	\$ 795,000
(Current Maturities)	(385,000)
Long-Term Portion	<u><u>\$ 410,000</u></u>

The following is a schedule of remaining principal and interest payments on the FMPA pooled loan project:

Fiscal Year Due	Principal	Estimated Interest	Total Principal and Interest
2000	\$ 385,000	\$ 17,238	\$ 402,238
2001	410,000	1,486	411,486
Total	<u><u>\$ 795,000</u></u>	<u><u>\$ 18,724</u></u>	<u><u>\$ 813,724</u></u>

Estimated Landfill Closure and Postclosure Care Costs

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

A summary of the activity in the postclosure cost liability account is as follows:

Balance, September 30, 1998	\$ 918,561
Adjustment of Estimate	(11,003)
Total Annual Costs Paid	(43,030)
Balance, September 30, 1999	<u>864,528</u>
(Current Maturities)	(54,033)
Total Long-Term Portion	<u><u>\$ 810,495</u></u>

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 5 - Long-Term Liabilities (Continued)

Estimated Landfill Closure and Postclosure Care Costs (Concluded)

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

The \$864,528 liability recorded represents the estimated costs of postclosure care for sixteen years after closure as required by state and federal laws and regulations. This amount was calculated by the City's consulting engineer. The actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required to deposit adequate funds into an escrow account before year end to meet postclosure care costs for the following year. During the year ended September 30, 1992, the City established an escrow subaccount within the City's pooled cash system for this purpose. The following is a schedule of the transactions in this account during fiscal year 1999:

<u>Transaction Date</u>	<u>Amount</u>
Balance, September 30, 1998	\$ 61,717
Investment Income	2,773
Balance, September 30, 1999	<u>\$ 64,490</u>

The above schedule was prepared in accordance with the requirements of Rule 62-701.630 of the Florida Administrative Code.

General Long-Term Debt

During 1999, the City issued \$7,345,000 of Refunding and Capital Improvement Revenue Bonds, Series 1999 with an average interest rate of 5.68% to advance refund \$4,190,000 of outstanding 1987 Series Bonds with an average remaining interest rate of 7.00%, to provide money to construct a new public safety facility and pay the cost of issuance. The proceeds from the refunding portion of the bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1987 Series Bonds. As a result, the 1987 Series Bonds are considered to be defeased and the liability for the bonds has been removed from the general long-term debt account group.

The result of the City advance refunding the 1987 Series Bonds to increase its debt service payments over the next thirty years by almost \$1.2 million, although most of the increase occurs in the latter years, so there is an approximate \$590,000 economic gain (difference between the present values of the debt service payments on the refunded and refunding debt).

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 5 - Long-Term Liabilities (Continued)

General Long-Term Debt (Continued)

A summary of all general long-term debt of the City as of September 30, 1999, follows:

Refunding and Capital Improvement Revenue Bonds Payable -

Series 1999; Issued in September 1999; Interest From	
3.65% to 5.50%	\$ 7,345,000
Employee Compensated Absences Payable	1,335,739
Claims and Judgements	240,000
Note Payable	245,607
Total	\$ 9,166,346

The following is a summary of changes in general long-term debt for the year ended September 30, 1999:

	Balance October 1, 1998	Additions	(Deductions)	Balance September 30, 1999
Refunding and Capital Improvement Revenue Bonds - Series 1987	\$ 4,415,000		\$ (4,415,000)	\$ 0
Refunding and Capital Improvement Revenue Bonds - Series 1999	0	\$ 7,345,000		7,345,000
Employee Compensated Absences Payable	1,343,400		(7,661)	1,335,739
Suit Settlement Payable	270,000		(30,000)	240,000
Note Payable	0	249,284	(3,677)	245,607
Totals	\$ 6,028,400	\$ 7,594,284	\$ (4,456,338)	\$ 9,166,346

Debt service requirements for general long-term debt bonds and note payable are as follows:

Due October 1,	Bonds Payable Series 1999		Total Debt Service
	Principal	Interest	
2000	\$ 55,000	\$ 450,115	\$ 505,115
2001	120,000	383,805	503,805
2002	125,000	379,005	504,005
2003	130,000	373,880	503,880
2004	135,000	368,420	503,420
Thereafter	6,780,000	5,777,876	12,557,876
Total	\$ 7,345,000	\$ 7,733,101	\$ 15,078,101

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 5 - Long-Term Liabilities (Concluded)

General Long-Term Debt (Concluded)

Due October 1,	Note Payable		Total Debt Service
	Principal	Interest	
2000	\$ 11,425	\$ 12,622	\$ 24,047
2001	12,040	12,008	24,048
2002	12,687	11,360	24,047
2003	13,370	10,678	24,048
2004	14,089	9,959	24,048
Thereafter	181,996	50,460	232,456
Total	\$ 245,607	\$ 107,087	\$ 352,694

Crystal River III Nuclear Decommission Costs Payable

The City is responsible for its share of the future costs to decommission the Crystal River III Nuclear Generating Unit. The City is accruing this cost over the expected useful life of the plant. A summary of the activity in the liability account is as follows:

Balance, September 30, 1998	\$ 2,661,610
1998 Accrual	312,780
Balance, September 30, 1999	\$ 2,974,390

Crystal River III Decommissioning Trust Fund

Federal law requires that an external trust fund be created to accumulate amounts to pay for the future plant decommissioning. The City contributes to a common trust fund, maintained by FMPA, for all its members that own a portion of the Crystal River III Nuclear Generating Unit. As of September 30, 1999, the City has a balance in the trust fund of \$1,700,022.

Refunding and Capital Improvement Bonds

A summary of all long-term debt previously defeased and no longer a liability of the City as of September 30, 1999, follows:

Proprietary Fund Types - Utility Funds

Utilities Revenue Certificates, Series 1977	\$ 7,715,000
Utilities Refunding Revenue Bonds, Series 1989	14,880,000

General Long-Term Debt Account Group

Refunding and Capital Improvement Bonds, Series 1987	4,190,000
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Total Defeased Debt - All Funds and Account Groups	\$ 26,785,000
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NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 6 - Operating Leases

The City is lessor on various leases of facilities located at the airport. The leased facilities are included in the \$3,660,377 of airport assets recorded in the City's general fixed assets account group. The following is a schedule of minimum future lease income on noncancelable operating leases:

<u>September 30,</u>	<u>Amount</u>
2000	\$ 68,311
2001	63,628
2002	63,628
2003	60,123
2004	53,112
Thereafter	492,315
Total Minimum Lease	
Payments	<u><u>\$ 801,117</u></u>

Note 7 - Electric Power Agreements

Crystal River Unit No. 3 Participation Agreement

The City is a participant in an agreement with Florida Power Corporation. Under terms of the agreement, the City acquired a 0.8244% ownership interest and generation entitlement share in the nuclear steam electric generating unit. Participants are entitled to energy output of the unit based upon their respective generation entitlement share.

Florida Power Corporation has been appointed by the participants to act as their agent and has sole authority to manage, control, maintain and operate the unit. Operating costs of the unit, in general, are shared in proportion to each generation entitlement share on a monthly basis. Common and external facilities of the generating unit are solely owned by Florida Power Corporation, and participants share in the operating and maintenance expenses of such facilities.

The participation agreement provides for reversion of the ownership interest of the unit to Florida Power Corporation upon retirement from service. The book value of the investment included in utility plant in service on September 30, 1999, was \$2,406,132.

Florida Municipal Power Agency

The City is a member of FMPA. FMPA was created pursuant to Chapter 163, Parts I and II ("The Interlocal Act" and "The Joint Power Act") to, among other things, provide a means for the Florida municipal corporations to cooperate with each other to provide for their present and projected energy needs. The City has limited oversight authority over the operation of

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 7 - Electric Power Agreements (Concluded)

Florida Municipal Power Agency (Concluded)

FMPA. This oversight is manifested in the appointment of one member to the 28-member Board of Directors of FMPA. Furthermore, the City, by agreement, has no equity interest in any of the assets owned by FMPA. The City participates in the following FMPA projects:

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

The City, through FMPA, has negotiated an agreement with Florida Power and Light Corporation guaranteeing the City the right to purchase up to 2.326 megawatts of generating capacity from the St. Lucie No. 2 nuclear generating plant. This plant became operational in 1984. The cost of this agreement has been capitalized and is being amortized over the plant's expected useful life.

■ **All-Requirement Power Supply Agreement**

The City has an agreement with FMPA whereby the City is purchasing its electric power from FMPA on an all-requirement basis. The agreement will remain in effect until October 1, 2020, with two optional successive ten-year renewal periods. Power rates charged to the City by FMPA are subject to a majority vote of the Board of Directors of FMPA.

Note 8 - Segment Information For Enterprise Funds

The City operates six enterprise funds. Segment information as of September 30, 1999, is as follows:

	Electric Utility	Gas Utility	Water Utility	Sanitation Sewer Wastewater Treatment	Sanitation Services	Communi- cation Services	Totals
Operating Revenues	\$ 32,964,234	\$ 4,645,331	\$ 3,981,732	\$ 3,685,061	\$ 2,429,000	\$ 117,649	\$ 47,823,007
Depreciation and Amortization	2,580,776	265,110	545,164	1,008,727	69,180	89,605	4,558,562
Operating Income	5,698,197	1,225,352	1,765,437	566,549	372,044	2,639	9,630,218
Operating Transfers (Out)	(3,992,486)	(780,276)	(409,452)	(399,696)	(150,000)	(6,948)	(5,738,858)
Net Income (Loss)	2,134,373	538,117	1,605,965	286,716	305,732	(13,701)	4,857,202
Contributed Capital	3,436,663	531,072	4,057,032	14,084,814	440,967	141,690	22,692,238
Cash and Cash Equivalents	19,725,347	4,613,263	7,757,810	8,304,124	1,441,734		41,842,278
Net Working Capital	22,253,699	4,774,881	8,111,016	6,689,392	1,515,622	(210,369)	43,134,241
Long-Term Liabili- ties Payable	14,053,957	1,356,367	3,241,820	14,663,158	810,495		34,125,797
Total Fund Equity	48,712,596	9,332,242	14,105,198	22,223,400	1,041,769	219,979	95,635,184
Total Assets	68,249,067	11,294,339	17,865,689	39,573,367	2,094,916	442,055	139,519,433
Fixed Asset Additions	2,018,589	385,162	463,876	7,054,429	136,271	18,244	10,076,571

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 9 - Defined Benefit Pension Plan

Plan Descriptions and Contribution Information

The City maintains three separate single-employer pension plans, one for police officers, one for firemen, and a general employees' retirement plan that covers substantially all other full-time City employees. 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. Stand-alone financial reports are not issued.

Membership of each plan consisted of the following at October 1, 1998, the date of the latest actuarial valuation:

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Retirees and Beneficiaries Receiving Benefits	97	11	10
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	65		1
Active Plan Members	304	55	32
Total	<u>466</u>	<u>66</u>	<u>43</u>

General Employees' Retirement Plan (GERP)

- **Plan Description** - The GERP provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living adjustments (COLA) are provided at the discretion of the City Commission. The City Commission has the authority to establish and amend the benefit provisions of the plan.
- **Contributions** - The City is required to contribute at an actuarially determined rate. Plan members are not allowed to contribute. Contribution requirements are established by City Code Section 17.121. City Code Section 17.121 may be amended by the City Commission. Administrative costs of the GERP are financed through plan contributions and investment earnings.

Municipal Police Retirement Plan (MPRP)

- **Plan Description** - The MPRP provides retirement, disability and death benefits to plan members and their beneficiaries. COLA's are provided at the discretion of the City Commission. The City Commission has the authority to establish and amend the benefit provisions of the plan.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 9 - Defined Benefit Pension Plans (Continued)

General Employees' Retirement Plan (GERP) (Concluded)

- **Contributions** - Plan members are required to contribute 7.65% of their annual covered salary. The City is required to contribute at actuarially determined rates. Per City Code Section 17.91, the City Commission may amend established contribution requirements. Administrative costs are financed through investment earnings, and city and state contributions.

Municipal Firemen's Retirement Plan (MFRP)

- **Plan Description** - The MFRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided at the discretion of the City Commission. The City Commission has the authority to establish and amend the benefit provisions of the plan.
- **Contributions** - Plan members are required to contribute 6.5% of their annual covered salary. The City is required to contribute at actuarially determined rates. Per City Code Section 17.71, the City Commission may amend established contribution requirements. Administrative costs are financed through investment earnings, and city and state contributions.

Annual Pension Costs and Net Pension Obligation

The City's annual pension cost and net pension obligation to GERP, MPRP and MFRP for the current year were as follows:

	<u>GERP</u>	<u>MPRP</u>	<u>MFRP</u>
Annual Required Contribution (ARC)	\$ 539,300	\$ 295,340	\$ 163,325
Interest on Net Pension Obligation	(49,962)	(5,123)	(14,427)
Annual Pension Cost	489,338	290,217	148,898
Contributions Made	(581,715)	(277,630)	(254,952)
Net Pension Obligation, Beginning of Year	(624,532)	(64,039)	(180,345)
Net Pension Obligation, End of Year	<u><u>\$(716,909)</u></u>	<u><u>\$ (51,452)</u></u>	<u><u>\$(286,399)</u></u>

Other Pension Plan Information

The annual required contribution for the current year was determined as part of the October 1, 1998, actuarial valuation for the GERP and MPRP using the entry age actuarial cost method. The MFRP annual required contributions were determined using the aggregate actuarial cost method. The actuarial assumptions include an 8.0% rate of return on investments for all plans. Projected salary increase for the GERP, MPRP and MFRP was 5.50%, 6.50% and 6.00%, respectively. The assumptions did not include postretirement benefit increases.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 9 - Defined Benefit Pension Plans (Concluded)

Other Pension Plan Information (Concluded)

The actuarial value of assets was determined using market value for all plans. The excess of the actuarial value of assets over the actuarial accrued liabilities is being amortized using the level dollar, closed method for the GERP and MPRP. The remaining amortization period at October 1, 1998, was between 22 and 29 years for both plans.

Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
GERP			
09/30/97	\$ 542,806	130%	\$ (163,002)
09/30/98	272,760	269%	(624,572)
09/30/99	489,338	118%	(716,909)
MPRP			
09/30/97	264,219	93%	17,312
09/30/98	221,438	136%	(64,039)
09/30/99	290,217	95%	(51,452)
MFRP			
09/30/97	169,358	123%	(40,277)
09/30/98	123,459	213%	(180,345)
09/30/99	148,898	171%	(286,399)

Note 10 - Self-Insurance Fund

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 and its administrative agent. Employee claims up to \$45,000 per person are paid from the assets of the self-insurance fund; claims in excess of \$45,000, up to a maximum of \$955,000 per employee per year, are paid from a reinsurance policy purchased by the City.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 10 - Self-Insurance Fund (Concluded)

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 and its administrative agent. Employee claims up to \$400,000 per occurrence are paid from the assets of the self-insurance fund with amounts in excess of \$400,000 per occurrence being paid from a reinsurance policy purchased by the City.

Liabilities for known claims and incurred but not reported claims:

	Balance October 1, 1998	Current Year Claims and Changes in Estimates	(Claims Paid)	Balance September 30, 1999
Employee Health Insurance Fund	\$ 225,951	\$ 1,847,875	\$ (1,793,395)	\$ 280,431
Workers' Compensation Insurance Fund	262,243	52,055	(127,752)	186,546
Total	<u>\$ 488,194</u>	<u>\$ 1,899,930</u>	<u>\$ (1,921,147)</u>	<u>\$ 466,977</u>

Note 11 - Contributed Capital

The following is a summary of changes in contributed capital during the current year:

	Balance October 1, 1998	Additions	(Deletions)	Balance September 30, 1999
Enterprise Funds				
Electric Utility	\$ 3,343,835	\$ 92,828		\$ 3,436,663
Gas Utility	531,072			531,072
Water Utility	3,847,239	209,793		4,057,032
Sanitary Sewer and Wastewater	13,673,362	411,452		14,084,814
Sanitation Services	440,967			440,967
Communication Services	141,690			141,690
Total Enterprise Funds	<u>\$ 21,978,165</u>	<u>\$ 714,073</u>	<u>\$ 0</u>	<u>\$ 22,692,238</u>
	Balance October 1, 1998	Additions	(Deletions)	Balance September 30, 1999
Internal Service Fund				
Motor Pool Service	\$ 15,979	\$ 0	\$ 0	\$ 15,979

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 12 - Deferred Compensation Fund

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

In October 1997, the GASB issued Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This statement allows the employer to not report the assets and liabilities in their financial statements if the employer has met the new criteria of the Internal Revenue Code Section 457 and does not retain fiduciary accountability for the plan assets. During 1997, the City amended its deferred compensation plan to reflect the changes in the Internal Revenue Code and, in the opinion of management, does not retain fiduciary accountability for plan assets.

Accordingly, the City is implementing GASB Statement No. 32 early, and is no longer including the assets and liabilities of the deferred compensation fund in its financial statements. There is no effect on the City's overall fund balance or retained earnings, as the plan was an agency fund in which plan assets equals liabilities.

It is the opinion of the City that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Note 13 - 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. The audits of these programs as of and including the year ended September 30, 1999, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the City's compliance with applicable grant requirements will be established at a future date. 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 judgements arising from the normal course of business. The City expects to prevail in these matters; however, the final outcomes have not yet been determined.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Continued)

Note 14 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Insurance against losses are provided for the following types of risk:

- General and Automobile Liability
- Commercial Property Damage
- Contractors' Equipment
- Crime

The City is self-insured for workers' compensation and employee health as explained in note 10. Amounts of settlements, if any, have not exceeded insurance coverage for each of the past three years.

Note 15 - Suit Settlement

During 1998, the City settled a civil rights lawsuit in which it was a codefendant. The settlement calls for the City to pay the plaintiff \$634,000, of which \$100,000 is covered by insurance. The City accrued the net settlement amount of \$534,000 as a general government expenditure and a payable of the general fund as of September 30, 1998. The net settlement amount was paid in fiscal year ended September 30, 1999. Additional terms of the settlement call for the City to fund the budget of a local agency \$30,000 per year for nine years. This \$240,000 obligation of the City is recorded in the general long-term debt account group.

Note 16 - Postemployment Benefits

In addition to the pension benefits described in note 9, the City provides postretirement health care benefits, in accordance with City ordinance, to all employees who retire from the City on or after attaining age 58 with at least 15 years of service. In addition, employees that retire on or after age 50, with 15 years of service may continue to participate in the plan at their own costs until age 58. Currently, there are 41 retirees that the City continues to pay health insurance for.

The City also provides a Medicare supplement for each retiree eligible for Medicare. Expenses for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred, but not reported. During the year, expenses of approximately \$228,000 were recognized for postretirement health care.

NOTES TO FINANCIAL STATEMENTS
CITY OF LEESBURG, FLORIDA
(Concluded)

Note 17 - Commitments

As of September 30, 1999, the City had the following commitments related to significant unfinished construction projects:

	Expended as of September 30, 1999	Remaining Commitment
Leesburg Streetscape	\$ 584,132	\$ 725,207
Waste Water Reclamation Facility	5,842,993	2,614,884

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REQUIRED SUPPLEMENTARY INFORMATION

The following supplemental schedules present trend information regarding the retirement plans for the City's general employees, municipal police and municipal firemen, and year 2000 disclosure. This information is necessary for a fair presentation in conformity with generally accepted accounting principles.

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**REQUIRED SUPPLEMENTARY INFORMATION
CITY OF LEESBURG, FLORIDA**

SCHEDULES OF FUNDING PROGRESS

General Employees' Retirement Plan

(1) Valuation Date	(2) Actuarial Value of Assets (AVA)	(3) Entry Age Normal Actuarial Accrued Liability (AAL)	(4) Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)	(5) Funded Ratio (2)/(3)	(6) Annual Covered Payroll	(7) UAAL as Percentage of Payroll (4)/(6)
10/01/92	\$ 11,565,600	\$ 15,525,900	\$ 3,960,300	74.4%	\$ 7,013,200	56.4%
10/01/93	13,550,900	16,911,500	3,360,600	80.1%	7,098,800	47.3%
10/01/94	13,804,000	14,883,063	1,079,063	92.7%	7,745,800	13.9%
10/01/95	16,105,000	17,414,500	1,309,500	92.4%	7,901,700	16.5%
10/01/96	17,346,700	18,401,700	1,055,000	94.2%	8,297,100	12.7%
10/01/97	21,395,000	18,304,900	(3,090,100)	116.9%	8,466,100	N/A
10/01/98	21,206,300	19,954,300	(1,252,000)	106.3%	9,044,500	N/A

Municipal Police Retirement Plan

(1) Valuation Date	(2) Actuarial Value of Assets (AVA)	(3) Entry Age Normal Actuarial Accrued Liability (AAL)	(4) Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)	(5) Funded Ratio (2)/(3)	(6) Annual Covered Payroll	(7) UAAL as Percentage of Payroll (4)/(6)
10/01/92	\$ 3,420,743	\$ 4,849,483	\$ 1,428,740	70.5%	\$ 1,009,935	141.4%
10/01/93	3,899,548	5,243,943	1,344,395	74.3%	1,114,005	120.6%
10/01/94	3,666,323	4,125,636	459,313	88.8%	1,308,794	35.0%
10/01/95	4,706,766	5,258,740	551,974	89.5%	1,512,247	36.5%
10/01/96	5,350,539	5,950,687	600,148	89.9%	1,614,426	37.1%
10/01/97	6,689,503	7,323,316	633,813	91.4%	1,724,558	36.75%
10/01/98	7,239,889	7,843,707	603,818	92.3%	2,012,767	29.99%

Municipal Firemen's Retirement Plan

Not required due to use of the aggregate actuarial cost method.

REQUIRED SUPPLEMENTARY INFORMATION
CITY OF LEESBURG, FLORIDA
(Continued)

SCHEDULES OF CONTRIBUTIONS FROM EMPLOYER AND OTHERS

Year Ended 9/30	General Employees' Retirement Plan (GERP)		Municipal Police Retirement Plan (MPRP)		Municipal Firemen's Retirement Plan (MFRP)	
	(1) Annual Required Contribution (ARC)	Percentage Contributed	(2) Annual Required Contribution (ARC)	Percentage Contributed	(2) Annual Required Contribution (ARC)	Percentage Contributed
1999	\$ 539,300	108%	\$ 270,695	103%	\$ 163,325	156%
1998	272,760	269%	221,438	136%	123,459	213%
1997	542,806	130%	264,219	93%	169,358	123%
1996	694,163	100%	263,109	100%	197,811	100%
1995	650,146	100%	209,514	100%	188,732	100%
1994	601,880	100%	193,519	100%	183,811	100%
1993	584,831	100%	202,702	100%	171,192	100%
1992	592,146	100%	155,567	100%	157,425	100%

(1) Includes only required employer contributions.

(2) Includes required contributions by employees and excise tax on certain insurance policies collected by the State of Florida. The City is required to contribute to the balance of the ARC.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	GERP	MPRP	MFRP
Valuation Date	October 1, 1998	October 1, 1998	October 1, 1998
Actuarial Cost Method	Entry Age Normal Actuarial Cost Method	Entry Age Normal Actuarial Cost Method	Aggregate Actual Cost Method
Amortization Method	Level Dollar, Closed	Level Dollar, Closed	N/A
Remaining Amortization Period	30 Years	30 Years	N/A
Asset Valuation Method	Market Value	Market Value	Market Value
Actuarial Assumptions:			
Investment Rate of Return	8.00%	8.00%	8.00%
Projected Salary Increases	5.50%	6.50%	6.00%
Cost-of-Living Adjustments	None	None	None

**ANALYSIS OF SURPLUS - SECTION 8 PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA**

	<u>Unreserved Surplus</u>	<u>Project Account</u>	<u>Operating Reserves</u>	<u>Cumulative HUD Contributions</u>	<u>Cumulative Donations</u>	<u>Total Surplus (Deficit)</u>
Housing Assistance Fund (A3320 E & V)						
Balance (Deficit), September 30, 1998	\$ (8,502,926)	\$ 687,293	\$ 53,637	\$ 7,785,305	\$ 42,006	\$ 65,315
HUD Annual Contributions				718,522		718,522
Provision For Project Account	(214,096)	214,096				0
HUD Recapture From Project Account	500,050	(500,050)				0
Provision For Operating Reserve	(6,509)		6,509			0
Net (Loss)	<u>(712,013)</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>(712,013)</u>
Balance (Deficit), September 30, 1999	<u><u>\$ (8,935,494)</u></u>	<u><u>\$ 401,339</u></u>	<u><u>\$ 60,146</u></u>	<u><u>\$ 8,503,827</u></u>	<u><u>\$ 42,006</u></u>	<u><u>\$ 71,824</u></u>

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**COMBINING AND INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS AND SCHEDULES**

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GENERAL FUND

The general fund is used to account for all revenues and expenses of the City which are not more properly accounted for in other funds. It receives a greater variety and number of taxes and other general revenues than any other fund.

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**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>1999</u>	<u>1998</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$2,805,789	\$3,794,067
Due From Other Governments	199,763	207,143
Due From Other Funds	826,661	239,812
Assessments Receivable	4,476	4,297
Other Accounts Receivable	65,147	44,658
Prepaid Items	7,662	19,461
Inventories	18,320	16,385
Notes Receivable - Employees	155,865	199,525
Total Assets	<u>4,083,683</u>	<u>4,525,348</u>
 Liabilities and Fund Balance		
Liabilities		
Accounts Payable	415,918	220,361
Accrued Wages and Payroll Tax	610,349	462,672
Suit Settlement Payable	0	534,000
Unearned License Revenue	251,346	227,064
Total Liabilities	<u>1,277,613</u>	<u>1,444,097</u>
 Fund Balance		
Reserved:		
For Notes Receivable - Employees	155,865	199,525
For Computer Maintenance	55,100	0
For Police Education	19,885	18,093
For Police Expenditures	99,518	100,357
For Police Communication Tower	18,551	15,786
For Police Automation	16,574	0
For Fire Expenditures	4,658	14,268
For C.U.R.E. Program	5,936	630
Unreserved	2,429,983	2,732,592
Total Fund Balance	<u>2,806,070</u>	<u>3,081,251</u>
 Total Liabilities and Fund Balance	<u>\$4,083,683</u>	<u>\$4,525,348</u>

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH COMPARATIVE
ACTUAL AMOUNTS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	1999			1998
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 3,205,126	\$ 3,452,735	\$ 247,609	\$ 3,140,104
Licenses and Permits	306,800	296,298	(10,502)	273,436
Intergovernmental	824,662	836,451	11,789	775,405
Charges For Services	240,800	235,322	(5,478)	409,059
Fines and Forfeitures	286,200	303,902	17,702	298,233
Miscellaneous:				
Interest	261,000	171,900	(89,100)	238,946
Other	3,513,352	3,460,318	(53,034)	2,934,714
Total Revenues	<u>8,637,940</u>	<u>8,756,926</u>	<u>118,986</u>	<u>8,069,897</u>
Expenditures				
General Government	3,948,057	3,844,042	104,015	4,446,495
Public Safety	6,097,063	6,093,036	4,027	6,096,292
Physical Environment	615,303	591,112	24,191	373,910
Transportation	1,886,776	1,510,205	376,571	595,606
Economic Development	67,996	67,127	869	124,208
Human Services	39,080	32,578	6,502	47,999
Culture and Recreation	2,779,419	2,567,542	211,877	2,807,600
(Total Expenditures)	<u>(15,433,694)</u>	<u>(14,705,642)</u>	<u>728,052</u>	<u>(14,492,110)</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(6,795,754)</u>	<u>(5,948,716)</u>	<u>847,038</u>	<u>(6,422,213)</u>
Other Financing Sources (Uses)				
Operating Transfers In	6,116,331	5,745,152	(371,179)	5,343,016
Operating Transfers Out	<u>(82,865)</u>	<u>(77,379)</u>	<u>5,486</u>	<u>(98,999)</u>
Total Other Financing Sources (Uses)	<u>6,033,466</u>	<u>5,667,773</u>	<u>(365,693)</u>	<u>5,244,017</u>
(Deficiency) of Revenues and Other Other Financing Sources (Under) Expenditures and Other Financing Uses	<u>(762,288)</u>	<u>(280,943)</u>	<u>481,345</u>	<u>(1,178,196)</u>
Fund Balance, Beginning of Year	762,288	3,081,251	2,318,963	4,257,502
Prior Period Adjustment	0	0	0	1,945
Residual Equity Transfer In	<u>0</u>	<u>5,762</u>	<u>5,762</u>	<u>0</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 2,806,070</u>	<u>\$ 2,806,070</u>	<u>\$ 3,081,251</u>

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH COMPARATIVE
ACTUAL AMOUNTS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	1999		Variance	1998
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues				
Taxes				
Ad Valorem	\$ 2,446,726	\$ 2,659,480	\$ 212,754	\$ 2,397,214
Local Option Sales	500	300	(200)	0
Franchise Fees	142,000	139,443	(2,557)	135,823
Local Option Gas	615,900	653,512	37,612	607,067
Total Taxes	<u>3,205,126</u>	<u>3,452,735</u>	<u>247,609</u>	<u>3,140,104</u>
Licenses and Permits				
Licenses	175,500	157,271	(18,229)	163,491
Building Permits	75,000	87,738	12,738	68,001
Other Permits	56,300	51,289	(5,011)	41,944
Total Licenses and Permits	<u>306,800</u>	<u>296,298</u>	<u>(10,502)</u>	<u>273,436</u>
Intergovernmental				
Federal Grants	91,330	86,247	(5,083)	76,515
State Grants	46,416	69,583	23,167	73,069
Other Grants	0	18,556	18,556	0
State-Shared Revenues	641,916	607,063	(34,853)	572,567
County-Shared Revenues	28,000	36,503	8,503	35,685
Fuel Rebate	17,000	18,499	1,499	17,569
Total Intergovernmental	<u>824,662</u>	<u>836,451</u>	<u>11,789</u>	<u>775,405</u>
Charges For Services				
General Government Charges	8,800	22,224	13,424	19,464
Other Public Safety Charges	33,000	48,423	15,423	37,953
Other Physical Environment Charges	0	0	0	6,686
Culture and Recreation	199,000	164,675	(34,325)	344,956
Total Charges For Services	<u>240,800</u>	<u>235,322</u>	<u>(5,478)</u>	<u>409,059</u>
Fines and Forfeitures				
Court Fines	252,000	280,559	28,559	225,261
Library Fines	21,000	18,696	(2,304)	19,162
Other Fines and Forfeitures	13,200	4,647	(8,553)	53,810
Total Fines and Forfeitures	<u>286,200</u>	<u>303,902</u>	<u>17,702</u>	<u>298,233</u>
Miscellaneous				
Interest	261,000	171,900	(89,100)	238,946
Rents and Royalties	328,100	308,739	(19,361)	76,600
Sale of City Property and Insurance Compensation	126,550	150,208	23,658	10,144
Other	3,028,702	2,989,548	(39,154)	2,796,318
Contributions	30,000	11,823	(18,177)	51,652
Total Miscellaneous	<u>3,774,352</u>	<u>3,632,218</u>	<u>(142,134)</u>	<u>3,173,660</u>
Total Revenues	<u>\$ 8,637,940</u>	<u>\$ 8,756,926</u>	<u>\$ 118,986</u>	<u>\$ 8,069,897</u>

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
BY DEPARTMENT
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH COMPARATIVE
ACTUAL AMOUNTS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	1999		Variance	1998
	Budget	Actual	Favorable (Unfavorable)	Actual
Expenditures				
General Government				
City Commission	\$ 78,012	\$ 77,008	\$ 1,004	\$ 77,624
Executive Offices	345,715	345,568	147	319,103
City Attorney	126,500	124,280	2,220	155,527
Grants and Aids	208,000	197,439	10,561	197,647
Non-Departmental	28,203	27,737	466	55,467
Finance	1,658,541	1,591,003	67,538	1,574,793
Human Resources	276,193	275,914	279	229,034
Purchasing and Warehousing	245,255	242,867	2,388	180,653
Information and Communication				
Service	429,287	426,335	2,952	526,055
Public Buildings	289,979	277,390	12,589	407,463
Comprehensive Planning	156,622	152,751	3,871	189,129
Claims and Judgements	105,750	105,750	0	534,000
Total General Government	<u>3,948,057</u>	<u>3,844,042</u>	<u>104,015</u>	<u>4,446,495</u>
Public Safety				
Police Department	3,869,438	3,869,161	277	3,881,096
Fire Department	2,023,171	2,021,873	1,298	2,009,207
Protective Inspections	204,454	202,002	2,452	205,989
Total Public Safety	<u>6,097,063</u>	<u>6,093,036</u>	<u>4,027</u>	<u>6,096,292</u>
Physical Environment				
Engineering	488,615	466,125	22,490	277,034
Public Works Office	126,688	124,987	1,701	96,876
Total Physical Environment	<u>615,303</u>	<u>591,112</u>	<u>24,191</u>	<u>373,910</u>
Transportation				
Road and Street Facilities	849,723	845,857	3,866	496,102
Streetscape	905,822	533,870	371,952	0
Airport Maintenance	131,231	130,478	753	99,504
Total Transportation	<u>1,886,776</u>	<u>1,510,205</u>	<u>376,571</u>	<u>595,606</u>
Economic Development	<u>67,996</u>	<u>67,127</u>	<u>869</u>	<u>124,208</u>
Human Services				
Animal Control	25,080	24,676	404	34,422
Public Assistance	14,000	7,902	6,098	13,577
Total Human Services	<u>39,080</u>	<u>32,578</u>	<u>6,502</u>	<u>47,999</u>
Culture and Recreation				
Library Services	834,671	825,436	9,235	795,706
Recreation	1,944,748	1,742,106	202,642	2,011,894
Total Culture and Recreation	<u>2,779,419</u>	<u>2,567,542</u>	<u>211,877</u>	<u>2,807,600</u>
Total Expenditures	<u>\$ 15,433,694</u>	<u>\$ 14,705,642</u>	<u>\$ 728,052</u>	<u>\$14,492,110</u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Community Development Fund - Used to account for grants received by the City as a subgrantee under the Small Cities Community Development Block Grant Program, which is administered by the State of Florida Department of Community Affairs. Grant proceeds are being utilized to improve substandard housing in Leesburg.

Housing Assistance Fund - Used to account for grants received by the City under the Section 8 Program, which is administered by the United States Department of Housing and Urban Development. Grant proceeds are designated for housing assistance payments to low-and moderate-income families and related administrative costs.

Stormwater Fund - Used to account for revenues and expenditures related to stormwater management (i.e., the collection, storage and dispersal of rainwater).

Affordable Housing Fund - Used to account for grants received from the HOME program, funded by the Florida Housing Finance Agency, and State Housing Initiatives Partnership (SHIP) Act funding received from the State of Florida. Expenditures are restricted to the construction and rehabilitation of housing for low-and moderate-income families and related administrative costs.

Greater Leesburg Community Redevelopment Fund - This fund was created pursuant to Section 163, Florida Statutes, to account for income generated from tax increment revenues generated within the Community Redevelopment District. Revenues generated are divided between the Downtown and the Pine Street areas. Expenditures related to community redevelopment activities must be approved by the Greater Leesburg Community Redevelopment Agency, a component unit of the City, prior to disbursement.

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>Community Development</u>	<u>Housing Assistance</u>
Assets		
Equity in Pooled Cash and Cash		
Equivalents	\$ 8,847	\$ 78,668
Accounts Receivable	16,500	857
Due From Other Governments	16,515	1,721
Total Assets	<u>41,862</u>	<u>81,246</u>
 Liabilities and Fund Balances		
Liabilities		
Accounts Payable	5,500	6,431
Due to Other Governments	16,500	2,990
Due to Other Funds		
Total Liabilities	<u>22,000</u>	<u>9,421</u>
 Fund Balances		
Reserved:		
For Community Redevelopment		
For Capital Improvements	19,862	
For Housing Assistance		
Unreserved		71,825
Total Fund Balances	<u>19,862</u>	<u>71,825</u>
 Total Liabilities and Fund Balances	<u>\$ 41,862</u>	<u>\$ 81,246</u>

<u>Stormwater</u>	<u>Affordable Housing</u>	<u>Greater Leesburg Community Redevelopment</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
\$ 785,143		\$ 218,881	\$ 1,091,539	\$ 1,126,350
72,834			90,191	81,787
416			18,652	135,204
<u>858,393</u>	<u>\$ 0</u>	<u>218,881</u>	<u>1,200,382</u>	<u>1,343,341</u>
19,416		600	31,947	129,991
			19,490	95,345
			0	31,074
<u>19,416</u>	<u>0</u>	<u>600</u>	<u>51,437</u>	<u>256,410</u>
		218,281	218,281	227,689
			19,862	47,575
			0	53,637
838,977			910,802	758,030
<u>838,977</u>	<u>0</u>	<u>218,281</u>	<u>1,148,945</u>	<u>1,086,931</u>
<u>\$ 858,393</u>	<u>\$ 0</u>	<u>\$ 218,881</u>	<u>\$ 1,200,382</u>	<u>\$ 1,343,341</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>Community Development</u>	<u>Housing Assistance</u>
Revenues		
Intergovernmental	\$ 361,131	\$ 719,617
Charges For Services		238
Interest		5,104
Miscellaneous		25,002
Total Revenues	<u>361,131</u>	<u>749,961</u>
Expenditures		
Physical Environment		
Economic Environment	<u>388,844</u>	<u>743,451</u>
(Total Expenditures)	<u>(388,844)</u>	<u>(743,451)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(27,713)</u>	<u>6,510</u>
Other Financing Sources (Uses)		
Operating Transfers In		
Proceeds From Issuance of Debt		
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>
(Deficiency) Excess of Revenues and Other Financing Sources (Under) Over Expenditures and Other Financing Uses	(27,713)	6,510
Fund Balances, Beginning of Year	47,575	65,315
Prior Period Adjustment	0	0
Residual Equity Transfer (Out)	<u>0</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 19,862</u>	<u>\$ 71,825</u>

Stormwater	Affordable Housing	Greater Leesburg Community Redevelopment	Totals	
			1999	1998
\$ 416		\$ 92,593	\$ 1,173,757	\$ 1,227,869
588,891			589,129	578,928
30,821	\$ 1,167	10,221	47,313	59,342
			25,002	0
<u>620,128</u>	<u>1,167</u>	<u>102,814</u>	<u>1,835,201</u>	<u>1,866,139</u>
522,578			522,578	509,965
	330	438,885	1,571,510	1,211,039
<u>(522,578)</u>	<u>(330)</u>	<u>(438,885)</u>	<u>(2,094,088)</u>	<u>(1,721,004)</u>
<u>97,550</u>	<u>837</u>	<u>(336,071)</u>	<u>(258,887)</u>	<u>145,135</u>
		77,379	77,379	98,999
		249,284	249,284	0
<u>0</u>	<u>0</u>	<u>326,663</u>	<u>326,663</u>	<u>98,999</u>
97,550	837	(9,408)	67,776	244,134
741,427	4,925	227,689	1,086,931	842,531
0	0	0	0	266
<u>0</u>	<u>(5,762)</u>	<u>0</u>	<u>(5,762)</u>	<u>0</u>
<u>\$ 838,977</u>	<u>\$ 0</u>	<u>\$ 218,281</u>	<u>\$ 1,148,945</u>	<u>\$ 1,086,931</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH COMPARATIVE
ACTUAL AMOUNTS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>1999</u>			<u>1998</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues				
Intergovernmental	\$1,083,500	\$ 361,131	\$ (722,369)	\$ 553,077
Interest		0		42
Total Revenues	<u>1,083,500</u>	<u>361,131</u>	<u>(722,369)</u>	<u>553,119</u>
 Expenditures				
Economic Environment	<u>(1,083,500)</u>	<u>(388,844)</u>	<u>694,656</u>	<u>(521,732)</u>
 (Deficiency) Excess of Revenues (Under) Over Expenditures	0	(27,713)	(27,713)	31,387
 Fund Balance, Beginning of Year	0	47,575	47,575	16,182
 Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
 Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 19,862</u>	<u>\$ 19,862</u>	<u>\$ 47,575</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING ASSISTANCE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH COMPARATIVE
ACTUAL AMOUNTS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>1999</u>			<u>1998</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues				
Intergovernmental:				
HUD Contributions	\$ 732,755	\$ 719,617	\$ (13,138)	\$ 569,664
Charges For Services	900	238	(662)	0
Interest	10,000	5,104	(4,896)	7,952
Miscellaneous	20,000	25,002	5,002	0
Total Revenues	<u>763,655</u>	<u>749,961</u>	<u>(13,694)</u>	<u>577,616</u>
Expenditures				
Economic Environment:				
Housing Assistance:				
Personal Services	117,772	112,512	5,260	96,181
Operating Expenditures	654,514	628,453	26,061	498,911
Capital Outlay	4,400	2,486	1,914	0
(Total Expenditures)	<u>(776,686)</u>	<u>(743,451)</u>	<u>33,235</u>	<u>(595,092)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,031)	6,510	19,541	(17,476)
Other Financing Sources				
Operating Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,531</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(13,031)	6,510	19,541	(3,945)
Fund Balance, Beginning of Year	13,031	65,315	52,284	69,192
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>68</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 71,825</u>	<u>\$ 71,825</u>	<u>\$ 65,315</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STORMWATER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH COMPARATIVE
ACTUAL AMOUNTS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>1999</u>			<u>1998</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues				
Intergovernmental	\$ 17,500	\$ 416	\$ (17,084)	\$ 0
Charges For Services:				
Utility Fees	580,000	588,891	8,891	578,928
Interest	36,600	30,821	(5,779)	37,611
Total Revenues	<u>634,100</u>	<u>620,128</u>	<u>(13,972)</u>	<u>616,539</u>
 Expenditures				
Physical Environment:				
Stormwater:				
Personal Services	192,423	171,168	21,255	178,072
Operating Expenditures	385,418	208,205	177,213	123,545
Capital Outlay	190,000	143,205	46,795	208,348
(Total Expenditures)	<u>(767,841)</u>	<u>(522,578)</u>	<u>245,263</u>	<u>(509,965)</u>
 Excess of Revenues Over Expenditures	(133,741)	97,550	231,291	106,574
 Fund Balance, Beginning of Year	133,741	741,427	607,686	634,672
 Prior Period Adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>181</u>
 Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 838,977</u>	<u>\$ 838,977</u>	<u>\$ 741,427</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AFFORDABLE HOUSING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH COMPARATIVE
ACTUAL AMOUNTS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>1999</u>			<u>1998</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues				
Intergovernmental				\$ 6,667
Interest	400	1,167	767	395
Total Revenues	<u>400</u>	<u>1,167</u>	<u>767</u>	<u>7,062</u>
 Expenditures				
Economic Environment:				
Operating Expenditures	<u>(400)</u>	<u>(330)</u>	<u>70</u>	<u>(7,131)</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	0	837	837	(69)
 Fund Balance, Beginning of Year	0	4,925	4,925	5,005
 Prior Period Adjustment	0	0	0	(11)
 Residual Equity Transfer (Out)	<u>0</u>	<u>(5,762)</u>	<u>(5,762)</u>	<u>0</u>
 Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,925</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GREATER LEESBURG COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH COMPARATIVE
ACTUAL AMOUNTS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>1999</u>			<u>1998</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues				
Intergovernmental	\$ 96,803	\$ 92,593	\$ (4,210)	\$ 88,461
Interest		10,221	10,221	23,342
Total Revenues	<u>96,803</u>	<u>102,814</u>	<u>6,011</u>	<u>111,803</u>
 Expenditures				
Economic Environment:				
Operating Expenditures	62,400	50,396	12,004	87,084
Capital Outlay	442,475	380,473	62,002	0
Debt Service	8,100	8,016	84	0
Other Uses	142,859	0	142,859	0
(Total Expenditures)	<u>(655,834)</u>	<u>(438,885)</u>	<u>216,949</u>	<u>(87,084)</u>
 (Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(559,031)</u>	<u>(336,071)</u>	<u>222,960</u>	<u>24,719</u>
 Other Financing Sources				
Operating Transfers In	82,865	77,379	(5,486)	85,468
Proceeds From Issuance of Debt	0	249,284	249,284	0
Total Other Financing Sources	<u>82,865</u>	<u>326,663</u>	<u>243,798</u>	<u>85,468</u>
 (Deficiency) Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(476,166)</u>	<u>(9,408)</u>	<u>466,758</u>	<u>110,187</u>
 Fund Balance, Beginning of Year	476,166	227,689	(248,477)	117,480
 Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>22</u>
 Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 218,281</u>	<u>\$ 218,281</u>	<u>\$ 227,689</u>

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are similar to private business enterprises with the intent to recover costs to provide goods through user charges. Revenues are derived primarily from user charges imposed on residential and commercial customers. Expenses include, but are not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Electric Utility Fund - Used to account for the purchase and distribution of electric services within the City's service area.

Gas Utility Fund - Used to account for the purchase and distribution of gas services within the City's service area.

Water Utility Fund - Used to account for costs for collection, treatment and distribution of water services within the City's service area.

Wastewater Utility Fund - Used to account for costs to provide wastewater and sanitary sewer services within the City's service area.

Sanitation Services Fund - Used to account for the collection, transportation, and disposal of solid waste within the City limits of Leesburg.

Communication Services Fund - Used to account for the provision of communication services; such as, internet, fiber optic connections and cellular tower rental.

**COMBINING BALANCE SHEET
ENTERPRISE FUNDS
SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>Electric Utility</u>	<u>Gas Utility</u>	<u>Water Utility</u>
Assets			
Current Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 19,725,347	\$ 4,613,263	\$ 7,757,810
Due From Other Funds	144,719		
Due From Other Governments	2,993	141	500
Receivables:			
Customer Accounts - Unbilled	1,540,779	198,937	295,454
Customer Accounts - Billed	2,640,653	239,189	231,701
(Allowance For Doubtful Accounts)	(357,574)	(57,499)	(42,669)
Accrued Interest	72,549	8,888	21,224
Inventory	1,396,949		
Total Current Assets	<u>25,166,415</u>	<u>5,002,919</u>	<u>8,264,020</u>
Restricted Assets			
Equity in Pooled Cash and Cash Equivalents:			
Bond Construction	935,705	114,553	273,751
Debt Service Account	3,174,692	353,046	941,397
Renewal and Replacement Account			557,672
Impact Fees Account	1,634,093	263,139	91,916
Investments:			
Debt Service Account	2,387,525	292,484	698,476
Crystal River Decommissioning Trust Account	1,700,022		
Total Restricted Assets	<u>9,832,037</u>	<u>1,023,222</u>	<u>2,563,212</u>
Property, Plant and Equipment			
Property, Plant and Equipment	53,936,270	8,186,795	13,768,005
(Accumulated Depreciation and Amortization)	(23,100,762)	(3,082,335)	(7,021,944)
Construction in Progress	2,244,373	142,759	242,884
Total Property, Plant and Equipment - Cost Less Depreciation and Amortization	<u>33,079,881</u>	<u>5,247,219</u>	<u>6,988,945</u>
Other Assets			
Unamortized Bond Issue Costs	170,734	20,979	49,512
Total Assets	<u>\$ 68,249,067</u>	<u>\$ 11,294,339</u>	<u>\$ 17,865,689</u>

Sanitary Sewer and Wastewater Treatment	Total Combined Utility	Other Enterprise Funds		Totals	
		Sanitation Services	Communication Services	1999	1998
\$ 8,304,124	\$ 40,400,544	\$ 1,441,734		\$ 41,842,278	\$ 35,884,164
	144,719			144,719	266,880
525	4,159			4,159	19,503
282,000	2,317,170	204,705	\$ 4,966	2,526,841	2,956,285
403,861	3,515,404	154,057	5,782	3,675,243	3,365,732
(52,125)	(509,867)	(42,937)		(552,804)	(551,883)
15,056	117,717			117,717	117,717
4,164	1,401,113			1,401,113	1,268,691
<u>8,957,605</u>	<u>47,390,959</u>	<u>1,757,559</u>	<u>10,748</u>	<u>49,159,266</u>	<u>43,327,089</u>
5,561,909	5,561,909			5,561,909	0
381,379	1,705,388			1,705,388	1,800,031
671,340	5,140,475			5,140,475	4,383,401
385,305	942,977			942,977	873,665
37,216	2,026,364	715	959	2,028,038	1,950,651
495,480	3,873,965			3,873,965	4,029,735
	1,700,022			1,700,022	1,612,291
<u>7,532,629</u>	<u>20,951,100</u>	<u>715</u>	<u>959</u>	<u>20,952,774</u>	<u>14,649,774</u>
24,201,773	100,092,843	1,790,003	448,023	102,330,869	100,085,236
(8,551,704)	(41,756,745)	(1,453,361)	(173,234)	(43,383,340)	(39,917,993)
<u>7,114,547</u>	<u>9,744,563</u>		<u>155,559</u>	<u>9,900,122</u>	<u>2,797,548</u>
<u>22,764,616</u>	<u>68,080,661</u>	<u>336,642</u>	<u>430,348</u>	<u>68,847,651</u>	<u>62,964,791</u>
318,517	559,742	0	0	559,742	142,157
<u>\$ 39,573,367</u>	<u>\$ 136,982,462</u>	<u>\$ 2,094,916</u>	<u>\$ 442,055</u>	<u>\$ 139,519,433</u>	<u>\$ 121,083,811</u>

(Continued)

**COMBINING BALANCE SHEET
ENTERPRISE FUNDS
SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>Electric Utility</u>	<u>Gas Utility</u>	<u>Water Utility</u>
Liabilities and Fund Equity			
Current Liabilities			
Accounts Payable	\$ 1,932,716	\$ 125,807	\$ 29,215
Accrued Expenses	896,941	102,231	114,589
Customer Advances For Construction	83,059		9,200
Due to Other Funds			
Current Portion of Notes and Capital Leases Payable			
Estimated Landfill Closure Cost Payable			
Total Current Liabilities	<u>2,912,716</u>	<u>228,038</u>	<u>153,004</u>
Current Liabilities Payable From Restricted Assets			
Customer Deposits	1,634,093	263,139	91,916
Accrued Interest on Revenue Bonds	168,402	20,616	49,268
Current Portion of Bonds Payable	767,303	93,937	224,483
Total Current Liabilities Payable From Restricted Assets	<u>2,569,798</u>	<u>377,692</u>	<u>365,667</u>
Long-Term Liabilities			
Note Payable - FMPA			
Refunding Revenue Bonds Payable	10,055,065	1,230,982	2,941,725
Accrued Interest on Capital Appreciation Revenue Bonds	1,467,043	179,601	429,200
(Unamortized Discount and Loss on Refunding)	(442,541)	(54,216)	(129,105)
Landfill Postclosure Costs Payable			
Decommissioning Costs Payable	2,974,390		
Total Long-Term Liabilities	<u>14,053,957</u>	<u>1,356,367</u>	<u>3,241,820</u>
Total Liabilities	<u>19,536,471</u>	<u>1,962,097</u>	<u>3,760,491</u>
Fund Equity			
Contributed Capital:			
Other Governments	17,987	6,512	77,284
Customers and Developers	3,418,676	524,560	3,979,748
Other Funds			
Total Contributed Capital	<u>3,436,663</u>	<u>531,072</u>	<u>4,057,032</u>
Retained Earnings:			
Reserved:			
Debt Service	2,387,525	292,484	698,476
Renewal and Replacement	3,174,692	353,046	941,397
Unreserved	39,713,716	8,155,640	8,408,293
Total Retained Earnings	<u>45,275,933</u>	<u>8,801,170</u>	<u>10,048,166</u>
Total Fund Equity	<u>48,712,596</u>	<u>9,332,242</u>	<u>14,105,198</u>
Total Liabilities and Fund Equity	<u>\$ 68,249,067</u>	<u>\$ 11,294,339</u>	<u>\$ 17,865,689</u>

Sanitary Sewer and Wastewater Treatment	Total Combined Utility	Other Enterprise Funds		Totals	
		Sanitation Services	Communication Services	1999	1998
\$ 1,692,608	\$ 3,780,346	\$ 101,262	\$ 3,167	\$ 3,884,775	\$ 2,188,882
181,705	1,295,466	86,642		1,382,108	1,228,043
8,900	101,159			101,159	92,397
	0		217,950	217,950	266,880
385,000	385,000			385,000	409,167
	0	54,033		54,033	54,033
<u>2,268,213</u>	<u>5,561,971</u>	<u>241,937</u>	<u>221,117</u>	<u>6,025,025</u>	<u>4,239,402</u>
37,216	2,026,364	715	959	2,028,038	1,950,651
222,103	460,389			460,389	640,031
159,277	1,245,000			1,245,000	1,159,999
<u>418,596</u>	<u>3,731,753</u>	<u>715</u>	<u>959</u>	<u>3,733,427</u>	<u>3,750,681</u>
410,000	410,000			410,000	795,000
14,232,227	28,459,999			28,459,999	16,734,999
304,528	2,380,372			2,380,372	2,079,889
(283,597)	(909,459)			(909,459)	(106,207)
	0	810,495		810,495	864,528
	2,974,390			2,974,390	2,661,610
<u>14,663,158</u>	<u>33,315,302</u>	<u>810,495</u>	<u>0</u>	<u>34,125,797</u>	<u>23,029,819</u>
<u>17,349,967</u>	<u>42,609,026</u>	<u>1,053,147</u>	<u>222,076</u>	<u>43,884,249</u>	<u>31,019,902</u>
8,011,471	8,113,254			8,113,254	8,113,254
6,058,893	13,981,877			13,981,877	13,267,804
14,450	14,450	440,967	141,690	597,107	597,107
<u>14,084,814</u>	<u>22,109,581</u>	<u>440,967</u>	<u>141,690</u>	<u>22,692,238</u>	<u>21,978,165</u>
495,480	3,873,965			3,873,965	4,029,735
671,340	5,140,475			5,140,475	4,383,401
6,971,766	63,249,415	600,802	78,289	63,928,506	59,672,608
8,138,586	72,263,855	600,802	78,289	72,942,946	68,085,744
22,223,400	94,373,436	1,041,769	219,979	95,635,184	90,063,909
<u>\$ 39,573,367</u>	<u>\$ 136,982,462</u>	<u>\$ 2,094,916</u>	<u>\$ 442,055</u>	<u>\$ 139,519,433</u>	<u>\$ 121,083,811</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>Electric Utility</u>	<u>Gas Utility</u>	<u>Water Utility</u>
Operating Revenues			
User Charges	\$ 32,558,958	\$ 4,584,088	\$ 3,931,169
Other Operating Revenue	405,276	61,243	50,563
Total Operating Revenues	<u>32,964,234</u>	<u>4,645,331</u>	<u>3,981,732</u>
Operating Expenses			
Power Generation and Transmission	2,009,232		
Purchased Energy	18,584,686	1,984,855	
Supply and Pumping			
Treatment			639,322
Distribution and Collection	2,059,091	428,018	247,439
Customer Accounts	591,540	245,338	340,569
General and Administrative	1,440,712	496,658	443,801
Operating Expenses			
Depreciation and Amortization	2,580,776	265,110	545,164
Change in Postclosure Estimate			
(Total Operating Expenses)	<u>(27,266,037)</u>	<u>(3,419,979)</u>	<u>(2,216,295)</u>
Operating Income	<u>5,698,197</u>	<u>1,225,352</u>	<u>1,765,437</u>
Nonoperating Revenues (Expenses)			
Interest Income	1,193,747	231,830	408,066
Other Nonoperating Income	317,074	932	102,602
Interest Expenses	(946,807)	(120,843)	(260,688)
Other Nonoperating Expense	(135,352)	(18,878)	
Total Nonoperating Revenues (Expenses)	<u>428,662</u>	<u>93,041</u>	<u>249,980</u>
Income Before Operating Transfers	6,126,859	1,318,393	2,015,417
Operating Transfers (Out)	<u>(3,992,486)</u>	<u>(780,276)</u>	<u>(409,452)</u>
Net Income (Loss)	2,134,373	538,117	1,605,965
Retained Earnings, Beginning of Year	43,141,560	8,263,053	8,442,201
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
Retained Earnings, End of Year	<u>\$ 45,275,933</u>	<u>\$ 8,801,170</u>	<u>\$ 10,048,166</u>

Sanitary Sewer and Wastewater Treatment	Total Combined Utility	Other Enterprise Funds		Totals	
		Sanitation Services	Communication Services	1999	1998
\$ 3,602,820	\$ 44,677,035	\$ 2,405,577	\$ 117,037	\$ 47,199,649	\$ 49,242,584
82,241	599,323	23,423	612	623,358	689,954
<u>3,685,061</u>	<u>45,276,358</u>	<u>2,429,000</u>	<u>117,649</u>	<u>47,823,007</u>	<u>49,932,538</u>
	2,009,232			2,009,232	2,108,391
	20,569,541			20,569,541	22,964,284
141,728	141,728			141,728	187,914
691,619	1,330,941			1,330,941	1,467,141
471,374	3,205,922			3,205,922	3,578,429
303,439	1,480,886			1,480,886	2,448,536
501,625	2,882,796		25,405	2,908,201	2,219,442
	0	2,041,809		2,041,809	1,908,207
1,008,727	4,399,777	69,180	89,605	4,558,562	4,503,585
	0	(54,033)		(54,033)	(70,071)
<u>(3,118,512)</u>	<u>(36,020,823)</u>	<u>(2,056,956)</u>	<u>(115,010)</u>	<u>(38,192,789)</u>	<u>(41,315,858)</u>
<u>566,549</u>	<u>9,255,535</u>	<u>372,044</u>	<u>2,639</u>	<u>9,630,218</u>	<u>8,616,680</u>
331,719	2,165,362	60,340	(428)	2,225,274	2,832,593
150,878	571,486	24,907		596,393	355,505
(362,734)	(1,691,072)	(1,559)	(8,964)	(1,701,595)	(1,767,753)
	(154,230)			(154,230)	(730,248)
<u>119,863</u>	<u>891,546</u>	<u>83,688</u>	<u>(9,392)</u>	<u>965,842</u>	<u>690,097</u>
686,412	10,147,081	455,732	(6,753)	10,596,060	9,306,777
<u>(399,696)</u>	<u>(5,581,910)</u>	<u>(150,000)</u>	<u>(6,948)</u>	<u>(5,738,858)</u>	<u>(4,839,396)</u>
286,716	4,565,171	305,732	(13,701)	4,857,202	4,467,381
7,851,870	67,698,684	295,070	91,990	68,085,744	63,448,398
0	0	0	0	0	169,965
<u>\$ 8,138,586</u>	<u>\$ 72,263,855</u>	<u>\$ 600,802</u>	<u>\$ 78,289</u>	<u>\$ 72,942,946</u>	<u>\$ 68,085,744</u>

**COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>Electric Utility</u>	<u>Gas Utility</u>	<u>Water Utility</u>
Net Cash Flows Provided By Operating Activities	<u>\$ 9,036,484</u>	<u>\$ 1,345,866</u>	<u>\$ 2,392,375</u>
Cash Flows From Noncapital Financing Activities			
Operating Transfers (Out) to Other Funds	<u>(3,992,486)</u>	<u>(780,276)</u>	<u>(409,452)</u>
Cash Flows From Capital and Related Financing Activities			
Interest Paid on Capital Leases and Note Payable	(1,480,404)	(186,175)	(416,799)
Interest Paid on Revenue Bonds and Customer Deposits	(2,018,589)	(385,162)	(463,876)
Acquisition and Construction of Capital Assets			
Principal Paid on Capital Lease	(206,463)	(25,275)	(60,403)
Principal Paid on Bond Maturities			
Principal Paid on Note Payable			
Capital Contributed	92,828		209,793
Proceeds From Sale of Bonds			
Net Cash (Used In) Provided By Capital and Related Financing Activities	<u>(3,612,628)</u>	<u>(596,612)</u>	<u>(731,285)</u>
Cash Flows From Investing Activities			
Interest on Investments	1,352,621	243,592	436,151
Purchase of Crystal River Decommissioning Investments	(150,604)		
Net Cash Provided By (Used In) Investing Activities	<u>1,202,017</u>	<u>243,592</u>	<u>436,151</u>
Net Increase in Cash and Cash Equivalents	2,633,387	212,570	1,687,789
Cash and Cash Equivalents, Beginning of Year	<u>22,836,450</u>	<u>5,131,431</u>	<u>7,934,757</u>
Cash and Cash Equivalents, End of Year	<u>\$25,469,837</u>	<u>\$ 5,344,001</u>	<u>\$ 9,622,546</u>
<u>Reconciliation of Cash and Cash Equivalents (Above) to Combined Balance Sheet</u>			
Current Assets			
Equity in Pooled Cash and Cash Equivalents	\$19,725,347	\$ 4,613,263	\$ 7,757,810
Restricted Assets			
Equity in Pooled Cash and Cash Equivalents	<u>5,744,490</u>	<u>730,738</u>	<u>1,864,736</u>
Total Cash and Cash Equivalents, End of Year	<u>\$25,469,837</u>	<u>\$ 5,344,001</u>	<u>\$ 9,622,546</u>

Sanitary Sewer and Wastewater Treatment	Total Combined Utility	Other Enterprise Funds		Totals	
		Sanitation Services	Communication Services	1999	1998
\$ 3,402,804	\$ 16,177,529	\$ 377,040	\$ 35,454	\$ 16,590,023	\$ 13,181,420
(399,696)	(5,581,910)	(150,000)	(6,948)	(5,738,858)	(4,839,396)
(32,336)	(32,336)	(1,559)		(33,895)	(68,322)
(727,426)	(2,810,804)		(8,964)	(2,819,768)	(1,420,828)
(7,054,429)	(9,922,056)	(136,271)	(18,244)	(10,076,571)	(3,267,557)
	0	(49,167)		(49,167)	(96,506)
(42,857)	(334,998)			(334,998)	(1,090,000)
(360,000)	(360,000)			(360,000)	(335,000)
411,452	714,073			714,073	805,828
12,145,000	12,145,000			12,145,000	0
4,339,404	(601,121)	(186,997)	(27,208)	(815,326)	(5,472,385)
351,642	2,384,006	60,340	(428)	2,443,918	2,724,016
	(150,604)			(150,604)	(112,432)
351,642	2,233,402	60,340	(428)	2,293,314	2,611,584
7,694,154	12,227,900	100,383	870	12,329,153	5,481,223
7,647,119	43,549,757	1,342,066	89	44,891,912	39,410,689
\$ 15,341,273	\$ 55,777,657	\$ 1,442,449	\$ 959	\$ 57,221,065	\$ 44,891,912
\$ 8,304,124	\$ 40,400,544	\$ 1,441,734	\$ 0	\$ 41,842,278	\$ 35,884,164
7,037,149	15,377,113	715	959	15,378,787	9,007,748
\$ 15,341,273	\$ 55,777,657	\$ 1,442,449	\$ 959	\$ 57,221,065	\$ 44,891,912

(Continued)

**COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>Electric Utility</u>	<u>Gas Utility</u>	<u>Water Utility</u>
Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities			
Operating Income	\$ 5,698,197	\$ 1,225,352	\$ 1,765,437
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:			
Depreciation and Amortization	2,580,776	265,110	545,164
Bad Debt Expense	72,610	8,538	13,596
Nonoperating Income	317,074	932	102,602
Nonoperating Expense	(135,352)	(18,878)	
Change in Postclosure Estimate			
(Increase) Decrease in Customer Accounts	170,331	(39,251)	(79,199)
(Increase) Decrease in Due From Other Governments	(2,993)	(141)	19,003
Decrease (Increase) in Due To/From Other Funds	122,161		
(Increase) Decrease in Inventory	(131,991)		
Increase (Decrease) in Accounts Payable	144,815	(108,772)	16,947
Increase (Decrease) in Accrued Expenses	123,656	12,951	2,300
Increase (Decrease) in Customer Advances For Construction	8,762		
Increase in Customer Deposits	68,438	25	6,525
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 9,036,484</u></u>	<u><u>\$ 1,345,866</u></u>	<u><u>\$ 2,392,375</u></u>

Sanitary Sewer and Wastewater Treatment	Total Combined Utility	Other Enterprise Funds		Totals	
		Sanitation Services	Communication Services	1999	1998
\$ 566,549	\$ 9,255,535	\$ 372,044	\$ 2,639	\$ 9,630,218	\$ 8,616,680
1,008,727	4,399,777	69,180	89,605	4,558,562	4,503,585
14,625	109,369	14,074		123,443	166,027
150,878	571,486	24,907		596,393	355,505
	(154,230)			(154,230)	(730,248)
	0	(54,033)		(54,033)	(70,071)
18,349	70,230	(62,625)	(10,194)	(2,589)	(20,764)
(525)	15,344			15,344	(19,503)
	122,161		(48,930)	73,231	0
(431)	(132,422)			(132,422)	176,992
1,630,681	1,683,671	10,846	1,375	1,695,892	39,538
12,611	151,518	2,547		154,065	144,449
	8,762			8,762	(33,973)
1,340	76,328	100	959	77,387	53,203
<u>\$ 3,402,804</u>	<u>\$ 16,177,529</u>	<u>\$ 377,040</u>	<u>\$ 35,454</u>	<u>\$ 16,590,023</u>	<u>\$ 13,181,420</u>

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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the governmental unit on a cost-reimbursement basis.

Motor Pool Service Fund - Used to account for the costs to operate a fleet maintenance facility for automotive equipment used by City departments.

Health Insurance Fund - Used to account for the costs of providing major medical coverage to all eligible City employees.

Workers' Compensation Insurance Fund - Used to account for the costs of providing workers' compensation coverage to all eligible City employees.

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**COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	<u>Motor Pool Service</u>	<u>General Employees' Health Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Totals</u>	
				<u>1999</u>	<u>1998</u>
Assets					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 19,914	\$ 1,036,522	\$ 1,784,198	\$ 2,840,634	\$ 3,390,028
Miscellaneous Receivable	185	227,264	17,851	245,300	57,935
Inventory	31,893			31,893	33,092
Total Current Assets	<u>51,992</u>	<u>1,263,786</u>	<u>1,802,049</u>	<u>3,117,827</u>	<u>3,481,055</u>
Property, Plant and Equipment					
Buildings	67,802			67,802	28,399
Machinery and Equipment	146,788			146,788	140,560
(Accumulated Depreciation)	<u>(138,033)</u>			<u>(138,033)</u>	<u>(132,358)</u>
Total Property, Plant and Equipment - Cost Less Depreciation	<u>76,557</u>	<u>0</u>	<u>0</u>	<u>76,557</u>	<u>36,601</u>
Total Assets	<u>128,549</u>	<u>1,263,786</u>	<u>1,802,049</u>	<u>3,194,384</u>	<u>3,517,656</u>
Liabilities and Fund Equity					
Liabilities					
Accounts Payable	27,072	26,023	30,473	83,568	36,200
Accrued Expenses	30,252	39,205		69,457	123,082
Claims Payable		280,431	186,546	466,977	488,194
Total Liabilities	<u>57,324</u>	<u>345,659</u>	<u>217,019</u>	<u>620,002</u>	<u>647,476</u>
Fund Equity					
Contributed Capital - General Fund	<u>15,979</u>	<u>0</u>	<u>0</u>	<u>15,979</u>	<u>15,979</u>
Retained Earnings:					
Reserved For Insurance		918,127	1,585,030	2,503,157	2,798,489
Unreserved	55,246			55,246	55,712
Total Retained Earnings	<u>55,246</u>	<u>918,127</u>	<u>1,585,030</u>	<u>2,558,403</u>	<u>2,854,201</u>
Total Fund Equity	<u>71,225</u>	<u>918,127</u>	<u>1,585,030</u>	<u>2,574,382</u>	<u>2,870,180</u>
Total Liabilities and Fund Equity	<u>\$ 128,549</u>	<u>\$ 1,263,786</u>	<u>\$ 1,802,049</u>	<u>\$ 3,194,384</u>	<u>\$ 3,517,656</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	Motor Pool Service	General Employees' Health Insurance	Workers' Compensation Insurance	Totals	
				1999	1998
Operating Revenues					
Charges For Services	\$ 279,882	\$ 1,474,183	\$ 190,392	\$ 1,944,457	\$ 2,591,996
Operating Expenses					
Personal Services	148,914			148,914	126,117
Other Services and Charges	7,920			7,920	10,262
Materials and Supplies	125,447			125,447	116,191
Depreciation	9,237			9,237	9,194
Claims Expense		1,847,875	52,055	1,899,930	1,830,572
Administrative Expenses		79,588	61,250	140,838	132,215
Insurance Premiums		278,377	75,957	354,334	319,315
(Total Operating Expenses)	(291,518)	(2,205,840)	(189,262)	(2,686,620)	(2,543,866)
Operating (Loss) Income	(11,636)	(731,657)	1,130	(742,163)	48,130
Nonoperating Income					
Investment Income	11,170	59,332	78,528	149,030	197,558
Other Nonoperating Income		283,721	19,908	303,629	0
Total Nonoperating Income	11,170	343,053	98,436	452,659	197,558
(Loss) Income Before Operating Transfers	(466)	(388,604)	99,566	(289,504)	245,688
Operating Transfers (Out)	0	0	(6,294)	(6,294)	(503,620)
Net (Loss) Income	(466)	(388,604)	93,272	(295,798)	(257,932)
Retained Earnings, Beginning of Year	55,712	1,306,731	1,491,758	2,854,201	3,110,771
Prior Period Adjustment	0	0	0	0	1,362
Retained Earnings, End of Year	\$ 55,246	\$ 918,127	\$ 1,585,030	\$ 2,558,403	\$ 2,854,201

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	Motor Pool Service	General Employees' Health Insurance	Workers' Compensation Insurance	Totals	
				1999	1998
Net Cash Provided By (Used In)					
Operating Activities	\$ 24,290	\$ (597,106)	\$ (70,121)	\$ (642,937)	\$ 174,248
Cash Flows From Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(49,193)	0	0	(49,193)	(16,260)
Cash Flows From Noncapital and Related Financing Activities					
Operating Transfers (to) Other Funds	0	0	(6,294)	(6,294)	(503,617)
Cash Flows From Investing Activities					
Interest on Investments	11,170	59,332	78,528	149,030	198,917
Net (Decrease) Increase in Cash and Cash Equivalents	(13,733)	(537,774)	2,113	(549,394)	(146,712)
Cash and Cash Equivalents, Beginning of Year	33,647	1,574,296	1,782,085	3,390,028	3,536,740
Cash and Cash Equivalents, End of Year	\$ 19,914	\$ (1,036,522)	\$ 1,784,198	\$ 2,840,634	\$ 3,390,028
Reconciliation of Operating Income					
(Loss) to Net Cash Provided By (Used In) Operating Activities					
Operating (Loss) Income	\$ (11,636)	\$ (731,657)	\$ 1,130	\$ (742,163)	\$ 48,130
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:					
Depreciation	9,237			9,237	9,194
Nonoperating Income		283,721	19,908	303,629	0
(Increase) in Miscellaneous Receivables	(185)	(171,240)	(15,940)	(187,365)	(18,309)
Decrease in Inventory	1,199			1,199	11,207
Decrease in Prepaids				0	7,500
Increase (Decrease) in Claims Payable		54,480	(75,697)	(21,217)	41,896
Increase (Decrease) in Accounts Payable and Accrued Expenses	25,675	(32,410)	478	(6,257)	74,630
Net Cash Provided By (Used In) Operating Activities	\$ 24,290	\$ (597,106)	\$ (70,121)	\$ (642,937)	\$ 174,248

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PENSION TRUST FUNDS

Pension trust funds are used to account for assets held by the City in a trustee capacity for public employee retirement systems.

Police Pension Trust Fund - Used to account for activities related to the Municipal Police Pension Trust, which provides pension benefits to eligible municipal police officers. The defined pension plan was created pursuant to the provisions of Chapter 185, Florida Statutes. Resources are contributed by the participating employees and the State of Florida. Members of the Municipal Police Pension Trust are also members of the General Employees Pension Trust.

Firemen's Pension Trust Fund - Used to account for activities related to the Municipal Firemen's Retirement Trust, which provides pension benefits to eligible fire fighters. The defined benefit plan was created pursuant to the provisions of Chapter 175, Florida Statutes. Resources are contributed by the City, participating employees and the State of Florida.

General Employees' Pension Trust Fund - Used to account for activities related to the City of Leesburg General Employees' Pension Plan, which provides pension benefits to eligible full-time employees, except commissioners and fire fighters. Resources are contributed by the City to this defined benefit plan.

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**COMBINING BALANCE SHEET
FIDUCIARY FUND TYPES
SEPTEMBER 30, 1999, WITH
COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998
CITY OF LEESBURG, FLORIDA**

	Pension Trust Funds			Totals	
	Municipal Police Retirement Plan	Municipal Firemen's Retirement Plan	General Employees' Retirement Plan	1999	1998
Assets					
Cash and Investments					
With Trustees	\$ 8,239,177	\$ 8,086,348	\$ 23,408,162	\$ 39,733,687	\$ 36,823,300
Accrued Interest					
Receivable	60,563	44,415	6,921	111,899	128,534
Total Assets	<u>8,299,740</u>	<u>8,130,763</u>	<u>23,415,083</u>	<u>39,845,586</u>	<u>36,951,834</u>
Liabilities and Fund Equity					
Liabilities					
Accrued Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>128,482</u>
Fund Equity					
Fund Balances Reserved					
For Employee Benefits	<u>8299,740</u>	<u>8,130,763</u>	<u>23,415,083</u>	<u>39,845,586</u>	<u>36,823,352</u>
Total Liabilities and Fund Equity	<u>\$ 8,299,740</u>	<u>\$ 8,130,763</u>	<u>\$ 23,415,083</u>	<u>\$ 39,845,586</u>	<u>\$ 36,951,834</u>

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ACCOUNT GROUPS

Account groups are used to maintain accounting control and accountability for the City's general fixed assets and for all long-term debt (principal balances of debt, capital lease obligations, and obligations for compensated absences). These account groups are not funds; they reflect measurement of financial position and not measurement of results of operations.

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**SCHEDULES OF GENERAL FIXED ASSETS BY SOURCE
SEPTEMBER 30, 1999 AND 1998
CITY OF LEESBURG, FLORIDA**

	<u>1999</u>	<u>1998</u>
General Fixed Assets		
Land	\$ 3,530,796	\$ 2,730,719
Buildings	11,303,041	11,159,929
Improvement Other Than Buildings	6,340,114	6,292,286
Equipment and Vehicles	7,850,938	7,107,715
Construction Work in Progress	3,773,017	1,273,235
Total General Fixed Assets	<u>32,797,906</u>	<u>28,563,884</u>
 Investments in General Fixed Assets		
General Obligation Bonds and Revenue Certificates	4,888,694	4,919,850
Capital Projects Funds:		
Economic Development Administration		
Grants	430,079	430,079
Hospital Construction Fund	1,893,857	1,893,857
Federal, State and Local Grants	5,987,587	4,253,855
General Fund Revenues	16,300,562	14,998,866
Special Revenue Fund Revenues	1,721,653	1,166,773
Utility Revenue Fund Revenues	750,830	100,856
Gifts and Other	824,644	799,748
Total Investment in General Fixed Assets	<u>\$ 32,797,906</u>	<u>\$ 28,563,884</u>

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Equipment and Vehicles	Total
General and Government					
Legislative	\$ 113,095	\$ 1,929,279	\$ 63,158	\$ 147,890	\$ 2,253,422
Executive		55,209		33,729	88,938
Financial and Administrative		444,675	176,247	1,205,044	1,825,966
Other General Government	15,000	149,203	19,874	39,211	223,288
Total General and Government	<u>128,095</u>	<u>2,578,366</u>	<u>259,279</u>	<u>1,425,874</u>	<u>4,391,614</u>
Public Safety					
Law Enforcement	110,825	600,444	144,937	1,475,781	2,331,987
Fire Control	64,325	489,548	74,975	1,255,765	1,884,613
Protective Inspection				69,452	69,452
Total Public Safety	<u>175,150</u>	<u>1,089,992</u>	<u>219,912</u>	<u>2,800,998</u>	<u>4,286,052</u>
Physical Environment	<u>480,977</u>	<u>76,328</u>	<u>746,873</u>	<u>815,026</u>	<u>2,119,204</u>
Transportation					
Roads and Streets	57,238	74,764	132,886	503,415	768,303
Airport	537,770	225,235	2,819,320	78,052	3,660,377
Parking Facilities	297,341				297,341
Total Transportation	<u>892,349</u>	<u>299,999</u>	<u>2,952,206</u>	<u>581,467</u>	<u>4,726,021</u>
Economic Environment					
Housing and Urban Development				25,575	25,575
Other Economic Environment	675,710	87,474	45,530	4,611	813,325
Total Economic Environment	<u>675,710</u>	<u>87,474</u>	<u>45,530</u>	<u>30,186</u>	<u>838,900</u>
Human Services	<u>31,430</u>	<u>1,862,427</u>	<u>0</u>	<u>0</u>	<u>1,893,857</u>
Culture and Recreation					
Libraries	331,184	1,016,993	220,245	1,309,494	2,877,916
Parks and Recreation	705,334	1,028,951	806,541	627,007	3,167,833
Cultural Services		271,867	25,826		297,693
Special Recreational Facilities		445,960	6,015	715	452,690
Mote-Morris House	110,567	592,174	110,974	10,501	824,216
Other Culture and Recreation		1,952,510	946,713	249,670	3,148,893
Total Culture and Recreation	<u>1,147,085</u>	<u>5,308,455</u>	<u>2,116,314</u>	<u>2,197,387</u>	<u>10,769,241</u>
Total By Function and Activity	<u>\$ 3,530,796</u>	<u>\$ 11,303,041</u>	<u>\$ 6,340,114</u>	<u>\$ 7,850,938</u>	<u>29,024,889</u>
Construction Work in Progress					<u>3,773,017</u>
Total General Fixed Assets					<u>\$ 32,797,906</u>

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA**

Function and Activity	Balance October 1, 1998	Additions	(Deductions)	Balance September 30, 1999
General Government				
Legislative	\$ 2,255,623		\$ (2,201)	\$ 2,253,422
Executive	100,222	\$ 7,253	(18,537)	88,938
Financial and Administrative	1,464,519	473,120	(111,673)	1,825,966
Other General Government	209,871	13,417		223,288
Total General Government	<u>4,030,235</u>	<u>493,790</u>	<u>(132,411)</u>	<u>4,391,614</u>
Public Safety				
Law Enforcement	2,189,098	227,378	(84,489)	2,331,987
Fire Control	1,833,428	93,880	(42,695)	1,884,613
Protective Inspection	69,981		(529)	69,452
Total Public Safety	<u>4,092,507</u>	<u>321,258</u>	<u>(127,713)</u>	<u>4,286,052</u>
Physical Environment	<u>1,860,787</u>	<u>309,814</u>	<u>(51,397)</u>	<u>2,119,204</u>
Transportation				
Roads and Streets	790,329	6,412	(28,438)	768,303
Airport	3,659,781	596		3,660,377
Parking Facilities	297,341			297,341
Total Transportation	<u>4,747,451</u>	<u>7,008</u>	<u>(28,438)</u>	<u>4,726,021</u>
Economic Environment				
Housing and Urban Development	25,558	2,486	(2,469)	25,575
Other Economic Environment	414,406	430,076	(31,157)	813,325
Total Economic Environment	<u>439,964</u>	<u>432,562</u>	<u>(33,626)</u>	<u>838,900</u>
Human Services	<u>1,893,857</u>	<u>0</u>	<u>0</u>	<u>1,893,857</u>
Culture and Recreation				
Libraries	2,380,418	553,225	(55,727)	2,877,916
Parks and Recreation	3,122,140	77,957	(32,264)	3,167,833
Cultural Services	297,693			297,693
Special Recreational Facilities	447,695	6,185	(1,190)	452,690
Mote-Morris House	824,216			824,216
Other Culture and Recreation	3,153,686	3,650	(8,443)	3,148,893
Total Culture and Recreation	<u>10,225,848</u>	<u>641,017</u>	<u>(97,624)</u>	<u>10,769,241</u>
Total By Function and Activity	<u>27,290,649</u>	<u>2,205,449</u>	<u>(471,209)</u>	<u>29,024,889</u>
Construction Work in Progress	<u>1,273,235</u>	<u>2,921,718</u>	<u>(421,936)</u>	<u>3,773,017</u>
Total General Fixed Assets	<u>\$ 28,563,884</u>	<u>\$ 5,127,167</u>	<u>\$ (893,145)</u>	<u>\$ 32,797,906</u>

SCHEDULES OF GENERAL LONG-TERM DEBT
SEPTEMBER 30, 1999 AND 1998
CITY OF LEESBURG, FLORIDA

	<u>1999</u>	<u>1998</u>
Amount Available and to Be Provided For the Payment of General Long-Term Debt		
Serial and Term Bonds - Public Improvement Revenue Bonds and Certificates:		
Amount Available in Debt Service Fund	\$ 0	\$ 755,880
Amount to Be Provided	7,345,000	3,659,120
Total Serial and Term Bonds	<u>7,345,000</u>	<u>4,415,000</u>
Other Long-Term Liabilities:		
Amount to Be Provided	1,335,739	1,343,400
Suit Settlement Payable	240,000	270,000
Mortgages Payable	245,607	0
Total Other Long-Term Liabilities	<u>1,821,346</u>	<u>1,613,400</u>
Total Amount Available and to Be Provided For the Payment of General Long-Term Debt	<u>9,166,346</u>	<u>6,028,400</u>
 General Long-Term Debt Payable		
Refunding and Capital Improvement Revenue Bonds, Series 1987	7,345,000	4,415,000
Employee Compensation Absences Payable	1,335,739	1,343,400
Lawsuit	240,000	270,000
Mortgages Payable	<u>245,607</u>	<u>0</u>
Total General Long-Term Debt Payable	<u>\$9,166,346</u>	<u>\$6,028,400</u>

STATISTICAL SECTION

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.

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

STATISTICAL SECTION

(Unaudited)

Statistical data are presented to provide greater detailed information than reported in the preceding general-purpose 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 City has had no general obligation debt outstanding during the past ten years.

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS
CITY OF LEESBURG, FLORIDA

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Transportation</u>
1990	\$ 2,490,059	\$ 3,479,361	\$ 587,272	\$ 886,842
Percent of Total	21.89%	30.59%	5.16%	7.80%
1991	\$ 2,663,818	\$ 3,838,733	\$ 689,537	\$ 1,012,872
Percent of Total	22.41%	32.30%	5.80%	8.52%
1992	\$ 2,812,589	\$ 4,234,393	\$ 866,904	\$ 892,848
Percent of Total	22.57%	33.99%	6.96%	7.17%
1993	\$ 2,960,278	\$ 4,314,965	\$ 857,912	\$ 1,023,302
Percent of Total	23.60%	34.41%	6.84%	8.16%
1994	\$ 3,131,964	\$ 4,587,398	\$ 869,583	\$ 804,917
Percent of Total	23.17%	33.94%	6.43%	5.95%
1995	\$ 3,439,974	\$ 4,883,377	\$ 1,064,938	\$ 801,839
Percent of Total	21.23%	30.14%	6.57%	4.95%
1996	\$ 3,581,053	\$ 5,200,748	\$ 1,037,479	\$ 968,573
Percent of Total	22.69%	32.95%	6.57%	6.14%
1997	\$ 3,677,040	\$ 5,772,211	\$ 946,842	\$ 628,878
Percent of Total	21.73%	34.11%	5.59%	3.72%
1998	\$ 4,446,495	\$ 6,096,292	\$ 883,875	\$ 595,606
Percent of Total	23.52%	32.25%	4.68%	3.15%
1999	\$ 3,844,042	\$ 6,093,036	\$ 1,113,690	\$ 1,510,205
Percent of Total	18.23%	28.89%	5.28%	7.16%

(1) Includes general, special revenue, debt service funds and capital projects funds.

TABLE 1

<u>Economic Environment</u>	<u>Human Services</u>	<u>Culture/ Recreation</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
\$ 441,537 3.88%	\$ 24,601 0.22%	\$ 1,688,421 14.84%	\$ 1,252,635 11.01%	\$ 523,758 4.61%	\$ 11,374,486 100.00%
\$ 531,526 4.47%	\$ 36,308 0.31%	\$ 1,821,181 15.33%	\$ 768,136 6.46%	\$ 523,180 4.40%	11,885,291 100.00%
\$ 620,407 4.98%	\$ 27,411 0.22%	\$ 1,877,052 15.07%	\$ 605,583 4.86%	\$ 520,680 4.18%	\$ 12,457,867 100.00%
\$ 666,844 5.32%	\$ 27,944 0.22%	\$ 1,947,503 15.53%	\$ 216,057 1.72%	\$ 527,060 4.20%	\$ 12,541,865 100.00%
\$ 770,362 5.70%	\$ 30,466 0.23%	\$ 2,085,129 15.43%	\$ 714,251 5.28%	\$ 523,380 3.87%	\$ 13,517,450 100.00%
\$ 1,175,585 7.26%	\$ 30,803 0.19%	\$ 2,225,365 13.73%	\$ 2,059,078 12.71%	\$ 522,000 3.22%	\$ 16,202,959 100.00%
\$ 1,134,200 7.19%	\$ 31,379 0.20%	\$ 2,459,103 15.58%	\$ 848,387 5.38%	\$ 520,980 3.30%	\$ 15,781,902 100.00%
\$ 768,703 4.54%	\$ 49,723 0.29%	\$ 2,758,648 16.30%	\$ 1,800,650 10.64%	\$ 522,082 3.08%	\$ 16,924,777 100.00%
\$ 1,335,247 7.06%	\$ 47,999 0.26%	\$ 2,807,600 14.85%	\$ 2,172,578 11.49%	\$ 515,960 2.74%	\$ 18,901,652 100.00%
\$ 1,638,637 7.77%	\$ 32,578 0.15%	\$ 2,567,542 12.18%	\$ 2,985,420 14.16%	\$ 1,302,541 6.18%	\$ 21,087,691 100.00%

GENERAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
CITY OF LEESBURG, FLORIDA

<u>Fiscal Year</u>	<u>Taxes (2)</u>	<u>Licenses and Permits</u>	<u>Intergovernmental</u>
1990	\$ 2,635,092	\$ 174,801	\$ 2,345,671
Percent of Total	31.85%	2.11%	28.35%
1991	\$ 2,502,616	\$ 149,490	\$ 2,047,269
Percent of Total	30.84%	1.84%	25.23%
1992	\$ 2,930,415	\$ 168,068	\$ 2,234,074
Percent of Total	32.44%	1.86%	24.73%
1993	\$ 2,924,033	\$ 197,013	\$ 2,142,918
Percent of Total	32.81%	2.21%	24.05%
1994	\$ 3,112,968	\$ 218,210	\$ 2,328,189
Percent of Total	34.07%	2.39%	25.48%
1995	\$ 3,286,834	\$ 250,570	\$ 2,751,793
Percent of Total	31.53%	2.40%	26.40%
1996	\$ 3,380,526	\$ 264,121	\$ 2,861,874
Percent of Total	30.70%	2.40%	25.99%
1997	\$ 4,019,315	\$ 278,600	\$ 2,217,082
Percent of Total	35.87%	2.49%	19.79%
1998	\$ 4,138,872	\$ 273,436	\$ 3,192,427
Percent of Total	33.33%	2.20%	25.71%
1999	\$ 4,560,397	\$ 296,298	\$ 4,195,239
Percent of Total	32.71%	2.13%	30.09%

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Includes ad valorem, franchise, local option sales and gas taxes.

(3) Includes interest income and reimbursements received from the enterprise funds for services provided by general fund departments.

TABLE 2

Charges For Services	Fines and Forfeitures	Miscellaneous Revenues (3)	Total
\$ 151,620 1.83%	\$ 214,258 2.59%	\$ 2,752,876 33.27%	\$ 8,274,318 100.00%
\$ 310,775 3.83%	\$ 207,206 2.55%	\$ 2,897,879 35.71%	\$ 8,115,235 100.00%
\$ 466,091 5.16%	\$ 187,414 2.08%	\$ 3,046,779 33.73%	\$ 9,032,841 100.00%
\$ 486,197 5.45%	\$ 146,107 1.64%	\$ 3,015,583 33.84%	\$ 8,911,851 100.00%
\$ 453,311 4.96%	\$ 172,733 1.89%	\$ 2,851,526 31.21%	\$ 9,136,937 100.00%
\$ 571,151 5.48%	\$ 211,141 2.02%	\$ 3,353,670 32.17%	\$ 10,425,159 100.00%
\$ 912,675 8.29%	\$ 242,709 2.20%	\$ 3,349,482 30.42%	\$ 11,011,387 100.00%
\$ 949,880 8.48%	\$ 283,447 2.52%	\$ 3,455,912 30.84%	\$ 11,204,235 100.00%
\$ 987,987 7.96%	\$ 298,233 2.40%	\$ 3,525,549 28.40%	\$ 12,416,504 100.00%
\$ 824,451 5.91%	\$ 303,902 2.18%	\$ 3,760,922 26.98%	\$ 13,941,209 100.00%

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
CITY OF LEESBURG, FLORIDA
(In Thousands)

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>
1990	1,883	1,802	95.7%	-
1991	1,890	1,776	93.9%	14
1992	2,175	2,029	93.3%	87
1993	2,177	2,077	95.4%	56
1994	2,292	2,150	93.8%	65
1995	2,368	2,274	96.0%	27
1996	2,423	2,306	95.2%	16
1997	2,487	2,336	93.9%	30
1998	2,544	2,328	91.6%	69
1999	2,657	2,427	91.3%	233

(1) Property tax assessments and collections are performed for the City by Lake County. This information was not available from Lake County.

Section 197.012, Florida Statutes, allows a discount for early payment of 4% in November, 3% in December, 2% in January and 1% in February.

TABLE 3

<u>Total Tax Collections</u>		<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes (1)</u>
\$	1,802	95.7%	-
	1,790	94.7%	-
	2,116	97.3%	-
	2,133	98.0%	-
	2,215	96.6%	-
	2,301	97.1%	-
	2,322	95.8%	-
	2,366	95.1%	-
	2,397	94.2%	-
	2,660	100.1%	-

**ASSESSED VALUE OF EXEMPT AND
TAXABLE PROPERTY
LAST TEN FISCAL YEARS
CITY OF LEESBURG, FLORIDA
(In Thousands)**

TABLE 4

Fiscal Year	Exempt Assessed Valuation	Real	Personal	Centrally Assessed	Taxable Total	Assessed Valuation
1990	137,851	301,844	115,838	652	418,334	556,185
1991	140,970	307,735	111,582	675	419,992	560,962
1992	146,940	355,401	127,311	674	483,386	630,326
1993	171,067	352,537	130,832	298	483,667	654,734
1994	174,959	358,898	150,270	199	509,367	684,326
1995	181,575	370,400	155,590	251	526,241	707,816
1996	202,478	383,701	154,390	284	538,375	740,853
1997	249,187	399,491	152,677	452	552,620	801,807
1998	282,714	485,341	152,586	418	565,286	848,000
1999	234,178	501,243	164,366	417	590,525	824,703

Notes:

- (1) Chapter 193, Florida Statutes, requires that all property shall be assessed at just or fair market value as of January 1 of each year. All taxes are due and payable on November 1 and become delinquent on April 1 of the subsequent year. Discounts are allowed at the rate of 4% in the month of November, 3% in December, 2% in January and 1% in February.
- (2) Chapter 193, Florida Statutes, provides that all items of inventory (in personal property) shall be assessed at 10% of just valuation, except goods-in-process and raw materials, which shall be assessed at 1%. Furthermore, agricultural properties are assessed at agricultural value as opposed to fair market value for nonagricultural property.
- (3) Sources of Data: Estimates and County Property Appraiser reports.

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

TABLE 5

Fiscal Year	City	School District	County	Ambulance District	Northwest Hospital District	Water Conservation Authority	Water Management District	Total
1990	4.500	8.451	4.938	0.223	0.887	0.621	0.346	19.966
1991	4.500	8.749	4.938	0.223	1.000	0.771	0.358	20.539
1992	4.500	8.880	4.938	0.223	1.000	0.751	0.358	20.650
1993	4.500	9.005	4.864	0.222	1.000	0.740	0.358	20.689
1994	4.500	8.938	5.135	0.222	1.000	0.517	0.470	20.782
1995	4.500	8.515	5.135	0.222	1.000	0.400	0.482	20.254
1996	4.500	9.678	4.927	0.222	1.000	0.384	0.482	21.193
1997	4.500	9.228	4.909	.158	1.000	0.384	0.482	20.661
1998	4.500	9.100	4.733	.158	1.000	0.384	0.482	20.357
1999	4.500	9.190	4.733	.260	1.000	0.384	0.482	20.557

**COMPUTATION OF OVERLAPPING
GENERAL OBLIGATION DEBT (1)
SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA**

TABLE 6

Neither the City of Leesburg, Florida, nor any of its overlapping governments had any general obligation debt outstanding as of September 30, 1999.

**RATIO OF ANNUAL DEBT SERVICE
EXPENDITURES FOR GENERAL AND SPECIAL REVENUE
BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS
CITY OF LEESBURG, FLORIDA**

TABLE 7

Fiscal Year	Principal (1)	Interest (1)	Total Debt Service (1)	Total General Expenditures (2) (3)	Ratio of Debt Service to Total General Expenditures
1990	140,000	383,758	523,758	11,374,486	4.60
1991	145,000	378,180	523,180	11,585,291	4.40
1992	150,000	370,680	520,680	12,457,867	4.18
1993	160,000	367,060	527,060	12,541,865	4.20
1994	170,000	353,380	523,380	13,517,450	3.87
1995	180,000	342,000	522,000	16,202,959	3.22
1996	190,000	330,980	520,980	15,781,902	3.30
1997	200,000	322,082	522,082	16,924,777	3.08
1998	210,000	305,960	515,960	18,901,652	2.73
1999	225,000	304,760	529,760	21,087,691	2.51

- (1) Includes Refunding and Capital Improvement Revenue Bonds, Series 1987, which are special obligation bonds.
- (2) Excludes operating transfers out.
- (3) Includes general fund, special revenue funds, debt service fund and capital projects fund.

**COMBINED UTILITY FUNDS
SCHEDULE OF REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
CITY OF LEESBURG, FLORIDA
(In Thousands)**

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Operation and Maintenance Costs (1)</u>	<u>Net Revenue</u>
1990	35,524	22,420	13,104
1991	36,915	24,571	12,344
1992	36,530	24,851	11,679
1993	38,477	26,635	11,842
1994	39,722	27,399	12,323
1995	44,490	29,337	15,153
1996	47,265	30,951	16,314
1997	47,609	33,419	14,190
1998	50,615	34,950	15,665
1999	47,859	31,621	16,238

(1) Excludes interest expense and depreciation.

TABLE 8

Debt Service Requirements				
Principal	Interest	Sinking Fund	Total	Coverage
185	1,664	511	2,360	5.55
195	1,653	553	2,401	5.14
205	1,641	595	2,441	4.79
820	1,628	-	2,448	4.84
885	1,561	-	2,446	5.04
955	1,487	-	2,442	6.21
1,020	1,424	-	2,444	6.68
1,090	1,355	-	2,445	5.80
1,160	1,280	-	2,440	6.42
1,245	1,199	-	2,444	6.64

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
CITY OF LEESBURG, FLORIDA**

TABLE 9

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
1990	14,783	16,433	4,795	7.90%
1991	15,174	16,603	4,932	8.90%
1992	15,063	17,085	4,930	10.0%
1993	14,963	17,377	4,975	6.90%
1994	15,005	19,459	4,997	6.60%
1995	15,014	18,884	5,157	5.40%
1996	15,352	19,616	5,403	4.50%
1997	15,409	20,108	5,427	4.10%
1998	15,658	20,778	5,439	3.20%
1999	15,624	N/A	5,588	3.20%

N/A = Not Available.

Data Source

- (1) U.S. Census Bureau, Bureau of Business and Economic Research.
- (2) Data for Lake County was obtained from the U.S. Department of Commerce, Economic Analysis as published in the Florida Statistical Abstract.
- (3) Annual school census by Board of Education. Figures represent elementary and secondary public schools. Students in community colleges are not included.
- (4) U.S. Department of Labor - These estimated figures are based on Lake County as a whole. No individual figures are available for the City.
- (5) Florida Department of Labor and Employment Security.

CONSTRUCTION PERMITS AND VALUES
LAST TEN FISCAL YEARS
CITY OF LEESBURG, FLORIDA
(In Thousands)*

TABLE 10

<u>Fiscal Year</u>	<u>Commercial Construction (1)</u>		<u>Residential Construction (1)</u>	
	<u>Number of Permits</u>	<u>Value*</u>	<u>Number of Units</u>	<u>Value*</u>
1990	8	3,461	65	2,324
1991	6	2,303	43	2,490
1992	14	4,267	22	1,934
1993	20	9,866	31	2,776
1994	13	7,741	56	3,007
1995	11	2,474	46	2,642
1996	17	7,766	30	2,125
1997	17	1,805	46	3,533
1998	9	2,207	68	4,897
1999	35	29,113	43	3,976

(1) Based on building permits issued by the City's Department of Building and Zoning Codes. Property values are estimated construction costs. Commercial construction includes all nonresidential construction.

**PRINCIPAL TAXPAYERS
SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA**

TABLE 11

Taxpayers	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Cutrate Citrus Juices, U.S.A., Inc.	Citrus Processing	\$ 43,981,739	7.45%
Sprint	Telecommunications	42,295,212	7.16%
Lake Port Properties	Retirement Community	26,902,640	4.56%
Wal-Mart Stores, Inc.	Department Store	9,765,171	1.65%
Huntington Banks	Banking	7,976,535	1.35%
Bulldog Investments, Inc.	Real Estate Development	4,700,361	0.80%
Horne Properties, Inc.	Shopping Center	3,986,719	0.68%
Buffalo - Gateway Business Trust	Shopping Center	3,755,800	0.64%
Leesburg Associates	Shopping Center	3,698,203	0.63%
Walling Enterprises, Inc.	Shopping Center	3,647,851	0.62%
Leesburg Marketplace, Inc.	Shopping Center	3,558,296	0.60%
SunTrust Banks of Central Florida	Banking	3,294,958	0.56%
Mid-Florida Freezer Warehouse, Inc.	Warehouse	2,991,890	0.51%
Kurtell Growth Industries, Inc.	Shopping Center	2,675,090	0.45%
Daily Commercial	Newspaper	2,460,681	0.42%
Lowe's Home Centers, Inc.	Home Improvement Center	2,269,800	0.38%
First Federal Savings Bank of Lake County	Banking	2,011,083	0.34%
Subtotal		169,972,029	28.80%
All Others		420,552,625	71.20%
Total		\$ 590,524,654	100.00%

**MISCELLANEOUS STATISTICS
SEPTEMBER 30, 1999
CITY OF LEESBURG, FLORIDA**

TABLE 12

Miles of Paved Streets	75.3
Number of Street Lights	2,219
Fire Protection	
Number of Stations	2
Number of Firemen and Officers	35
Police Protection	
Number of Stations	2
Number of Policemen and Officers	58
Education (Elementary Only): (1)	
Attendance Centers (Public Schools Only)	4
Number of Classrooms	128
Number of Teachers	162
Number of Students	2,362
Municipal Water Department	
Number of Consumers - Residential	8,619
Average Daily Consumption	359 Gallons
Miles of Water Mains	215
Municipal Gas Department	
Number of Consumers - Residential	7,690
Average Daily Consumption	.60 therms
Miles of Gas Mains	200
Municipal Electric Department	
Number of Consumers - Residential	14,390
Average Monthly Consumption	1,038 kwh
Miles of Primary Electric Lines Within the City	358
Wastewater and Sanitary Sewers	
Sanitary Sewers	165 Miles
Storm Sewer	18.0 Miles
Building Permits Issued	344
Recreation and Culture	
Number of Parks	10 With 226 Acres
Number of Libraries	1
Number of Volumes	124,325
Total Employees For the City Overall	
Full-Time Employees	371
Part-Time Employees	12

(1) Elementary includes grades K through 5

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**CORPORATE LIMITS AND ANNEXATIONS
LAST TEN FISCAL YEARS
CITY OF LEESBURG, FLORIDA**

TABLE 13

<u>Fiscal Year</u>	<u>Annexation Acres</u>	<u>Corporate Limits</u>	
		<u>Acres</u>	<u>Square Miles</u>
1990	310.42	7,557.15	11.89
1991	3,823.00	11,380.15	17.78
1992	522.02	11,902.17	18.60
1993	658.21	12,560.38	19.62
1994	13.86	12,574.24	19.65
1995	157.68	12,731.92	19.89
1996	42.74	12,774.66	19.96
1997	1,547.18	14,321.84	22.38
1998	158.96	14,480.80	22.63
1999	496.19	14,976.99	23.40

Source

City of Leesburg Department of Planning and Zoning Development.

**PUBLIC IMPROVEMENT REVENUE BONDS,
SERIES 1987 AND SERIES 1999
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
CITY OF LEESBURG, FLORIDA**

Fiscal Year	Gross Sales Tax Revenues	Guaranteed Portion-State Revenue Sharing	Miscellaneous Revenues (1)	Total Available Revenues	Direct Operating Expenses
1990	\$ 474,994	\$ 309,234	\$ 37,156	\$ 821,384	\$ -
1991	465,173	309,234	35,896	810,303	-
1992	494,414	309,234	22,348	825,996	-
1993	495,787	309,234	16,353	821,374	-
1994	527,512	309,234	18,959	855,705	-
1995	544,695	309,234	29,236	883,165	-
1996	568,196	309,234	28,926	906,356	-
1997	586,849	309,234	34,508	930,591	-
1998	634,020	309,234	41,931	985,185	-
1999	687,104	309,234	32,759	1,029,097	-

(1) Includes interest earnings and other miscellaneous revenues.

TABLE 14

Net Revenue Available For Debt Service	Debt Service Requirements				Debt Coverage
	Principal	Interest	Other Debt Service	Total	
\$ 821,384	\$ 140,000	\$ 382,768	\$ 1,000	\$ 523,768	1.57
810,303	145,000	375,880	2,300	523,180	1.55
825,996	150,000	368,380	2,300	520,680	1.59
821,374	160,000	360,060	7,010	527,070	1.56
855,705	170,000	350,880	2,500	523,380	1.63
883,165	180,000	340,880	1,120	522,000	1.69
906,356	190,000	329,780	1,200	520,980	1.74
930,591	200,000	317,780	4,302	522,082	1.78
985,185	210,000	304,760	1,200	515,960	1.91
1,029,097	225,000	304,760	-	529,760	1.94

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