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CITY OF LEESBURG

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COMPREHENSIVE ANNUAL

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FINANCIAL REPORT

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FISCAL YEAR ENDED SEPTEMBER 30, 1995

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Comprehensive Annual Financial Report

City of Leesburg, Florida

*For the fiscal year ended September 30, 1995  
with Report of Independent Auditors*

Prepared by:

James A. Williams, CPA  
Finance Director

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## Introductory Section



City of Leesburg, Florida  
Comprehensive Annual Financial Report  
For the fiscal year ended September 30, 1995

Mayor

C. J. Knowles

Mayor – Pro – Tem

Sanna Henderson

City Commission

David L. Connelly  
C. Robert Lovell  
William L. Polk

City Manager

Rex Taylor

Finance Director

James A. Williams, CPA

City Attorney

R. Dewey Burnsed

City Auditors

Ernst & Young LLP

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City of Leesburg, Florida

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 1995

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# LEESBURG

*The Lakefront City*

March 25, 1996

To the Citizens of the CITY OF LEESBURG:

The comprehensive annual financial report of the CITY OF LEESBURG for the fiscal year ended September 30, 1995, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

This report includes all funds and account groups of the City of Leesburg. The City provides a full range of services, which include police and fire protection; sanitation services; storm water drainage; the construction and maintenance of streets and infrastructure; recreational activities and cultural events. In addition to general government activities, the City provides a full range of utility services, including electric, natural gas, water and wastewater treatment.

To the Citizens of the City of Leesburg, Florida

## ECONOMIC CONDITION AND OUTLOOK

The City of Leesburg is located in the central part of the state, and 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. Commercial development provided over 485 full and part time jobs; industrial leasing/expansion created over 210 full time jobs in the past two years, effectively bringing the areas' industrial vacancy rate below one percent.

## MAJOR INITIATIVES

With the adoption of the 1995 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 have 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.

## FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting material is compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting controls. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. The resolution adopting the annual budget sets forth control of appropriations on a fund total level and prescribes methods for budget amendment.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. As with the financial section, all dollar amounts presented in the remainder of this letter are expressed in thousands.

General Government Functions. The following schedule presents a summary of general fund, special revenue funds, debt service fund, and capital projects fund revenues and operating transfers in for the years ended September 30, 1995, and 1994.

To the Citizens of the City of Leesburg, Florida

<u>Revenues and Transfers</u>	<u>1995 Amount</u>	<u>Percent of Total</u>	<u>1994 Amount</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Taxes	3,287	22.87	3,114	173	5.56
Licenses and Permits	251	1.75	218	33	15.14
Intergovernmental:					
Shared Revenue	1,551	10.79	1,587	( 36)	( 2.27)
Operating Grants	1,067	7.43	705	362	51.35
Capital Grants	133	0.93	29	104	358.62
Charges for Services	571	3.97	453	118	26.05
Fines and Forfeitures	189	1.31	172	17	9.88
Other Revenues	816	5.68	490	326	66.53
Operating Transfers In	<u>6,505</u>	<u>45.27</u>	<u>6,070</u>	<u>435</u>	<u>7.17</u>
Total	14,370	100.00	12,838	1,532	11.93

The largest dollar-value increase in revenue came from intergovernmental revenues. This was due to increased operating grants in the Special Revenue Funds. The major portion of this increase came from a Community Development Block Grant used for the rehabilitation of owner occupied homes.

Another area of significant revenue increase was in the category of Other Revenues. Increased interest earnings on surplus cash, the sale of City property, and private contributions for special projects were the major reasons for the increase.

The following schedule presents a summary of general fund, special revenue funds, debt service fund, and capital projects fund expenditures and operating transfers out for the years ended September 30, 1995, and 1994.

<u>Expenditures and Transfers</u>	<u>1995 Amount</u>	<u>Percent of Total</u>	<u>1994 Amount</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
General Government	1,053	6.99	924	129	13.96
Public Safety	4,722	31.35	4,446	276	6.21
Public Works	1,309	8.69	1,321	( 12)	( .91)
Community Development	208	1.38	196	12	6.12
Human Services	1,071	7.11	675	396	58.67
Physical Environment	457	3.04	219	238	108.68
Culture and Recreation	2,225	14.77	2,085	140	6.71
Capital Projects Fund	2,059	13.67	714	1,345	188.38
Debt Service	539	3.58	569	( 30)	( 5.27)
Operating Transfers Out	<u>1,418</u>	<u>9.42</u>	<u>1,245</u>	<u>173</u>	<u>13.90</u>
Total	15,061	100.00	12,394	2,667	21.52

The largest increase in expenditures occurred in the Capital Projects Fund. Expenditures during this fiscal year for the construction of the new City marina totaled \$1,535,000.

Human Services in the Special Revenue Funds also increased significantly due to the disbursement of the increased grants received this year.

To the Citizens of the City of Leesburg, Florida

General Fund Balance. The fund balance of the general fund increased by \$198,000 or 4.47 per cent of the fund balance at the beginning of the year.

Enterprise Operations. The City's enterprise operations are comprised of six separate and distinct activities: Electric utility, Gas utility, Water utility, Sanitary Sewer and Wastewater Treatment utility, Sanitation Services, and Communication Services.

The utilities are still experiencing steady growth. Operating revenues increased by 10.47 percent and operating expenses increased by 6.27 percent. Operating income increased by 26.90 percent. Operating income is 23.37 percent of operating revenues.

Sanitation services experienced a 10.03 percent increase in operating revenues for the year. Operating expenses decreased by 34.43 percent. This resulted in operating income of \$80,000 compared to an operating loss of \$1,325,000 for the previous fiscal year. The previous year's loss was due in part to recognition of previously disputed tipping fees and additional costs of the landfill closure. Operations should be more stable in the future.

Communication services is a fiber optics communication system. Operating revenues were \$34,000 for this fiscal year. This is a 70.00 percent increase over the previous year. Operating income also increased by 53.85 percent.

Pension Trust Funds Operations. The City operates three defined benefit pension plans: 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 operations of the three pension plans improved significantly in 1995, due to substantial increases in the value of investments during the year.

Debt Administration. In 1987, the City issued \$6,145,000 in refunding and capital improvement revenue bonds. Of this amount, \$5,015,000 remained outstanding at September 30, 1995.

In 1989, the City issued \$21,810,000 of Refunding Utilities Revenue Bonds, Series 1989 to refund \$18,140,000 of the \$20,000,000 Refunding Utilities Revenue Bonds, Series 1984. At year end, there was \$20,350,000 outstanding on the 1989 series and \$610,000 on the 1984 series, plus \$1,348,000 in accrued interest on the 1984 Series Capital Appreciation Bonds.

The City had no general obligation bonds outstanding as of September 30, 1995.

During fiscal years 1992 and 1994, the City entered into equipment lease purchase agreements for \$676,000. The total minimum lease payments remaining outstanding as of September 30, 1995 is \$112,000.

Cash Management. Cash temporarily idle during the year was invested in obligations of the U.S. Treasury, the State Board of Administration Local Government Investment Pool, and repurchase agreements. Interest earned by the City this year, excluding pension trust funds, totaled \$2,721,000, which is \$956,000 more than the previous year.

To the Citizens of the City of Leesburg, Florida

**Risk Management.** The City maintains two risk management programs for employee health insurance and workers' compensation. These two separate internal service funds are supported by employer contributions. The employee health insurance program is also supported by employee contributions. Third-party coverage is currently maintained for workers' compensation claims greater than \$400,000 and for employee health insurance claims greater than \$45,000.

**Independent Audit.** The City charter and State statutes require an annual audit by independent certified public accountants. The City Commission selected Ernst & Young LLP. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

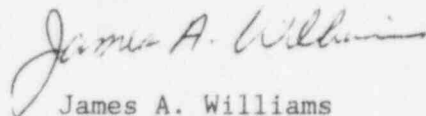
**Awards.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 1994. This was the fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgements.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance department. Each member of the department has our sincere appreciation for the contribution made in the preparation of this report.

Also without the interest and support of the members of the City Commission, preparation of this report would not have been possible.

Sincerely,



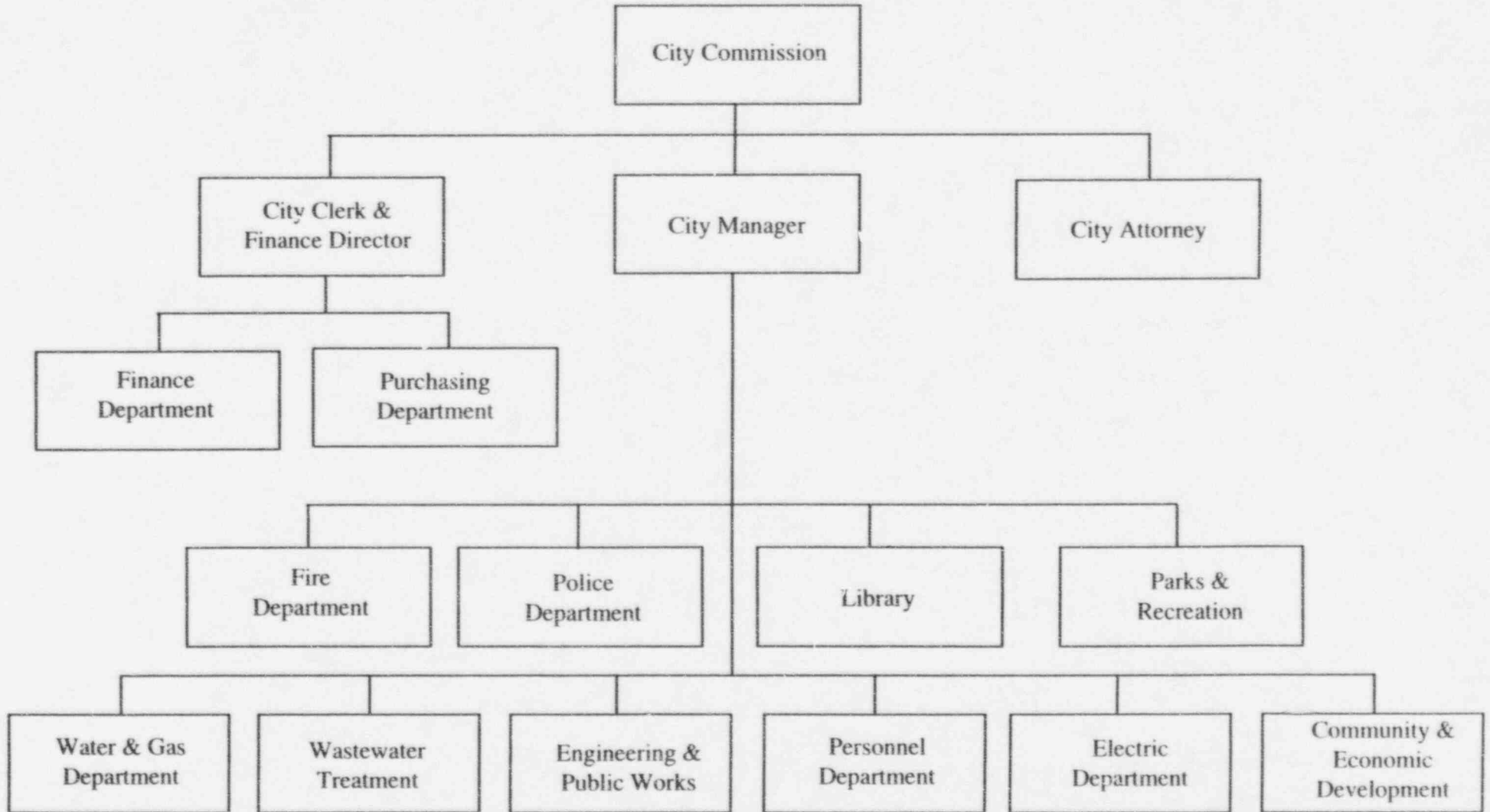
James A. Williams  
City Clerk/Finance Director

RLB/dr

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City of Leesburg, Florida  
Organization Chart  
September 30, 1995



The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leesburg for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 1994. 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.



# 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, 1994

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.



President

Executive Director

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## Financial Section

Report of Independent Auditors  
General Purpose Financial Statements  
Required Supplementary Information  
Combining, Individual Fund and Account Group Statements and Schedules

## Report of Independent Auditors

Honorable City Commission  
City of Leesburg, Florida

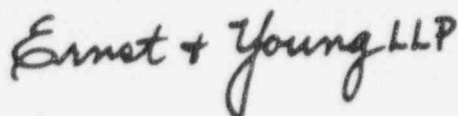
We have audited the accompanying general purpose financial statements of the City of Leesburg, Florida, as of and for the year ended September 30, 1995 as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose 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, as of September 30, 1995, 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 27, 1995 on our consideration of the City of Leesburg's internal control structure and a report dated December 27, 1995 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group 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 statistical section has not been audited and we express no opinion on it.



December 27, 1995

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General Purpose Financial Statements

City of Leesburg, Florida  
 Combined Balance Sheet  
 All Fund Types and Account Groups

September 30, 1995

(in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and other debits</b>				
Equity in pooled cash and cash equivalents	\$ 5,591	\$ 404	\$ 891	\$ 1,115
Cash and investments with trustees	-	-	-	-
Receivables:				
Customer accounts:				
unbilled	-	36	-	-
billed	-	50	-	-
allowance for doubtful accounts	-	-	-	-
Accrued interest	181	-	-	-
Other	9	21	-	-
Advances to other funds	-	-	-	50
Due from other funds	19	-	-	-
Due from other governments	219	5	-	2
Inventory	8	-	-	-
Restricted assets:				
Equity in pooled cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Property, plant and equipment	-	-	-	-
General fixed assets	-	-	-	-
Accumulated depreciation	-	-	-	-
Construction in progress	-	-	-	-
Estimated landfill closure cost, net	-	-	-	-
Unamortized bond issue costs	-	-	-	-
Rights to purchase power	-	-	-	-
Crystal River decommissioning trust account	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets and other debits	\$ 6,027	\$ 516	\$ 891	\$ 1,167

See accompanying notes.



Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	1995	1994
\$ 25,752	\$ 2,931	-	-	-	\$ 36,684	\$ 33,570
-	-	\$ 27,963	-	-	27,963	23,353
2,793	-	-	-	-	2,829	2,067
3,460	-	-	-	-	3,510	2,859
(482)	-	-	-	-	(482)	(461)
118	-	184	-	-	483	416
-	6	-	-	-	36	323
-	-	-	-	-	50	-
-	-	-	-	-	19	15
-	-	-	-	-	226	257
1,235	42	-	-	-	1,285	1,089
8,012	-	-	-	-	8,012	6,966
3,856	-	-	-	-	3,856	3,864
86,326	164	-	-	-	86,490	84,653
-	-	-	\$ 22,316	-	22,316	22,469
(31,331)	(118)	-	-	-	(31,449)	(29,647)
2,828	-	-	-	-	2,828	2,866
229	-	-	-	-	-	204
51	-	-	-	-	229	262
1,084	-	-	-	-	51	53
-	-	-	-	-	1,084	957
-	-	-	-	\$ 721	721	714
-	-	-	-	5,611	5,611	5,280
\$ <u>103,931</u>	\$ <u>3,025</u>	\$ <u>28,147</u>	\$ <u>22,316</u>	\$ <u>6,332</u>	\$ <u>172,352</u>	\$ <u>162,129</u>



City of Leesburg, Florida

Combined Balance Sheet  
All Fund Types and Account Groups

September 30, 1995

(in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities</b>				
Accounts payable	\$ 680	\$ 97	-	-
Accrued expenses	568	-	-	-
Customer advances for construction	-	-	-	-
Due to other governments	-	84	-	-
Due to other funds	-	19	-	-
Estimated arbitrage rebate payable	-	-	-	\$ 2
Deferred compensation payable	-	-	-	-
Estimated land fill closure cost payable	-	-	-	-
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	-	-	\$ 170	-
Revenue bonds payable - net	-	-	-	-
Compensated absences	-	-	-	-
Unearned revenues	147	-	-	23
Landfill post-closure costs payable	-	-	-	-
Decommissioning costs	-	-	-	-
Advance from other funds	-	-	-	-
Total Liabilities	<u>1,395</u>	<u>200</u>	<u>170</u>	<u>25</u>
<b>Fund equity and other credits</b>				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved	112	30	721	1,142
Unreserved	4,520	286	-	-
Total fund equity and other credits	<u>4,632</u>	<u>316</u>	<u>721</u>	<u>1,142</u>
Total liabilities, fund equity and other credits	<u>\$ 6,027</u>	<u>\$ 516</u>	<u>\$ 891</u>	<u>\$ 1,167</u>

See accompanying notes.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	1995	1994
\$ 2,340	-	-	-	-	\$ 3,117	\$ 2,459
1,625	\$ 25	-	-	-	2,218	1,779
100	-	-	-	-	100	123
-	-	-	-	-	84	104
-	-	-	-	-	19	15
-	-	-	-	-	2	2
-	-	\$ 1,748	-	-	1,748	1,407
-	-	-	-	-	-	467
1,460	-	-	-	-	1,460	1,384
743	-	-	-	-	743	781
955	-	-	-	-	955	885
-	445	-	-	-	445	489
2,095	-	-	-	-	2,095	2,365
105	-	-	-	-	105	235
-	-	-	-	-	170	175
21,190	-	-	-	\$ 5,015	26,205	27,122
-	-	-	-	1,317	1,317	786
-	-	-	-	-	170	138
1,000	-	-	-	-	1,000	1,503
1,745	-	-	-	-	1,745	1,453
50	-	-	-	-	50	-
<u>33,408</u>	<u>470</u>	<u>1,748</u>	<u>-</u>	<u>6,332</u>	<u>43,748</u>	<u>43,672</u>
19,045	16	-	-	-	19,061	18,160
-	-	-	\$ 22,316	-	22,316	22,469
7,371	2,418	-	-	-	9,789	8,973
44,107	121	-	-	-	44,228	39,232
-	-	26,399	-	-	28,404	24,952
-	-	-	-	-	4,806	4,671
<u>70,523</u>	<u>2,555</u>	<u>26,399</u>	<u>22,316</u>	<u>-</u>	<u>128,604</u>	<u>118,457</u>
<u>\$ 103,931</u>	<u>\$ 3,025</u>	<u>\$ 28,147</u>	<u>\$ 22,316</u>	<u>\$ 6,332</u>	<u>\$ 172,352</u>	<u>\$ 162,129</u>

City of Leesburg, Florida

Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
All Governmental Fund Types

For the year ended September 30, 1995

(in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Revenues</b>				
Taxes	\$ 3,287	-	-	-
Licenses and permits	251	-	-	-
Intergovernmental	1,551	\$ 1,067	-	\$ 133
Charges for services	172	399	-	-
Fines and forfeitures	189	-	-	-
Miscellaneous:				
Interest	321	20	\$ 29	70
Other	276	-	-	100
Total revenues	<u>6,047</u>	<u>1,486</u>	<u>29</u>	<u>303</u>
<b>Expenditures</b>				
Current:				
General government	1,053	-	-	-
Public safety	4,722	-	-	-
Public works	1,309	-	-	-
Community development	208	-	-	-
Human services	-	1,071	-	-
Physical environment	-	457	-	-
Culture/recreation	2,225	-	-	-
Capital projects	-	-	-	2,059
Debt service:				
Principal	-	17	180	-
Interest	-	-	342	-
Total expenditures	<u>9,517</u>	<u>1,545</u>	<u>522</u>	<u>2,059</u>
Excess of revenues over (under) expenditures	<u>(3,470)</u>	<u>(59)</u>	<u>(493)</u>	<u>(1,756)</u>
Other financing sources (uses)				
Operating transfers in	5,086	-	500	919
Operating transfers out	(1,418)	-	-	-
Total other financing sources	<u>3,668</u>	<u>-</u>	<u>500</u>	<u>919</u>
Excess of revenues and other sources over (under) expenditures and other uses	198	(59)	7	(837)
Fund balances, beginning of year	4,434	375	714	1,979
Fund balances, end of year	<u>\$ 4,632</u>	<u>\$ 316</u>	<u>\$ 721</u>	<u>\$ 1,142</u>

See accompanying notes.

**Totals**  
**(Memorandum Only)**

	1995		1994
\$	3,287	\$	3,114
	251		218
	2,751		2,321
	571		453
	189		172
	440		298
	376		192
	7,865		6,768
	1,053		924
	4,722		4,446
	1,309		1,321
	208		196
	1,071		675
	457		219
	2,225		2,085
	2,059		714
	197		212
	342		357
	13,643		11,149
	(5,778)		(4,381)
	6,505		6,070
	(1,418)		(1,245)
	5,087		4,825
	(691)		444
	7,502		7,058
\$	6,811	\$	7,502

City of Leesburg, Florida

Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
All Governmental Fund Types

For the year ended September 30, 1995

(in thousands)

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Taxes	\$ 3,173	\$ 3,287	\$ 114	-	-	-
Licenses and permits	235	251	16	-	-	-
Intergovernmental	1,536	1,551	15	\$ 1,536	\$ 1,067	\$ (469)
Charges for services	185	172	(13)	362	399	37
Fines and forfeitures	162	189	27	-	-	-
Miscellaneous:						
Interest	308	321	13	17	20	3
Other	250	276	26	-	-	-
Total revenues	<u>5,849</u>	<u>6,047</u>	<u>198</u>	<u>1,915</u>	<u>1,486</u>	<u>(429)</u>
<b>Expenditures</b>						
Current:						
General government	1,202	1,053	149	-	-	-
Public safety	4,715	4,722	(7)	-	-	-
Public works	1,363	1,309	54	-	-	-
Community development	218	208	10	-	-	-
Human services	-	-	-	1,540	1,071	469
Physical environment	-	-	-	468	457	11
Culture/recreation	2,340	2,225	115	-	-	-
Capital projects	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	17	17	-
Interest	-	-	-	-	-	-
Total expenditures	<u>9,838</u>	<u>9,517</u>	<u>321</u>	<u>2,025</u>	<u>1,545</u>	<u>480</u>
Excess of revenues over (under) expenditures	<u>(3,989)</u>	<u>(3,470)</u>	<u>519</u>	<u>(110)</u>	<u>(59)</u>	<u>51</u>
Other financing sources (uses)						
Operating transfers in	5,291	5,086	(205)	-	-	-
Operating transfers out	(1,302)	(1,418)	(116)	-	-	-
Total other financing sources (uses)	<u>3,989</u>	<u>3,668</u>	<u>(321)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>198</u>	<u>198</u>	<u>(110)</u>	<u>(59)</u>	<u>51</u>
Fund balances, beginning of year	4,434	4,434	-	375	375	-
Fund balances, end of year	<u>\$ 4,226</u>	<u>\$ 4,632</u>	<u>\$ 198</u>	<u>\$ 265</u>	<u>\$ 316</u>	<u>\$ 51</u>

See accompanying notes.

Debt Service			Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	\$ 158	\$ 133	\$ (25)
-	-	-	-	-	-
\$ 28	\$ 29	\$ 1	55	70	15
-	-	-	100	100	-
<u>28</u>	<u>29</u>	<u>1</u>	<u>313</u>	<u>303</u>	<u>(10)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,092	2,059	1,033
180	180	-	-	-	-
343	342	1	-	-	-
<u>523</u>	<u>522</u>	<u>1</u>	<u>3,092</u>	<u>2,059</u>	<u>1,033</u>
(495)	(493)	2	(2,779)	(1,756)	1,023
505	500	(5)	800	919	119
-	-	-	-	-	-
<u>505</u>	<u>500</u>	<u>(5)</u>	<u>800</u>	<u>919</u>	<u>119</u>
10	7	(3)	(1,979)	(837)	1,142
714	714	-	1,979	1,979	-
<u>\$ 724</u>	<u>\$ 721</u>	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ 1,142</u>	<u>\$ 1,142</u>

City of Leesburg, Florida

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances  
All Proprietary Fund Types and Pension Trust Funds

For the year ended September 30, 1995

(in thousands)

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Fund Type	(Memorandum Only)	
			Pension Trust	1995	1994
Operating revenues:					
Charges for services	\$ 43,991	\$ 2,480	-	\$ 46,471	\$ 42,668
Other operating	790	-	-	790	512
Investment income	-	-	\$ 1,214	1,214	867
Unrealized increase (decrease) in fair value of investments	-	-	2,808	2,808	(664)
Contributions	-	-	1,047	1,047	979
Total operating revenues	<u>44,781</u>	<u>2,480</u>	<u>5,069</u>	<u>52,330</u>	<u>44,362</u>
Operating expenses:					
Power generation and transmission	920	-	-	920	1,028
Purchased energy	20,393	-	-	20,393	18,693
Operating and maintenance	7,682	576	-	8,258	8,364
General and administrative	2,404	67	216	2,687	2,637
Depreciation and amortization	3,874	10	-	3,884	4,129
Claims expense	-	1,302	-	1,302	1,018
Benefit payments	-	-	575	575	836
Change in post closure estimate	(502)	-	-	(502)	-
Total operating expenses	<u>34,771</u>	<u>1,955</u>	<u>791</u>	<u>37,517</u>	<u>36,705</u>
Operating income	<u>10,010</u>	<u>525</u>	<u>4,278</u>	<u>14,813</u>	<u>7,657</u>
Nonoperating revenues (expenses):					
Interest earnings	2,135	146	-	2,281	1,473
Interest expense	(1,857)	-	-	(1,857)	(1,901)
Other income and expenses	(61)	-	-	(61)	55
Total nonoperating revenues (expenses)	<u>217</u>	<u>146</u>	<u>-</u>	<u>363</u>	<u>(373)</u>
Income before operating transfers	10,227	671	4,278	15,176	7,284
Operating transfers out	(4,636)	(450)	-	(5,086)	(4,825)
Net income	<u>5,591</u>	<u>221</u>	<u>4,278</u>	<u>10,090</u>	<u>2,459</u>
Retained earnings/fund balances, beginning of year	45,887	2,316	22,121	70,326	69,370
Prior period adjustment	-	-	-	-	(1,503)
Retained earnings/fund balances, end of year	<u>\$ 51,478</u>	<u>\$ 2,539</u>	<u>\$ 26,399</u>	<u>\$ 80,416</u>	<u>\$ 70,326</u>

See accompanying notes.

City of Leesburg, Florida  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types

For the year ended September 30, 1995

(in thousands)

	Proprietary Fund Types		Totals	
	Enterprise	Internal Service	(Memorandum Only)	
	1995	1994	1995	1994
<b>Net cash provided by operating activities</b>	\$ 11,594	\$ 758	\$ 12,354	\$ 12,227
<b>Cash flows used for noncapital financing activities</b>				
Operating transfers to other funds	(4,636)	(450)	(5,086)	(4,825)
Net cash used for noncapital financing activities	<u>(4,636)</u>	<u>(450)</u>	<u>(5,086)</u>	<u>(4,825)</u>
<b>Cash flows from (used for) capital and related financing activities</b>				
Interest paid on capital leases	(9)	-	(9)	(18)
Interest paid on revenue bonds	(1,636)	-	(1,636)	(1,687)
Acquisition and construction of capital assets	(3,002)	(18)	(3,021)	(3,504)
Principal paid on capital lease	(113)	-	(113)	(177)
Principal paid on bond maturities	(885)	-	(885)	(820)
Principal paid on note payable	(270)	-	(270)	(255)
Capital contributed	855	-	885	1,262
Net cash used for capital and related financing activities	<u>(5,060)</u>	<u>(18)</u>	<u>(5,079)</u>	<u>(5,199)</u>
<b>Cash flows from (used for) investing activities</b>				
Interest on investments	2,142	146	2,287	1,478
Purchase of Crystal River decommission investments	(127)	-	(127)	(120)
Net cash flow from investing activities	<u>2,015</u>	<u>146</u>	<u>2,160</u>	<u>1,358</u>
Net increase in cash and cash equivalents	3,913	436	4,349	3,562
Cash and cash equivalents at beginning of year	29,851	2,495	32,346	28,785
Cash and cash equivalents at end of year	<u>\$ 31,764</u>	<u>\$ 2,931</u>	<u>\$ 36,695</u>	<u>\$ 32,346</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>				
Operating income	\$ 10,310	\$ 525	\$ 10,527	\$ 7,496
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	3,874	10	3,885	4,129
Bad debt expense	108	-	168	133
Nonoperating income	201	-	201	144
Nonoperating expense	(262)	-	(257)	(89)
Change in post closure estimate	(502)	-	(502)	-
Decrease (increase) in customer accounts	(1,506)	-	(1,505)	170
Increase in advances from other funds	50	-	50	-
Decrease (increase) in due from other funds	15	-	15	(9)
Decrease (increase) in inventory	(208)	12	(196)	(112)
Decrease (increase) in miscellaneous receivables	-	243	243	(249)
Increase in accounts payable	237	-	237	516
Increase (decrease) in due to other funds	(15)	-	(15)	9
Decrease in estimated landfill closure costs payable	(785)	-	(785)	(629)
Increase (decrease) in claims payable	-	(44)	(44)	61
Increase in accrued expenses	268	12	280	647
Increase (decrease) in customer advances for construction	(23)	-	(23)	62
Increase (decrease) in customer deposits	75	-	75	(52)
Net cash provided by operating activities	<u>\$ 11,594</u>	<u>\$ 758</u>	<u>\$ 12,354</u>	<u>\$ 12,227</u>
<b>Significant transactions not affecting cash</b>				
Water/sewer lines contributed by developers	\$ 46	-	\$ 46	\$ 580
Contributions from other funds	-	-	-	123
	<u>\$ 46</u>	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ 703</u>

See accompanying notes.



City of Leesburg, Florida  
Notes to Financial Statements

September 30, 1995

**1. Summary of Significant Accounting Policies**

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

**Reporting Entity**

The accompanying 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 of Leesburg, Florida in accordance with governmental accounting standards. The reporting entity for the City (the primary government) contains no component units 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.

**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 all FASB statements and interpretations issued after November 30, 1989.

## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### 1. Summary of Significant Accounting Policies (continued)

##### 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 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:

- (1) 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 proprietary funds) are accounted for through governmental type funds. Governmental funds used by the City are as follows:

General Fund – To account for all financial resources which are not required to be accounted for in another fund.

Special Revenue Funds – To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund – To account for the accumulation of resources for, and the payment of, principal and interest for general long-term debt.

Capital Projects Funds – To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

- (2) Proprietary Fund Types are used to account for the City's ongoing activities which are similar to those found in the private sector.

Enterprise Funds – To account for activities that are operated in a manner similar to private businesses where the costs of providing goods and services are primarily recovered through user charges.

Internal Service Funds – To account for the financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### 1. Summary of Significant Accounting Policies (continued)

##### Fund and Account Group Categories (continued)

- (3) Fiduciary Fund Types are used to account for assets held in a trustee capacity for others.

Pension Trust Funds – To account for the accumulation of resources to be used for retirement payments to employees.

Agency Fund – To account for assets held for the benefit of third parties.

- (4) 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 – To account for property and equipment not used in Proprietary Fund operations.

General Long-Term Debt – To account for unmatured principal of long-term special obligation indebtedness, notes and capital leases payable and compensated absences which are not a specific liability of a Proprietary Fund.

##### 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.

The Proprietary Funds 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.

The Pension Trust Funds are accounted for like proprietary funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve a measurement of results of operations.

## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### **1. Summary of Significant Accounting Policies (continued)**

##### **Basis of Accounting**

Governmental Fund Types 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.

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 and a Deferred Compensation Agency Fund which is accounted for on the modified 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 statements of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### **1. Summary of Significant Accounting Policies (continued)**

##### **Investments**

In all funds, except the Pension Trust Funds and the Deferred Compensation Agency Fund, investments are stated at amortized cost. The investments of the Pension Trust Funds and the Deferred Compensation Agency Fund are stated at market 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 expendable supplies and Police Department gasoline held for consumption. General Fund inventories are valued at cost as determined on the first-in, first-out method. Inventory is accounted for by use of the consumption method.

##### **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. In order to better reflect the various funds' and departments' actual costs, a cost reimbursement is recorded as a reduction in expenditures or expenses. The funds and departments which benefit from the services and expenses/expenditures record a cost reimbursement as an increase in expenditures or expenses.

## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### 1. Summary of Significant Accounting Policies (continued)

##### Proprietary Funds Fixed Assets

Proprietary Funds 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>Useful Life</u>
Utility Funds:	
Buildings	10 to 50 years
Improvements other than buildings	20 to 50 years
Machinery, equipment and vehicles	4 to 20 years
Nuclear fuel	5 years
Sanitation Services Fund:	
Equipment	5 to 10 years
Vehicles	5 to 7 years
Motor Pool Service Fund:	
Equipment	3 to 10 years
Vehicles	6 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 group of accounts. 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 90 days sick leave. Upon termination, employees are paid for their accrued vacation leave and 25% of their accrued sick leave balance.



## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### 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 cancelled and amounts sufficient to re-establish the commitment are included in the appropriations for the subsequent year.

##### Reserves

Fund balances are reserved as follows:

###### General Fund:

Reserved for police education and other expenditures	\$ 110,000
Reserved for Citizens Utility Relief Effort (C.U.R.E.)	2,000

###### Special Revenue Funds:

Reserved for capital improvements	12,000
Reserved for housing assistance	18,000

###### Debt Service Fund:

Reserved for retirement of debt	721,000
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###### Capital Projects Fund:

Reserved for construction	1,142,000
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##### Budgeting

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

- (1) The City Manager is responsible for preparing a proposed operating budget for the upcoming year prior to September 30, that includes estimated revenues, proposed expenditures, and other financing sources and uses.
- (2) Public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through passage of a resolution.

City of Leesburg, Florida

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Budgeting (continued)

- (3) 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.
- (4) 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 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>Funds</u>	<u>Original Adopted</u>	<u>Final Amended</u>	<u>Increase (Decrease)</u>
	<i>(in thousands)</i>		
General	\$11,098	\$11,140	\$ 42
Special Revenue	1,385	2,025	640
Debt Service	533	523	(10)
Capital Projects	2,599	3,092	493

Combined Statements "Memorandum Only" Total Columns

Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do 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.



## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### 1. Summary of Significant Accounting Policies (continued)

##### 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 State 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 the property or by the five-year statute of limitations.

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

## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### 1. Summary of Significant Accounting Policies (continued)

##### Rounding

All amounts in the financial section have been rounded to the nearest thousand dollars. Zeros are shown when amounts are stated in the narrative text but are not presented otherwise.

#### 2. Deposits and Investments

##### 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, 1995, the carrying amount of the City's deposits was \$394,000, and the bank balance was \$403,000.

##### 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, obligations of the United States Government and its agencies. 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. During the year and at September 30, 1995, the Fund owned investments with a carrying value (at market) of \$86,000 which are not among the authorized investments described above.

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. During the year and at September 30, 1995, the Municipal Firemen's Retirement Trust Fund owned investments with a carrying value (at market) of \$133,000 which are not among the authorized investments described above.

City of Leesburg, Florida

Notes to Financial Statements (continued)

2. Deposits and Investments (continued)

Investments (continued)

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	Market Value
	1	2	3		
	<i>(in thousands)</i>				
Pooled Investments:					
Sun Bank Repurchase Agreement	\$ -	\$ -	\$11,901	\$ 11,901	\$ 11,901
U.S. Treasury Bills, Notes and Bonds	-	-	17,805	17,805	18,012
Pension Trust and Agency Fund Investments:					
Corporate Stocks	-	-	6,349	6,349	6,349
Corporate Bonds	-	-	6,648	6,648	6,648
U.S. Treasury Notes and Municipal Bonds	-	-	4,604	4,604	4,604
Total	\$ -	\$ -	\$47,307		
State Board of Administration of Florida, Local Government Pooled Investment Account				17,433	17,433
Money Market Fund - Pension Investment				271	271
Mutual Fund Investments				1,019	1,019
Mutual Fund Investments -Deferred Compensation				1,748	1,748
Mutual Fund Investments - Pension Investment				253	253
Collective Trust Funds - Pension Investment				8,090	8,090
Total investments				<u>\$76,121</u>	<u>\$76,328</u>
Carrying Amount of Deposits				\$ 394	
Decommissioning Trust Deposit				1,084	
Carrying Amount of Investments (Above)				76,121	
Total				<u>\$77,599</u>	
Shown in the accompanying combined balance sheets as:					
Equity in Pooled Cash and Investments				\$36,684	
Cash and Investments at Market Value				27,963	
Restricted Assets:					
Equity in Pooled Cash, Cash Equivalents and Investments				11,868	
Crystal River Decommissioning Trust Account				1,084	
Total				<u>\$77,599</u>	

City of Leesburg, Florida

Notes to Financial Statements (continued)

2. Deposits and Investments (continued)

Investments (continued)

Levels of credit risk assigned to the above investments are based on an evaluation in accordance with GASB Statement 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 are maintained in an investment pool which invests primarily in commercial paper, repurchase agreements, bankers, acceptance notes and U.S. Government obligations.

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

	<u>Market</u>	<u>Percent of Net Assets Available for Benefits</u>
	<i>(in thousands)</i>	
Police:		
NationsBank Public Employee Equity Fund	\$3,084	77.1%
SunBank High Grade Bond Fund	1,699	42.5%

City of Leesburg, Florida

Notes to Financial Statements (continued)

2. Deposits and Investments (continued)

Investments (continued)

	<u>Market</u>	<u>Percent of Net Assets Available for Benefits</u>
	<i>(in thousands)</i>	
Firemen's:		
NationsBank Public Employee Equity Fund	\$3,442	79.8%
NationsBank Public Employee Fixed Income Fund	1,346	31.2%
NationsBank Short-term Government Fund	253	5.9%
General Employees':		
SunBank High Grade Bond Fund	1,114	8.1%
Corporate Bonds held with NationsBank	3,835	27.8%
Corporate Stock held with NationsBank	5,569	40.3%

3. Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance October 1, 1994</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 1995</u>
	<i>(in thousands)</i>			
Land	\$ 2,464	\$ 847	\$ 934	\$ 2,377
Buildings	8,094	894	689	8,299
Improvements other than buildings	5,030	373	1,149	4,254
Equipment and vehicles	5,944	1,596	3,035	4,505
Construction in progress	937	1,944	-	2,881
Total	<u>\$22,469</u>	<u>\$5,654</u>	<u>\$5,807</u>	<u>\$22,316</u>

City of Leesburg, Florida

Notes to Financial Statements (continued)

**3. Fixed Assets (continued)**

A summary of proprietary fund type property, plant and equipment at September 30, 1995, follows:

	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>
	<i>(in thousands)</i>	
Land	\$ 4,147	-
Buildings	4,737	\$ 28
Improvements other than buildings	67,227	-
Equipment	9,890	136
Nuclear fuel	325	-
	<u>\$86,326</u>	<u>\$164</u>

**4. Interfund Account**

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

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
	<i>(in thousands)</i>	
General Fund	\$19	-
Capital Projects Fund	50	-
Special Revenue Funds:		
Affordable housing	-	\$19
Enterprise funds:		
Sanitation services	-	50
	<u>\$69</u>	<u>\$69</u>

City of Leesburg, Florida

Notes to Financial Statements (continued)

**5. Long-Term Liabilities**

The following is a summary of all long-term liabilities of the Proprietary Funds at September 30, 1995:

	<u>(in thousands)</u>
Utility Funds:	
Refunding Utilities Revenue Bonds, Series 1984, dated September 1, 1984, issued September 27, 1984	\$ 610
Accrued interest through September 30, 1995 on Series 1984 Capital Appreciation Bonds	1,348
Refunding Utilities Revenue Bonds, Series 1989, dated December 1, 1988, issued January 11, 1989	<u>20,350</u>
Total bonds payable	<u>22,308</u>
Less: Unamortized discount	163
Current maturities	<u>955</u>
Total bonds payable – net	<u>21,190</u>
Plus: Initial Pooled Loan Project with Florida Municipal Power Agency	<u>2,095</u>
Total utility funds debt	<u><u>\$23,285</u></u>

The 1984 and 1989 bonds are fully registered bonds in denominations of \$5,000 and are collateralized by a pledge of the net revenues of the utilities system. Bond maturity dates and debt service requirements for the combined 1984 and 1989 issues are as follows:

Due October 1	Principal	Interest	Total Debt Service Bonds	(Sinking Fund Securities Income)	Total Bond Maturities and Debt Service Requirements
<i>(in thousands)</i>					
1995	\$ 955	\$ 1,487	\$ 2,442	\$ (314)	\$ 2,128
1996	1,020	1,424	2,444	(314)	2,130
1997	1,090	1,355	2,445	(314)	2,131
1998	1,160	1,280	2,440	(314)	2,126
1999	1,245	1,199	2,444	(314)	2,130
Thereafter	20,525	6,453	26,978	(5,688)	21,290
Total	<u>\$25,995</u>	<u>\$13,198</u>	<u>\$39,193</u>	<u>\$(7,258)</u>	<u>\$31,935</u>



City of Leesburg, Florida

Notes to Financial Statements (continued)

**5. Long-Term Liabilities (continued)**

	<u>(in thousands)</u>
Total principal above	\$25,995
Less: Unearned interest (discount) on Capital Appreciation Bonds from October 1, 1995 through October 1, 2005	<u>3,687</u>
Total	<u><u>\$22,308</u></u>

**Capital Appreciation Bonds**

The 1984 bond issue contains \$610,000 of capital appreciation bonds that will mature on October 1, 2005 at \$5,645,000. The carrying value of the capital appreciation bonds as of September 30, 1995 is \$1,958,000, which is composed of the maturity value of \$5,645,000 less the unearned discount of \$3,687,000. This is displayed in the accompanying general purpose financial statements as follows:

	<u>(in thousands)</u>
Bonds payable (Part of 1984 Series)	\$ 610
Accrued interest on Capital Appreciation Bonds	<u>1,348</u>
Total	<u><u>\$1,958</u></u>

**Utilities Revenue Bonds**

The Refunding Utilities Revenue Bonds, Series 1984 and 1989, resolutions provide for:

- (1) Establishment and maintenance of various accounts within the Utilities Enterprise Fund –
  - (a) Construction Account records the cost of the project financed by the bonds;
  - (b) General Revenue Account records all income or earnings derived from the system;
  - (c) Operation and Maintenance Account records the cost of operation and maintenance;
  - (d) Debt Service Account and 2005 Term Bonds Debt Service Subaccount record all the debt service requirements of the issues, which includes the principal, interest and reserve requirements;



City of Leesburg, Florida

Notes to Financial Statements (continued)

**5. Long-Term Liabilities (continued)**

**Utilities Revenue Bonds (continued)**

- (e) Reserve Account records the amounts needed to cure deficiencies in the Debt Service Account; and
  - (f) Renewal and Replacement Account records the cost of extensions, improvements or additions to, or the replacement of capital assets.
- (2) Restrictions on the use of cash from operations in order of priority –
- (a) Deposits are made to the Operations and Maintenance Account monthly and equal one-twelfth (1/12) of the annual amount budgeted for the payment of such cost of operation and maintenance.
  - (b) Deposits to the Debt Service Account and the 2005 Term Bonds Debt Service Sub-accounts are to be made monthly and equal to one-sixth (1/6) of the interest coming due on the next semiannual interest payment date, one-twelfth (1/12) or one-sixth (1/6) of the principal coming due on the next principal payment date for those bonds maturing annually or semi-annually, respectively, one-twelfth (1/12) of the amortization installments and the unamortized principal balances of the Term Bonds coming due during the current bond year, and one-sixth (1/6) of the Sinking Fund Deposit due on the next purchase date under the Securities Purchase Agreement.
  - (c) Deposits to the Reserve Account are required each month until an amount equal to the maximum bond service requirement is accumulated.
  - (d) Deposits to the Renewal and Replacement Account are required in each month equal to one-twelfth (1/12) of 5% of the gross revenues for the preceding fiscal year except that, for the electric and gas funds, energy supply costs may be deducted from gross revenues before the deposit requirement is calculated.

(3) Early Redemption –

The bond resolutions provide for early redemption of outstanding bonds at call rates varying from 100% to 105% of the instruments' face value, dependent upon the call date.

City of Leesburg, Florida

Notes to Financial Statements (continued)

**5. Long-Term Liabilities (continued)**

**Utilities Revenue Bonds (continued)**

(4) Investment Restrictions –

- (a) Funds are required to be continuously secured in the same manner as state and municipal deposits of funds are required to be secured by the Laws of the State of Florida; and
- (b) All monies deposited shall be continuously invested in direct obligations of, or obligations which are guaranteed by, the United States of America, obligations of its several agencies, the Local Government Surplus Funds Trust Fund, obligations guaranteed by the Government National Mortgage Association, or time deposits in banks, trust companies or savings and loan associations represented by Certificates of Deposit.

**Notes Payable**

In November 1990, the City entered into a loan agreement with Florida Municipal Power Agency (FMPA) as agent for the Initial Pooled Loan Project to borrow \$3,075,000 to purchase land for wastewater disposal and future expansion of wastewater facilities. Principal is being repaid annually commencing on November 1, 1991 with the last installment due November 1, 2000. Interest is variable and is payable to FMPA on a monthly basis. The following is a schedule of principal payments:

<u>Year (due November)</u>	<u>Principal</u> <i>(in thousands)</i>
1995	\$ 290
1996	315
1997	335
1998	360
1999	385
Thereafter	410
	<hr/> <u>\$2,095</u> <hr/>

City of Leesburg, Florida  
Notes to Financial Statements (continued)

**5. Long-Term Liabilities (continued)**

**General Long-Term Debt**

A summary of all general long-term debt of the City as of September 30, 1995, follows:

	<u>(in thousands)</u>
Refunding and Capital Improvement Revenue Bonds payable, issued in April, 1987, interest from 4% to 7%	\$5,015
Employee Compensated Absences Payable	<u>1,317</u>
Total	<u><u>\$6,332</u></u>

Debt service requirements for general long-term debt other than compensated absences for years ending September 30, are as follows:

	<u>(in thousands)</u>
1996	\$ 520
1997	518
1998	515
1999	515
2000	515
Thereafter	<u>5,504</u>
	8,087
Less interest	<u>3,072</u>
Principal	<u><u>\$5,015</u></u>

City of Leesburg, Florida

Notes to Financial Statements (continued)

**5. Long-Term Liabilities (continued)**

**General Long-Term Debt (continued)**

The following is a summary of changes in general long-term debt for the year ended September 30, 1995:

	<b>Balance October 1, 1994</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 1995</b>
	<i>(in thousands)</i>			
Refunding and Capital Improvement Bonds	\$5,195	-	\$180	\$5,015
Obligation under capital lease	17	-	17	-
Employee Compensated Absences Payable	782	\$535	-	1,317
<b>Totals</b>	<b>\$5,994</b>	<b>\$535</b>	<b>\$197</b>	<b>\$6,332</b>

**Refunding and Capital Improvement Bonds**

In 1987, the City issued \$6,145,000 of Refunding and Capital Improvement Revenue Bonds to provide funds for certain improvement projects, and the refunding and payment of the City's Refunding and Capital Improvement Revenue Bonds, Series 1984.

The 1987 Bonds are fully registered bonds without coupons in denominations of \$5,000 each and are collateralized by a pledge of Local Government Half-Cent Sales Tax Revenue and income of certain investments.

The Refunding and Capital Improvement Revenue Bonds, Series 1987 resolution provides for:

- (1) Establishment and maintenance of various accounts within the Refunding and Capital Improvement Revenue Bonds Improvement Fund -
  - (a) Construction Account records the cost of the project financed by the bonds;

City of Leesburg, Florida

Notes to Financial Statements (continued)

**5. Long-Term Liabilities (continued)**

**Refunding and Capital Improvement Bonds (continued)**

- (b) Revenue Account records all income or earnings derived from the local government half-cent sales tax;
  - (c) Sinking Fund Account records all debt service requirements which include the interest account and principal account;
  - (d) Reserve Account records the amounts needed to cure deficiencies, if any, in the Sinking Fund Account; and
  - (e) Guaranteed Entitlement Account records all income or earnings derived from guaranteed state revenue sharing and the amounts needed to cure deficiencies, if any, in the Sinking Fund Account.
- (2) Restrictions on the use of cash from operations in order or priority –
- (a) Deposits to the Sinking Fund Account are to be made monthly and equal one-sixth (1/6) of the interest coming due on the next semiannual interest payment date, one-twelfth (1/12) or one-sixth (1/6) of the principal coming due on the next principal payment date for those bonds maturing annually or semi-annually, respectively, one-twelfth (1/12) of the Sinking Fund Deposit and redemption premiums of one-sixth (1/6) of the amount sufficient to pay the next fees of the paying agents, registrar and trustee attributable to the bonds.
  - (b) Deposits to the Reserve Account are required each month until an amount equal to the maximum bond service requirement has been accumulated.
  - (c) Thereafter, funds in the Revenue Account may be paid to the City and used for any lawful purpose. The proceeds of the Guaranteed Entitlement shall be deposited in the Guaranteed Entitlement Account and used as provided for in the resolution.
- (3) Early Redemption –

The bond resolutions provide for early redemption of outstanding bonds at call rates varying from 100% to 102% of the instruments' face value, dependent upon the call date.

City of Leesburg, Florida

Notes to Financial Statements (continued)

**5. Long-Term Liabilities (continued)**

**Refunding and Capital Improvement Bonds (continued)**

(4) Investment Restrictions –

- (a) Funds are required to be continuously secured in the same manner as state and municipal deposits of funds are required to be secured by the Laws of the State of Florida; and
- (b) All monies shall be continuously invested in: direct obligations of, or obligations which are guaranteed by, the United States of America, obligations of certain of its agencies, time deposits in banks, trust companies or savings and loan associations represented by Certificates of Deposit or commercial paper, money market funds, bankers acceptance of commercial banks and investment agreements meeting certain rating criteria.

A summary of all long-term debt previously defeased and no longer a liability of the City follows:

	<b>Balance September 30, 1995</b>
	<u>(in thousands)</u>
Proprietary Fund Types – Utility Funds:	
Utilities Revenue Certificates, Series 1977	\$10,740
Utilities Refunding Revenue Bonds, Series 1984	18,140
Total Proprietary Fund Types – Utility Funds	<u>28,880</u>
General Long-Term Debt Group of Accounts:	
Refunding and Capital Improvement Bonds, Series 1984	1,600
Total Defeased Debt – All Funds and Account Groups	<u><u>\$30,480</u></u>

**6. Operating Leases**

The City is lessor on various leases of facilities located at the Airport. The leased facilities are included in the \$3,425,000 of Airport assets recorded in the City's General Fixed Assets Account Group. The following is a schedule of minimum future lease income on noncancellable operating leases:

City of Leesburg, Florida

Notes to Financial Statements (continued)

6. Operating Leases (continued)

<u>Year</u>	<u>Total</u> <i>(in thousands)</i>
1996	\$ 30
1997	31
1998	31
1999	31
2000	31
Thereafter	206
Total minimum lease payments	<u>\$360</u>

7. 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. An asset and related liability had previously been recorded in the balance sheet of the City's Sanitation Fund to reflect this cost and related liability. The cost of the closure was financed by user fees. The deferred closure cost was previously amortized over the useful life of the landfill except for any current year adjustments to the estimated cost which were amortized in fiscal year 1995. A summary of the activity in the closure cost asset and liability account is as follows:

	<u>Closure Cost</u>	
	<u>Asset</u>	<u>Liability</u>
	<i>(in thousands)</i>	
Balance, September 30, 1994	\$204	\$467
Adjustment of Estimate	317	317
Accumulated Amortization	(521)	-
Total Annual Costs Paid	-	(784)
Balance September 30, 1995	<u>\$ -</u>	<u>\$ -</u>

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

The \$1,000,000 liability recorded represents the estimated costs of postclosure care for 19 remaining years after closure as required by state and federal laws and regulations. This amount was calculated based on costs in 1995. The actual costs may be higher due to inflation, changes in technology, or changes in regulations.



## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### 7. Estimated Landfill Closure and Postclosure Care Costs (continued)

The City is required to deposit adequate funds into an escrow account before year-end to meet post-closure care costs for the following year. The City officially closed the landfill on September 1, 1995, at which time post-closure care began.

During the year ended September 30, 1992, the City established an escrow subaccount within the City's pooled cash system. The following is a schedule of the transactions in this account during fiscal year 1995:

<u>Transaction Date</u>	<u>Description</u>	<u>Amount</u> <i>(in thousands)</i>
September 30, 1994	Beginning balance	\$47
Fiscal year 1995	Interest earned	3
Fiscal year 1995	Deposit	3
September 30, 1995 balance		<u>\$53</u>

The above schedule was prepared in accordance with the requirements of Rule 17-701.630(5)(c) of the Florida Administrative Code.

#### 8. Electric Power Agreements

##### Crystal River Unit #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. Nuclear fuel payments are required of participants in advance. In 2015 when the plant is decommissioned, costs of decommissioning will be paid by the participants. The City is amortizing the expense and recognizing a liability for these costs on a straight line basis over the life of the plant. Florida



## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### **8. Electric Power Agreements (continued)**

##### **Crystal River Unit #3 Participation Agreement (continued)**

Municipal Power Agency maintains a trust fund for the plant to which the City is required to contribute annually to pay the future decommissioning costs. At September 30, 1995, the City's portion of the trust fund had a balance of \$1,084,000 and the liability for decommissioning costs had a balance of \$1,745,000.

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, 1995 was \$3,403,000.

##### **Florida Municipal Power Agency**

The City of Leesburg is a member of the Florida Municipal Power Agency (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 of Leesburg has limited oversight authority over the operation of 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 the agency. The City of Leesburg 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. The 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-Requirements Power Supply Agreement**

The City has an agreement with FMPA whereby the City is purchasing its electric power from FMPA on an all-requirements 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.

#### **9. Segment Information for Enterprise Funds**

The City operates six enterprise funds. Segment information as of September 30, 1995, is as follows:

City of Leesburg, Florida

Notes to Financial Statements (continued)

9. Segment Information for Enterprise Funds (continued)

	Electric Utility	Gas Utility	Water Utility	Sanitation Sewer Wastewater Treatment	Sanitation Services	Communication Services	Totals
	<i>(in thousands)</i>						
Operating revenues	\$30,830	\$5,751	\$2,566	\$ 3,252	\$2,348	\$ 34	\$44,781
Depreciation and amortization	2,114	188	456	400	704	12	3,875
Operating income (loss)	6,799	1,331	772	1,000	80	20	10,002
Operating transfers	(3,565)	(692)	(239)	(140)	—	—	(4,636)
Net income (loss)	3,199	693	525	974	180	20	5,591
Contributed capital	2,795	448	2,986	12,234	441	141	19,045
Cash and cash equivalents	13,580	2,934	2,934	5,952	345	7	25,752
Property and equipment additions	1,555	781	460	232	100	11	3,139
Net working capital	15,953	3,250	3,268	6,379	(96)	7	28,761
Long-term liabilities payable	14,805	1,599	3,821	4,805	1,105	—	26,135
Total fund equity (deficit)	39,016	6,571	8,183	17,350	(772)	175	70,523
Total assets	59,083	8,554	12,472	22,553	1,094	175	103,931

## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### 10. Pension Plans

By ordinance, the City has established three single-employer defined benefit pension plans for City employees. The following is a brief description of the plans:

##### **Municipal Police Retirement Plan**

Total payroll for employees covered by the plan for the year ended September 30, 1995, was \$1,491,000; the City's total payroll was \$10,235,000. All full-time police officers are eligible to participate in the plan. As of October 1, 1994, the date of the most recent actuarial report, the plan had the following number of participants:

Active vested	14
Active nonvested	30
Retired, disabled, vested terminations and beneficiaries	<u>8</u>
Total number of participants	<u><u>52</u></u>

Participants who have completed 10 years of credited service are 100% vested in their plan benefits at age 45 or later, reduced 5% per year before normal retirement date. Participants whose service is terminated prior to completing 10 years of credited service are entitled to the return of their employee contributions without interest. Normal retirement benefits are payable to participants who have reached the earlier of age 50 and 25 years of credited service or age 60 and 10 years of credited service. Such benefits are payable at a rate of 2.75% of average final monthly compensation times the number of years of credited service. The benefits under this plan provide an offset for benefits paid by the general employee retirement plan, under which the police officers are also covered. The plan also provides for early retirement, disability retirement and death benefits at rates defined in the plan document.

Funding of the Police Pension Fund is provided from employee contributions (7.65% of their annual compensation) and a 1% excise tax. The excise tax is levied on gross premiums collected on casualty insurance policies covering property within the corporate limits of the City. The State collects and contributes the tax to the fund pursuant to Florida Statute 185. The City is not obligated to contribute to the fund. Normally, employee contributions and excise tax monies are sufficient to fund the plan.

The actuarially required contribution for the year ended September 30, 1995, consisted entirely of normal cost is \$281,000, which represents 18.8% of covered payroll. Actual contributions to the plan for the year ended September 30, 1995, are as follows:

City of Leesburg, Florida

Notes to Financial Statements (continued)

10. Pension Plans (continued)

Municipal Police Retirement Plan (continued)

	<u>Amount</u>	<u>Percentage of</u> <u>Covered Payroll</u>
	<i>(in thousands)</i>	
Employee	\$116	7.8%
State of Florida (Insurance Tax)	94	6.3%
Total actual contributions	<u>\$210</u>	<u>14.1%</u>

The significant actuarial assumptions used to compute funding requirements are essentially the same as those used to compute the pension benefit obligation. The actuarial cost method used to compute the funding requirement is the frozen entry age method.

Municipal Firemen's Retirement Plan

Total payroll for employees covered by the plan for the year ended September 30, 1995, was \$896,000; the City's total payroll was \$10,235,000. All firemen who have attained age eighteen and completed one year of credited service are eligible to participate in the plan. As of October 1, 1994, the date of the most recent actuarial report, the plan had the following number of participants:

Active vested	14
Active nonvested	13
Retired and beneficiaries	11
Vested terminations	<u>1</u>
Total number of participants	<u>39</u>

Participants who have completed 10 years of credited service are 100% vested in their accrued retirement benefits. Participants whose service is terminated prior to completing 10 years of credited service are entitled to the return of their employee contributions plus interest at the rate of 5% compounded annually. Normal retirement benefits are payable to participants who have attained age 55 years and completed 10 years of credited service. Such benefits are payable at a rate of 2.75% of average final monthly compensation times the number of years of credited service. The plan also provides for early retirement, deferred retirement, disability retirement and death benefits at rates defined in the plan document.

City of Leesburg, Florida

Notes to Financial Statements (continued)

10. Pension Plans (continued)

Municipal Firemen's Retirement Plan (continued)

Firemen contribute 6.5% of their annual compensation to the plan. A 1% excise tax on fire insurance premiums sold within the corporate limits is remitted to the fund by the State of Florida. The City accrues and contributes an additional amount, as determined by an actuary, to fund annual normal cost and prior service cost amortized over forty years. The required City contribution for the year ended September 30, 1995, is as follows:

	<u>Amount</u>	<u>Percentage of</u>
	<i>(in thousands)</i>	<u>Covered Payroll</u>
Normal cost	\$171	19.1%
Amortization of prior service cost	7	.8%
Total required contribution	<u>\$178</u>	<u>19.9%</u>

Actual contributions to the plan for the year ended September 30, 1995, are as follows:

	<u>Amount</u>	<u>Percentage of</u>
	<i>(in thousands)</i>	<u>Covered Payroll</u>
Employee	\$ 58	6.50%
Employer	67	7.50%
State of Florida (Insurance Tax)	63	7.10%
Total actual contributions	<u>\$188</u>	<u>21.10%</u>

The significant actuarial assumptions used to compute the actual contribution requirements are essentially the same as those used to compute the pension benefit obligation. The actuarial cost method used to compute the funding requirement is the aggregate actuarial cost method.

City of Leesburg, Florida

Notes to Financial Statements (continued)

**10. Pension Plans (continued)**

**General Employees' Retirement Fund**

Total payroll for employees covered by the plan for the year ended September 30, 1995, was \$7,796,000; the City's total payroll was \$10,235,000. All employees of the City, excluding commissioners and firemen covered in another plan, are eligible to participate in the plan after reaching age eighteen and completing one year of credited service. As of October 1, 1994, the date of the most recent actuarial report, the plan had the following number of participants:

Active vested	237
Active nonvested	61
Terminated - vested benefits	41
Retirees and beneficiaries	61
Total number of participants	<u>400</u>

Participants who have completed 5 years of credited service are 25% vested in their plan benefits with 5% increases per year until year 10 and then 10% increases per year until 15 years of service have been reached whereby the participant will be 100% vested. Normal retirement benefits are paid to participants who have reached age 65. Such benefits are payable at a rate of 2% of final monthly compensation times the number of years of credited service. The plan also provides for early retirement, late retirement, disability retirement and death benefits at rates defined in the plan document.

The General Employees' Plan is noncontributory. The City accrues and contributes an amount, as determined by an actuary, to fund annual normal cost and prior service cost amortized over forty years. The required City contribution for the year ended September 30, 1995, is as follows:

	<u>Amount</u>	<u>Percentage of</u>
	<i>(in thousands)</i>	<u>Covered Payroll</u>
Normal cost	\$386	4.95%
Amortization of prior service cost	177	2.28%
Total required contribution	<u>\$563</u>	<u>7.23%</u>



City of Leesburg, Florida

Notes to Financial Statements (continued)

**10. Pension Plans (continued)**

**General Employees' Retirement Fund (continued)**

Actual contributions to the plan for the year ended September 30, 1995, consisting exclusively of employer contributions is \$650,000. This represents 8.3% of covered payroll.

The significant actuarial assumptions used to compute the actual contribution requirements are essentially the same as those used to compute the pension benefit obligation. The actuarial cost method used to compute the required funding is the frozen entry age actuarial cost method.

**Pension Benefit Obligation**

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help financial statement users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

City of Leesburg, Florida

Notes to Financial Statements (continued)

10. Pension Plans (continued)

Pension Benefit Obligation (continued)

The pension benefit obligation was computed as part of actuarial valuations performed as of October 1, 1994.

	Municipal Police Retirement Trust Fund	Municipal Fireman's Trust Fund	General Employees' Retirement Fund	Total
	<i>(in thousands)</i>			
Pension Benefit Obligation:				
Retirees and Beneficiaries				
Currently Receiving Benefits and Terminated Employees Not Yet Receiving Benefits	\$ 859	\$ 1,167	\$3,371	\$ 5,397
Current Employees:				
Accumulated Employee Contributions Including				
Allocated Investment Earnings	1,172	496	48	1,716
Employer - Financed Vested	531	2,151	3,772	6,454
Employer - Financed Nonvested	31	317	3,680	4,028
Total Pension Benefit Obligation	2,593	4,131	10,871	17,595
Net Assets Available For Benefits, at Market	4,002	4,315	13,804	22,121
Assets in Excess of Pension Benefit Obligations	\$ 1,409	\$ 184	\$2,933	\$ 4,526



City of Leesburg, Florida

Notes to Financial Statements (continued)

10. Pension Plans (continued)

Pension Benefit Obligation (continued)

Three-year historical information about the plans is as follows:

	<b>Municipal Police Retirement Trust Fund</b>	<b>Municipal Fireman's Trust Fund</b>	<b>General Employees' Retirement Fund</b>
Net assets available for benefits as a percentage of the pension benefit obligation			
1995	154.3%	104.4%	127.0%
1994	131.3	120.4	136.4
1993	131.6	113.9	131.0
Assets in excess of the pension benefit obligation as a percentage of annual covered payroll			
1995	94.5	20.5	37.6
1994	70.9	84.1	50.1
1993	66.0	54.5	39.1
Employer contributions as a percentage of annual covered payroll			
1995	*	7.5	8.3
1994	*	7.5	8.3
1993	*	7.5	8.3

Employer contributions were made in accordance with actuarially determined requirements in each of the years presented above.

Significant Actuarial Assumptions Used:

Rate of Return on Investment of Present and Future Assets	8.0%	8.0%	8.0%
Projected Salary Increases:			
From inflation	3.0%	3.0%	4.5%
From merit and seniority	3.5%	4.0%	1.0%

\* = Not Applicable

City of Leesburg, Florida

Notes to Financial Statements (continued)

**10. Pension Plans (continued)**

**Pension Benefit Obligation (continued)**

Ten-year historical trend information which can be used to evaluate the plans' progress in accumulating assets to pay pension benefits as they become due, is included in the Required Supplementary Information section of the City's comprehensive annual financial report.

The Plan was amended, effective March 10, 1995, as follows:

- The aggregate actuarial cost method was changed to the frozen entry age method.
- The early retirement reduction was changed from 5% per year to 3% per year.

The above amendment had no effect on the required contribution or pension benefit obligation for fiscal year 1995.

**11. Self-Insurance Funds**

A. Employee Health Insurance Fund:

The City maintains a self-insurance program for the payment of employee health and medical claims. The program provides for the payment of City and employee contributions into a self-insurance fund, which is managed by the City 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.

B. Workers' Compensation Insurance Fund:

The City maintains a self insurance program for the payment of employee Worker's 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.

City of Leesburg, Florida

Notes to Financial Statements (continued)

11. Self-Insurance Funds (continued)

C. Liabilities for known claims and incurred but not reported claims:

	Balance October 1, 1994	Current Year Claims and Changes in Estimates	Claims Paid	Balance September 30, 1995
	<i>(in thousands)</i>			
Employee Health Insurance Fund	\$195	\$1,240	\$1,212	\$223
Workers' Compensation Insurance Fund	294	62	134	222
	<u>\$489</u>	<u>\$1,302</u>	<u>\$1,346</u>	<u>\$445</u>

12. Contributed Capital

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

	Balance October 1, 1994	Additions	Deletions	Balance September 30, 1995
	<i>(in thousands)</i>			
Enterprise funds:				
Electric utility	\$ 2,726	\$ 69	\$ -	\$ 2,795
Gas utility	445	3	-	448
Water utility	2,708	278	-	2,986
Sanitary sewer and wastewater	11,683	551	-	12,234
Sanitation services	441	-	-	441
Communication services	141	-	-	141
Total enterprise funds	<u>\$18,144</u>	<u>\$901</u>	<u>\$ -</u>	<u>\$19,045</u>
Internal service funds:				
Motor pool	\$ 16	\$ -	\$ -	\$ 16

## City of Leesburg, Florida

### Notes to Financial Statements (continued)

#### 13. 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 is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provision of benefits under the plan), subject only to the claims of the City's general creditors. Participant's rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred amount for each participant.

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.

#### 14. Contingencies and Commitments

A. The City participates in a number of State and Federal grant programs, including the following:

- HUD Section 8 – Housing Assistance Payments Program

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, 1995, 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.

B. The City has been identified by the NAACP of Lake County and various other plaintiffs as a co-defendant in a civil rights suit. Maximum aggregate claims for damages in this suit have been made in the amount of \$5,975,000. The City currently carries general liability insurance of \$1,500,000. At this time, the ultimate outcome of this matter nor a reasonable estimate of the City's exposure can be determined.

City of Leesburg, Florida

Notes to Financial Statements (continued)

**15. Deficit Retained Earnings**

The Sanitation Enterprise Fund recorded a deficit in retained earnings at September 30, 1995 of \$1,231,000. This was the result of the recording of estimated landfill postclosure care costs in accordance with Statement No. 18 of the Governmental Accounting Standards Board entitled *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. (See Note 7 for further disclosure related to this liability.)

## Required Supplementary Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information may be found on the following pages.

City of Leesburg, Florida

Required Supplementary Information  
Revenues by Source - Expenses by Type  
Pension Trust Funds

Last Ten Fiscal Years

(in thousands)

	Revenues by Source			
	Employer Contributions	Employee Contributions	State Contributions	Investment Income
<b>Municipal Police Retirement</b>				
1995	\$ -	\$ 115	\$ 94	\$ (3)
1994	-	102	91	55
1993	-	119	84	137
1992	-	78	78	24
1991	-	73	87	26
1990	-	66	87	51
1989	-	46	87	295
1988	-	39	77	162
1987	-	35	72	53
1986	-	38	63	212
<b>Municipal Firemen's Retirement</b>				
1995	\$ 67	\$ 58	\$ 63	\$ 15
1994	68	52	64	76
1993	69	46	57	125
1992	64	43	51	31
1991	64	43	52	40
1990	59	39	48	33
1989	53	35	48	341
1988	49	32	44	233
1987	67	32	40	84
1986	63	30	36	308
<b>General Employees' Retirement</b>				
1995	\$ 650	\$ -	\$ -	\$ 688
1994	602	-	-	635
1993	585	-	-	632
1992	592	-	-	671
1991	646	-	-	647
1990	565	-	-	363
1989	529	-	-	836
1988	583	-	-	253
1987	512	-	-	499
1986	477	-	-	759



**Employer  
Contribution as  
a Percentage  
of Covered  
Payroll**

**Expenses by Type**

<u>Benefit Payments</u>		<u>Refunds</u>		<u>Other</u>		
\$	81	\$	-	\$	48	N/A
	101		-		30	N/A
	68		-		32	N/A
	19		-		40	N/A
	9		-		44	N/A
	14		-		-	N/A
	16		-		25	N/A
	20		-		10	N/A
	19		-		4	N/A
	11		26		3	N/A
\$	127	\$	-	\$	21	7.5%
	379		-		24	7.5%
	186		-		22	7.5%
	100		-		24	7.5%
	153		-		22	7.5%
	83		-		22	7.5%
	75		-		20	7.5%
	62		-		12	7.5%
	45		-		6	7.5%
	43		14		7	8.7%
\$	367	\$	-	\$	147	8.3%
	356		-		131	8.3%
	277		-		116	8.3%
	258		-		96	8.3%
	179		-		98	10.1%
	158		-		82	10.1%
	130		-		72	10.1%
	116		-		64	12.3%
	99		-		49	12.3%
	86		-		45	12.3%

City of Leesburg, Florida

Required Supplementary Information  
Pension Benefit Obligation Information  
Pension Trust Funds

All Available Years

(in thousands)

	<u>Net Assets Available for Benefits (1)</u>	<u>Pension Benefit Obligation (PBO) (2)</u>	<u>(1) As a Percentage Of (2)</u>	<u>Assets in Excess of (Unfunded) PBO (3)</u>	<u>Covered Payroll (4)</u>	<u>(3) As a Percentage of (4)</u>
<b>Municipal Police Retirement</b>						
1995	\$ 4,002	\$ 2,593	154.3%	\$ 1,409	\$ 1,491	94.5%
1994	3,900	2,969	131.3%	931	1,312	70.9%
1993	3,395	2,580	131.6%	805	1,234	66.0%
1992	2,949	2,277	129.5%	672	993	67.6%
<b>Municipal Firemen's Retirement</b>						
1995	\$ 4,315	\$ 4,131	104.4%	\$ 184	\$ 896	20.5%
1994	4,509	3,744	120.4%	765	910	84.1%
1993	4,093	3,594	113.9%	499	916	54.5%
1992	3,630	3,122	117.2%	509	855	59.5%
<b>General Employees' Pension</b>						
1995	\$ 13,804	\$ 10,871	127.0%	\$ 2,933	\$ 7,796	37.6%
1994	13,551	9,933	136.4%	3,618	7,217	50.1%
1993	11,566	8,826	131.0%	2,739	7,012	39.1%
1992	9,854	8,225	119.8%	1,630	7,100	23.0%

N/A = Not Available

Looking at the pension benefit obligation, or the unfunded portion (or assets in excess) of the pension benefit obligation, in isolation can be misleading. Expressing net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the extent to which a pension fund is funded. Analysis of this percentage over time indicates whether the pension fund is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the pension fund.

Expressing the unfunded pension benefit obligation (or assets in excess of the pension benefit obligation) as a percentage of the annual covered payroll approximately adjusts for the effects of inflation and aids analysis of funding progress. Generally, the smaller the unfunded percentage, the stronger the pension fund.

## **General Fund**

The General Fund accounts for all revenues and expenditures of the City which are not required to be accounted for in other funds. It receives a greater variety and number of taxes and other general revenues than any other fund.

City of Leesburg, Florida

General Fund  
Balance Sheet

September 30, 1995

(in thousands)

	<u>1995</u>	<u>1994</u>
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ 5,591	\$ 4,863
Due from other governments	219	255
Due from other funds	19	-
Assessments receivable	4	3
Other accounts receivable (net of allowance for doubtful accounts of \$4 for 1995 and 1994)	5	12
Interest receivable	181	124
Inventories	8	8
Total assets	<u>\$ 6,027</u>	<u>\$ 5,265</u>
 <b>Liabilities and fund balance</b>		
Liabilities:		
Accounts payable	\$ 680	\$ 304
Accrued wages and payroll tax	568	408
Unearned license revenue	147	115
Compensated absences	-	4
Total liabilities	<u>1,395</u>	<u>831</u>
Fund balance:		
Reserved:		
For police education	7	4
For police expenditures	95	82
For police communication tower	8	6
For fire expenditures	-	1
For C.U.R.E. program	2	1
Unreserved	4,520	4,340
Total fund balance	<u>4,632</u>	<u>4,434</u>
Total liabilities and fund balances	<u>\$ 6,027</u>	<u>\$ 5,265</u>

City of Leesburg, Florida

General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual

For the year ended September 30, 1995

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
Revenues:				
Taxes	\$ 3,173	\$ 3,287	\$ 114	\$ 3,114
Licenses and permits	235	251	16	218
Intergovernmental	1,536	1,551	15	1,587
Charges for services	185	172	(13)	158
Fines and forfeitures	162	189	27	172
Miscellaneous:				
Interest	308	321	13	200
Other	250	276	26	185
Total revenues	<u>5,849</u>	<u>6,047</u>	<u>198</u>	<u>5,654</u>
Expenditures				
Current:				
General government	1,202	1,053	149	924
Public safety	4,715	4,722	(7)	4,446
Public works	1,363	1,309	54	1,321
Community development	218	208	10	196
Culture/recreation	2,340	2,225	115	2,085
Debt service	-	-	-	12
Total expenditures	<u>9,838</u>	<u>9,517</u>	<u>321</u>	<u>8,984</u>
Deficiency of revenues over (under) expenditures	<u>(3,989)</u>	<u>(3,470)</u>	<u>519</u>	<u>(3,350)</u>
Other financing sources (uses)				
Operating transfers in	5,291	5,086	(205)	4,824
Operating transfers out	(1,302)	(1,418)	(116)	(1,245)
Total other financing sources	<u>3,989</u>	<u>3,668</u>	<u>(321)</u>	<u>3,579</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	198	198	229
Fund balance, beginning of year	4,434	4,434	-	4,205
Fund balance, end of year	<u>\$ 4,226</u>	<u>\$ 4,632</u>	<u>\$ 198</u>	<u>\$ 4,434</u>

City of Leesburg, Florida

General Fund  
Schedule of Revenues – Budget and Actual

For the year ended September 30, 1995

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
Revenues:				
Taxes:				
Ad Valorem	\$ 2,264	\$ 2,301	\$ 37	\$ 2,216
Local option sales	797	897	100	790
Franchise fees	112	89	(23)	108
Total taxes	<u>3,173</u>	<u>3,287</u>	<u>114</u>	<u>3,114</u>
Licenses and permits:				
Licenses	143	147	4	137
Building permits	61	63	2	53
Other permits	31	41	10	28
Total licenses and permits	<u>235</u>	<u>251</u>	<u>16</u>	<u>218</u>
Intergovernmental:				
State grants	24	6	(18)	49
State shared revenues	938	967	29	943
County shared revenues	35	32	(3)	49
Fuel rebate	14	15	1	14
Local option taxes	525	531	6	532
Total intergovernmental	<u>1,536</u>	<u>1,551</u>	<u>15</u>	<u>1,587</u>
Charges for services:				
General government charges	10	14	4	14
Other public safety charges	3	4	1	2
Other physical environment charges	-	1	1	-
Culture and recreation	172	153	(19)	142
Total charges for services	<u>185</u>	<u>172</u>	<u>(13)</u>	<u>158</u>
Fines and forfeitures:				
Court fines	122	150	28	134
Library fines	15	16	1	16
Other fines and forfeitures	25	23	(2)	22
Total fines and forfeitures	<u>162</u>	<u>189</u>	<u>27</u>	<u>172</u>
Miscellaneous:				
Sales – forfeited property	-	22	22	8
Interest	308	321	13	200
Rents and royalties	78	79	1	115
Sale of city property and insurance compensation	112	112	-	25
Other	48	50	2	28
Contributions	12	13	1	9
Total miscellaneous revenues	<u>558</u>	<u>597</u>	<u>39</u>	<u>385</u>
Total revenues	<u>\$ 5,849</u>	<u>\$ 6,047</u>	<u>\$ 198</u>	<u>\$ 5,634</u>

City of Leesburg, Florida

General Fund  
Schedule of Expenditures - Budget and Actual - By Department

For the year ended September 30, 1995

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
Expenditures:				
General Government:				
City Commission	\$ 76	\$ 64	\$ 12	\$ 73
Executive offices	658	565	93	484
Finance department	319	269	50	245
Personnel service offices	115	108	7	91
Purchasing department	34	47	(13)	31
Total general government	<u>1,202</u>	<u>1,053</u>	<u>149</u>	<u>924</u>
Public safety:				
Police department	3,048	3,063	(15)	2,835
Fire department	1,667	1,659	8	1,611
Total public safety	<u>4,715</u>	<u>4,722</u>	<u>(7)</u>	<u>4,446</u>
Public works	1,363	1,309	54	1,321
Community development	218	208	10	196
Culture and recreation:				
Library services	719	669	50	626
Recreation	1,621	1,556	65	1,459
Total culture and recreation	<u>2,340</u>	<u>2,225</u>	<u>115</u>	<u>2,085</u>
Debt service	-	-	-	12
Total expenditures	<u>\$ 9,838</u>	<u>\$ 9,517</u>	<u>\$ 321</u>	<u>\$ 8,984</u>



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### **Special Revenue Funds**

Community Development Fund – To account for the collection of housing assistance loans previously made. Proceeds accumulated from such collections may be reloaned to new program participants in the future.

Housing Assistance Fund – To account for federal monies designated for housing cost assistance to low and moderate income families and the related administrative costs of the program.

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

Affordable Housing Fund – To account for federal, state, and local monies designated for construction and rehabilitation of housing for low and moderate income families and the related administrative costs of the program.

City of Leesburg, Florida

Special Revenue Funds  
Combining Balance Sheet

September 30, 1995

(in thousands)

	<u>Community Development</u>	<u>Housing Assistance</u>	<u>Stormwater</u>	<u>Affordable Housing</u>	<u>Totals</u>	
					1995	1994
<b>Assets</b>						
Equity in pooled cash and cash equivalents	\$ 110	\$ 122	\$ 172	\$ -	\$ 404	\$ 384
Housing assistance loans	21	-	-	-	21	59
Accounts receivable	-	-	65	21	86	36
Due from other governments	5	-	-	-	5	-
<b>Total assets</b>	<u>\$ 136</u>	<u>\$ 122</u>	<u>237</u>	<u>21</u>	<u>\$ 516</u>	<u>\$ 479</u>
<b>Liabilities and fund balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 97	\$ -	\$ -	\$ -	\$ 97	\$ -
Due to other governments	27	57	-	-	84	104
Due to other funds	-	-	-	19	19	-
<b>Total liabilities</b>	<u>124</u>	<u>57</u>	<u>-</u>	<u>19</u>	<u>200</u>	<u>104</u>
<b>Fund balances:</b>						
<b>Reserved:</b>						
For capital improvements	12	-	-	-	12	11
For housing assistance	-	18	-	-	18	33
<b>Unreserved</b>	<u>-</u>	<u>47</u>	<u>237</u>	<u>2</u>	<u>286</u>	<u>331</u>
<b>Total fund balances</b>	<u>12</u>	<u>65</u>	<u>237</u>	<u>2</u>	<u>316</u>	<u>375</u>
<b>Total liabilities and fund balances</b>	<u>\$ 136</u>	<u>\$ 122</u>	<u>\$ 237</u>	<u>\$ 21</u>	<u>\$ 516</u>	<u>\$ 479</u>

City of Leesburg, Florida

Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended September 30, 1995

(in thousands)

	Community	Housing	Stormwater	Affordable	Totals	
	Development	Assistance		Housing	1995	1994
Revenues:						
Intergovernmental	\$ 330	\$ 711	\$ -	\$ 26	\$ 1,067	\$ 705
Physical environment	-	-	299	-	399	295
Interest	-	5	15	-	20	9
Miscellaneous revenue	-	-	-	-	-	7
Total revenues	<u>330</u>	<u>716</u>	<u>414</u>	<u>26</u>	<u>1,486</u>	<u>1,016</u>
Expenditures:						
Physical environment	-	-	457	-	457	219
Human services	329	714	-	28	1,071	675
Debt service	-	-	17	-	17	34
Total expenditures	<u>329</u>	<u>714</u>	<u>474</u>	<u>28</u>	<u>1,545</u>	<u>928</u>
Excess of revenues over (under) expenditures	<u>1</u>	<u>2</u>	<u>(60)</u>	<u>(2)</u>	<u>(59)</u>	<u>88</u>
Fund balances, beginning of year	11	63	297	4	375	287
Fund balances, end of year	<u>\$ 12</u>	<u>\$ 65</u>	<u>\$ 237</u>	<u>\$ 2</u>	<u>\$ 316</u>	<u>\$ 375</u>

City of Leesburg, Florida

Community Development Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual

For the year ended September 30, 1995

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
Revenues:				
Intergovernmental	\$ 650	\$ 330	\$ (320)	\$ 2
Total revenues	<u>650</u>	<u>330</u>	<u>(320)</u>	<u>2</u>
Expenditures				
Human services	650	329	321	-
Total expenditures	<u>650</u>	<u>329</u>	<u>321</u>	<u>-</u>
Excess of revenues over expenditures	-	1	1	2
Fund balance, beginning of year	11	11	-	9
Fund balance, end of year	<u>\$ 11</u>	<u>\$ 12</u>	<u>\$ 1</u>	<u>\$ 11</u>

City of Leesburg, Florida

Housing Assistance Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual

For the year ended September 30, 1995

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
Revenues:				
Intergovernmental:				
HUD contributions	\$ 686	\$ 711	\$ 25	\$ 696
Interest	4	5	1	1
Total revenues	<u>690</u>	<u>716</u>	<u>26</u>	<u>697</u>
Expenditures:				
Human services:				
Welfare:				
Personal services	66	78	(12)	49
Operating expenditures	624	636	(12)	616
Total expenditures	<u>690</u>	<u>714</u>	<u>(24)</u>	<u>665</u>
Excess of revenues over expenditures	-	2	2	32
Fund balance, beginning of year	63	63	-	31
Fund balance, end of year	<u>\$ 63</u>	<u>\$ 65</u>	<u>\$ 2</u>	<u>\$ 63</u>

City of Leesburg, Florida

Stormwater Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual

For the year ended September 30, 1995

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
Revenues:				
Physical environment:				
Utility fees	\$ 362	\$ 399	\$ 37	\$ 295
Interest	13	15	2	8
Total revenues	<u>375</u>	<u>414</u>	<u>39</u>	<u>303</u>
Expenditures:				
Physical environment:				
Stormwater:				
Personal services	79	73	6	30
Operating expenditures	383	377	6	136
Capital outlay	6	7	(1)	53
Debt service	17	17	-	34
Total expenditures	<u>485</u>	<u>474</u>	<u>11</u>	<u>253</u>
Excess of revenues over (under) expenditures	(110)	(60)	50	50
Fund balance, beginning of year	297	297	-	247
Fund balance, end of year	<u>\$ 187</u>	<u>\$ 237</u>	<u>\$ 50</u>	<u>\$ 297</u>



City of Leesburg, Florida

Affordable Housing Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance –  
 Budget and Actual

For the year ended September 30, 1995

(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
Revenues:				
Intergovernmental	\$ 200	\$ 26	\$ (174)	\$ 7
Miscellaneous	-	-	-	7
Total revenues	<u>200</u>	<u>26</u>	<u>(174)</u>	<u>14</u>
Expenditures:				
Human services:				
Operating expenditures	<u>200</u>	<u>28</u>	<u>172</u>	<u>10</u>
Total expenditures	<u>200</u>	<u>28</u>	<u>172</u>	<u>10</u>
Excess of revenues over (under) expenditures	-	(2)	(2)	4
Fund balance, beginning of year	4	4	-	-
Fund balance, end of year	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ (2)</u>	<u>\$ 4</u>

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## **Enterprise Funds**

Utility Funds – The Electric, Gas, Water, and Sanitary Sewer and Wastewater Treatment Funds account for the provision of these utility services to customers within the City's service area. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Sanitation Services Fund – To account for the collection, transport and disposal of solid waste for residential and commercial customers in the City.

Communications Services Fund – To account for the provision of communications services to customers in the City.

City of Leesburg, Florida

Enterprise Funds  
Combining Balance Sheet

September 30, 1995

(in thousands)

	Electric Utility	Gas Utility	Water Utility
<b>Assets</b>			
<b>Current assets</b>			
Equity in pooled cash and cash equivalents	\$ 13,580	\$ 2,934	\$ 2,934
Receivables:			
Customer accounts - unbilled	2,088	154	193
billed	2,356	367	210
Allowance for doubtful accounts	(458)	(16)	-
Accrued interest	73	9	21
Due from other funds	-	-	-
Inventory	1,233	-	-
Total current assets	18,872	3,448	3,358
<b>Restricted assets</b>			
Equity in pooled cash and cash equivalents:			
Debt service account	1,099	135	321
Renewal and replacement account	1,766	277	657
Impact fees account	-	-	577
Customer deposits account	1,296	58	72
Investments:			
Debt service account	2,377	291	695
Total restricted assets	6,538	761	2,322
<b>Property, plant and equipment</b>			
Property, plant and equipment	47,265	6,500	11,660
Nuclear fuel	325	-	-
	47,590	6,500	11,660
Less: Accumulated depreciation and amortization	(17,304)	(2,274)	(4,962)
	30,286	4,226	6,698
Construction in progress	2,131	104	60
	32,417	4,330	6,758
<b>Other assets</b>			
Estimated landfill closure costs - net	-	-	-
Unamortized bond issue costs	121	15	34
Rights to purchase power	51	-	-
Crystal River decommissioning trust account	1,084	-	-
	1,256	15	34
Total assets	\$ 59,083	\$ 8,554	\$ 12,472

Sanitary Sewer and Wastewater Treatment	Total Combined Utility	Other Enterprise Fund Sanitation Services	Communication Services	Totals	
				1995	1994
\$ 5,952	\$ 25,400	\$ 345	\$ 7	\$ 25,752	\$ 22,885
204	2,639	154	-	2,793	2,052
362	3,295	165	-	3,460	2,838
(8)	(482)	-	-	(482)	(461)
15	118	-	-	118	117
-	-	-	-	-	15
2	1,235	-	-	1,235	1,027
<u>6,527</u>	<u>32,205</u>	<u>664</u>	<u>7</u>	<u>32,876</u>	<u>28,473</u>
228	1,783	-	-	1,783	1,745
728	3,428	-	-	3,428	2,863
764	1,341	-	-	1,341	974
33	1,459	1	-	1,460	1,384
493	3,856	-	-	3,856	3,864
<u>2,246</u>	<u>11,867</u>	<u>1</u>	<u>-</u>	<u>11,868</u>	<u>10,830</u>
18,945	84,370	1,443	188	86,001	84,063
-	325	-	-	325	458
<u>18,945</u>	<u>84,695</u>	<u>1,443</u>	<u>188</u>	<u>86,326</u>	<u>84,521</u>
(5,757)	(30,297)	(1,014)	(20)	(31,331)	(29,553)
<u>13,188</u>	<u>54,398</u>	<u>429</u>	<u>168</u>	<u>54,995</u>	<u>54,968</u>
533	2,828	-	-	2,828	2,866
<u>13,721</u>	<u>57,226</u>	<u>429</u>	<u>168</u>	<u>57,823</u>	<u>57,834</u>
-	-	-	-	-	204
59	229	-	-	229	262
-	51	-	-	51	53
-	1,084	-	-	1,084	957
59	1,364	-	-	1,364	1,476
<u>\$ 22,553</u>	<u>\$ 102,662</u>	<u>\$ 1,094</u>	<u>\$ 175</u>	<u>\$ 103,931</u>	<u>\$ 98,613</u>

City of Leesburg, Florida

Enterprise Funds  
Combining Balance Sheet

September 30, 1995

(in thousands)

	<u>Electric Utility</u>	<u>Gas Utility</u>	<u>Water Utility</u>
<b>Liabilities and fund equity</b>			
Current liabilities			
Accounts payable	\$ 1,552	\$ 146	-
Accrued expenses	1,285	52	\$ 81
Customer advances for construction	82	-	9
Due to other funds	-	-	-
Current portion of capital lease obligation	-	-	-
Estimated landfill closure cost payable	-	-	-
Total current liabilities	<u>2,919</u>	<u>198</u>	<u>90</u>
Current liabilities (payable from restricted assets)			
Customer deposits	1,296	58	72
Accrued interest on revenue bonds	458	56	134
Current portion, bonds payable	589	72	172
Total current liabilities (payable from restricted assets)	<u>2,343</u>	<u>186</u>	<u>378</u>
Long-term liabilities			
Notes payable	-	-	-
Capital lease obligation - long-term portion	-	-	-
Refunding revenue bonds payable	12,330	1,509	3,607
Accrued interest on capital appreciation revenue bonds	831	102	243
Less: Unamortized discount	(101)	(12)	(29)
Landfill post-closure costs payable	-	-	-
Decommissioning costs	1,745	-	-
Advance from other fund	-	-	-
Total long-term liabilities	<u>14,805</u>	<u>1,599</u>	<u>3,821</u>
Total liabilities	<u>20,067</u>	<u>1,983</u>	<u>4,289</u>
Fund equity			
Contributed capital:			
Other governments	18	7	77
Customers and developers	2,777	441	2,909
Other funds	-	-	-
Total contributed capital	<u>2,795</u>	<u>448</u>	<u>2,986</u>
Retained earnings:			
Reserved:			
Debt service	2,430	298	711
Renewal and replacement	1,766	277	657
Unreserved (deficit)	32,025	5,548	3,829
Total retained earnings (deficit)	<u>36,221</u>	<u>6,123</u>	<u>5,197</u>
Total fund equity (deficit)	<u>39,016</u>	<u>6,571</u>	<u>8,183</u>
Total liabilities and fund equity	<u>\$ 59,083</u>	<u>\$ 8,554</u>	<u>\$ 12,472</u>

Sanitary Sewer and Wastewater Treatment	Total Combined Utility	Other Enterprise Fund	Communication Services	Totals	
		Sanitation Services		1995	1994
-	\$ 1,698	\$ 642	-	\$ 2,340	\$ 2,103
\$ 139	1,557	68	-	1,625	1,358
9	100	-	-	100	123
-	-	-	-	-	15
-	-	50	-	50	122
-	-	-	-	-	467
<u>148</u>	<u>3,355</u>	<u>760</u>	<u>-</u>	<u>4,115</u>	<u>4,188</u>
33	1,459	1	-	1,460	1,384
95	743	-	-	743	781
122	955	-	-	955	885
<u>250</u>	<u>3,157</u>	<u>1</u>	<u>-</u>	<u>3,158</u>	<u>3,050</u>
2,095	2,095	-	-	2,095	2,365
-	-	55	-	55	96
2,559	20,005	-	-	20,005	20,959
172	1,348	-	-	1,348	1,151
(21)	(163)	-	-	(163)	(183)
-	-	1,000	-	1,000	1,503
-	1,745	-	-	1,745	1,453
-	-	50	-	50	-
<u>4,805</u>	<u>25,030</u>	<u>1,105</u>	<u>-</u>	<u>26,135</u>	<u>27,344</u>
<u>5,203</u>	<u>31,542</u>	<u>1,866</u>	<u>-</u>	<u>33,408</u>	<u>34,582</u>
8,011	8,113	-	-	8,113	8,113
4,209	10,336	-	-	10,336	9,435
14	14	441	\$ 141	596	596
<u>12,234</u>	<u>18,463</u>	<u>441</u>	<u>\$ 141</u>	<u>19,045</u>	<u>18,144</u>
504	3,943	-	-	3,943	3,943
728	3,428	-	-	3,428	2,863
3,884	45,286	(1,213)	34	44,107	39,081
<u>5,116</u>	<u>52,657</u>	<u>(1,213)</u>	<u>34</u>	<u>51,478</u>	<u>45,887</u>
<u>17,350</u>	<u>71,120</u>	<u>(772)</u>	<u>175</u>	<u>70,523</u>	<u>64,031</u>
<u>\$ 22,553</u>	<u>\$ 102,662</u>	<u>\$ 1,094</u>	<u>\$ 175</u>	<u>\$ 103,931</u>	<u>\$ 98,613</u>



City of Leesburg  
Enterprise Funds  
Combining Statement of Revenues, Expenses and Changes in Retained Earnings

For the year ended September 30, 1995

(in thousands)

	<u>Electric Utility</u>	<u>Gas Utility</u>	<u>Water Utility</u>
Operating revenues:			
User charges	\$ 30,262	\$ 5,669	\$ 2,518
Other operating revenue	568	82	48
Total operating revenues	<u>30,830</u>	<u>5,751</u>	<u>2,566</u>
Operating expenses:			
Power generation and transmission	920	-	-
Purchased energy	17,077	3,316	-
Supply and pumping	-	-	111
Treatment	-	-	375
Distribution and collection	1,819	261	264
Customer accounts	785	259	289
General and administrative	1,316	396	295
Operating expenses	-	-	-
Depreciation and amortization	2,114	188	456
Change in post closure estimate	-	-	-
Total operating expenses	<u>24,031</u>	<u>4,420</u>	<u>1,790</u>
Operating income	<u>6,799</u>	<u>1,331</u>	<u>776</u>
Nonoperating revenue (expense):			
Interest income	1,172	202	287
Other nonoperating income	84	3	18
Interest expense	(1,070)	(133)	(312)
Other nonoperating expense	(221)	(18)	(5)
Total nonoperating revenue (expense)	<u>(35)</u>	<u>54</u>	<u>(12)</u>
Income before operating transfers	6,764	1,385	764
Operating transfers:			
Transfers out	<u>(3,565)</u>	<u>(692)</u>	<u>(239)</u>
Net income	3,199	693	525
Retained earnings (deficit), beginning of year	33,022	5,430	4,672
Prior period adjustment	-	-	-
Retained earnings (deficit), end of year	<u>\$ 36,221</u>	<u>\$ 6,123</u>	<u>\$ 5,197</u>

Sanitary Sewer and Wastewater Treatment	Total Combined Utility	Other Enterprise Fund Sanitation Services	Communication Services	Totals	
				1995	1994
\$ 3,160	\$ 41,609	\$ 2,348	\$ 34	\$ 43,991	\$ 40,023
92	790	-	-	790	512
<u>3,252</u>	<u>42,399</u>	<u>2,348</u>	<u>34</u>	<u>44,781</u>	<u>40,535</u>
-	920	-	-	920	1,028
-	20,393	-	-	20,393	18,693
204	315	-	-	315	301
837	1,212	-	-	1,212	1,039
171	2,515	-	-	2,515	2,490
241	1,574	-	-	1,574	1,462
-	2,402	-	2	2,404	2,386
395	-	2,066	-	2,066	2,520
400	3,158	704	12	3,874	4,119
-	-	(502)	-	(502)	-
<u>2,248</u>	<u>32,489</u>	<u>2,268</u>	<u>14</u>	<u>34,771</u>	<u>34,038</u>
<u>1,004</u>	<u>9,910</u>	<u>80</u>	<u>20</u>	<u>10,010</u>	<u>6,497</u>
432	2,093	42	-	2,135	1,390
29	134	67	-	201	144
(333)	(1,848)	(9)	-	(1,857)	(1,901)
(18)	(262)	-	-	(262)	(89)
<u>110</u>	<u>117</u>	<u>100</u>	<u>-</u>	<u>217</u>	<u>(456)</u>
1,114	10,027	180	20	10,227	6,041
<u>(140)</u>	<u>(4,636)</u>	<u>-</u>	<u>-</u>	<u>(4,636)</u>	<u>(4,372)</u>
974	5,391	180	20	5,591	1,669
4,142	47,266	(1,393)	14	45,887	45,721
-	-	-	-	-	(1,503)
<u>\$ 5,116</u>	<u>\$ 52,657</u>	<u>\$ (1,213)</u>	<u>\$ 34</u>	<u>\$ 51,478</u>	<u>\$ 45,887</u>

City of Leesburg, Florida

Enterprise Funds  
Combining Statement of Cash Flows

For the year ended September 30, 1995

(in thousands)

	Electric Utility	Gas Utility	Water Utility
<b>Net cash provided by (used for) operating activities</b>	\$ 8,098	\$ 1,465	\$ 1,251
<b>Cash flows used for noncapital financing activities</b>			
Operating transfers out to other funds	(3,565)	(692)	(239)
Net cash used for noncapital financing activities	<u>(3,565)</u>	<u>(692)</u>	<u>(239)</u>
<b>Cash flows from (used for) capital and related financing activities</b>			
Interest paid on capital lease	-	-	-
Interest paid on revenue bonds	(943)	(117)	(276)
Acquisition and construction of capital assets	(1,674)	(424)	(466)
Principal paid on capital lease	-	-	-
Principal paid on bond maturities	(545)	(67)	(160)
Principal paid on note payable	-	-	-
Capital contributed	69	3	278
Net cash used for capital and related financing activities	<u>(3,093)</u>	<u>(605)</u>	<u>(624)</u>
<b>Cash flows from investing activities</b>			
Interest on investments	1,175	203	289
Purchase of Crystal River decommission investments	(127)	-	-
Net cash flows from investing activities	<u>1,048</u>	<u>203</u>	<u>289</u>
Net increase (decrease) in cash and cash equivalents	2,488	371	677
Cash and cash equivalents at beginning of year	15,253	3,033	3,884
Cash and cash equivalents at end of year	<u>\$ 17,741</u>	<u>\$ 3,404</u>	<u>\$ 4,561</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities</b>			
Operating income	\$ 6,799	\$ 1,331	\$ 776
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation and amortization	2,114	188	456
Bad debt expense	134	5	6
Nonoperating income	84	3	18
Nonoperating expense	(221)	(18)	(5)
Change in post closure estimate	-	-	-
Decrease (increase) in customer accounts	(930)	(145)	(160)
Increase in advances from other funds	-	-	-
Decrease (increase) in due from other funds	-	-	-
Decrease (increase) in inventory	(425)	80	131
Increase (decrease) in accounts payable	339	3	-
Increase (decrease) in due to other funds	-	-	-
Decrease in estimated landfill closure costs payable	-	-	-
Increase in accrued expenses	147	19	36
Increase (decrease) in customer advances for construction	(23)	-	-
Increase (decrease) in customer deposits	80	(1)	(7)
Net cash provided by (used for) operating activities	<u>\$ 8,098</u>	<u>\$ 1,465</u>	<u>\$ 1,251</u>
<b>Significant transactions not affecting cash</b>			
Water/sewer lines contributed by developers	\$ -	\$ -	\$ -
Contributions from other funds	<u>-</u>	<u>-</u>	<u>-</u>

Sanitary Sewer and Wastewater Treatment	Total Combined Utility	Other Enterprise Fund Sanitation Services	Communication Services	Totals	
				1995	1994
\$ 1,278	\$ 12,092	\$ (515)	\$ 17	\$ 11,594	\$ 11,416
(140)	(4,636)	-	-	(4,636)	(4,372)
<u>(140)</u>	<u>(4,636)</u>	<u>-</u>	<u>-</u>	<u>(4,636)</u>	<u>(4,372)</u>
-	-	(9)	-	(9)	(18)
(300)	(1,636)	-	-	(1,636)	(1,687)
(339)	(2,903)	(89)	(10)	(3,002)	(3,501)
-	-	(113)	-	(113)	(177)
(113)	(885)	-	-	(885)	(820)
(270)	(270)	-	-	(270)	(255)
505	855	-	-	855	1,262
<u>(517)</u>	<u>(4,839)</u>	<u>(211)</u>	<u>(10)</u>	<u>(5,060)</u>	<u>(5,196)</u>
433	2,100	42	-	2,142	1,395
-	(127)	-	-	(127)	(120)
<u>433</u>	<u>1,973</u>	<u>42</u>	<u>-</u>	<u>2,015</u>	<u>1,275</u>
1,054	4,590	(684)	7	3,913	3,123
6,651	28,821	1,030	-	29,851	26,728
<u>\$ 7,705</u>	<u>\$ 33,411</u>	<u>\$ 346</u>	<u>\$ 7</u>	<u>\$ 33,764</u>	<u>\$ 29,851</u>
\$ 1,004	\$ 9,910	\$ 80	\$ 20	\$ 10,010	\$ 6,497
400	3,158	704	12	3,874	4,119
10	155	13	-	168	133
29	134	67	-	201	144
(18)	(262)	-	-	(262)	(89)
-	-	(502)	-	(502)	-
(208)	(1,443)	(66)	-	(1,509)	170
-	-	50	-	50	-
-	-	15	-	15	(9)
6	(208)	-	-	(208)	(100)
-	342	(105)	-	237	516
-	-	-	(15)	(15)	9
-	-	(785)	-	(785)	(629)
52	254	14	-	268	645
-	(23)	-	-	(23)	62
3	75	-	-	75	(52)
<u>\$ 1,278</u>	<u>\$ 12,092</u>	<u>\$ (515)</u>	<u>\$ 17</u>	<u>\$ 11,594</u>	<u>\$ 11,416</u>
\$ 46	\$ 46	\$ -	\$ -	\$ 46	\$ 580
-	-	-	-	-	123
<u>\$ 46</u>	<u>\$ 46</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ 703</u>

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### **Internal Service Funds**

Motor Pool Service Fund – To account for the costs of operating a maintenance facility for automotive equipment used by other City departments.

General Employees' Health Insurance Fund – To account for the costs of providing health insurance to all covered City employees.

Workers' Compensation Insurance Fund – To account for the costs of providing workers' compensation insurance to all covered City employees.

City of Leesburg, Florida

Internal Service Funds  
Combining Balance Sheet

September 30, 1995

(in thousands)

	<u>Motor Pool Service</u>	<u>General Employees' Health Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>1995</u>	<u>Totals 1994</u>
<b>Assets</b>					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 74	\$ 1,089	\$ 1,768	\$ 2,931	\$ 2,495
Miscellaneous accounts receivable	-	6	-	6	249
Inventory	42	-	-	42	54
Total current assets	<u>116</u>	<u>1,095</u>	<u>1,768</u>	<u>2,979</u>	<u>2,798</u>
Property, plant and equipment					
Buildings	28	-	-	28	28
Machinery and equipment	136	-	-	136	104
Less accumulated depreciation	(118)	-	-	(118)	(94)
	<u>46</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>38</u>
Total assets	<u>\$ 162</u>	<u>\$ 1,095</u>	<u>\$ 1,768</u>	<u>\$ 3,025</u>	<u>\$ 2,836</u>
<b>Liabilities</b>					
Accrued expenses	\$ 25	\$ -	\$ -	\$ 25	\$ 13
Claims payable	-	223	222	445	489
Total liabilities	<u>25</u>	<u>223</u>	<u>222</u>	<u>470</u>	<u>502</u>
<b>Fund equity</b>					
Contributed capital - General Fund	16	-	-	16	16
Retained earnings:					
Reserved for insurance	-	872	1,546	2,418	2,167
Unreserved	121	-	-	121	151
Total retained earnings	<u>121</u>	<u>872</u>	<u>1,546</u>	<u>2,539</u>	<u>2,318</u>
Total fund equity	<u>137</u>	<u>872</u>	<u>1,546</u>	<u>2,555</u>	<u>2,334</u>
Total liabilities and fund equity	<u>\$ 162</u>	<u>\$ 1,095</u>	<u>\$ 1,768</u>	<u>\$ 3,025</u>	<u>\$ 2,836</u>



City of Leesburg, Florida

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Year ended September 30, 1995

(in thousands)

	<u>Motor Pool Service</u>	<u>General Employees' Health Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>1995</u>	<u>Totals 1994</u>
Operating revenues:					
Charges for services	\$ 257	\$ 1,576	\$ 647	\$ 2,480	\$ 2,645
Operating expenses:					
Personal services	148	-	-	148	139
Other services and charges	22	-	-	22	16
Materials and supplies	107	-	-	107	81
Depreciation	10	-	-	10	10
Claims expense	-	1,240	62	1,302	1,018
Administrative expenses	-	43	24	67	66
Insurance premiums	-	224	75	299	316
Total operating expenses	<u>287</u>	<u>1,507</u>	<u>161</u>	<u>1,955</u>	<u>1,646</u>
Operating income (loss)	<u>(30)</u>	<u>69</u>	<u>486</u>	<u>525</u>	<u>999</u>
Nonoperating income:					
Investment income	<u>-</u>	<u>51</u>	<u>95</u>	<u>146</u>	<u>83</u>
Income (loss) before operating transfers	(30)	120	581	671	1,082
Operating transfers out	<u>-</u>	<u>-</u>	<u>(450)</u>	<u>(450)</u>	<u>(453)</u>
Net income (loss)	(30)	120	131	221	629
Retained earnings, beginning of year	151	752	1,415	2,318	1,689
Retained earnings, end of year	<u>\$ 121</u>	<u>\$ 872</u>	<u>\$ 1,546</u>	<u>\$ 2,539</u>	<u>\$ 2,318</u>

City of Leesburg, Florida

Internal Service Funds  
Combining Statement of Cash Flows

Year ending September 30, 1995

(in thousands)

	Motor Pool Service	General Employees' Health Insurance	Workers' Compensation Insurance	1995	Totals 1994
<b>Net cash provided by operating activities</b>	\$ 4	\$ 340	\$ 414	\$ 758	\$ 811
<b>Cash flows used by capital and related financing activities</b>					
Acquisition and construction of capital assets	(18)	-	-	(18)	(3)
<b>Cash flows used by noncapital and related financing activities</b>					
Operating transfers to other funds	-	-	(450)	(450)	(453)
Net cash used by noncapital and related financing activities	-	-	(450)	(450)	(453)
<b>Cash flows from investing activities</b>					
Interest on investments	-	51	95	146	83
Net increase (decrease) in cash and cash equivalents	(14)	391	59	436	438
Cash and cash equivalents at beginning of year	88	698	1,709	2,495	2,057
Cash and cash equivalents at end of year	<u>\$ 74</u>	<u>\$ 1,089</u>	<u>\$ 1,768</u>	<u>\$ 2,931</u>	<u>\$ 2,495</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>					
Operating income (loss)	\$ (30)	\$ 69	\$ 486	\$ 525	\$ 999
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	10	-	-	10	10
Decrease (increase) in miscellaneous receivables	-	243	-	243	(249)
Decrease (increase) in inventory	12	-	-	12	(12)
Increase (decrease) in claims payable	-	28	(72)	(44)	61
Increase in accrued expenses	12	-	-	12	2
Net cash provided by operating activities	<u>\$ 4</u>	<u>\$ 340</u>	<u>\$ 414</u>	<u>\$ 758</u>	<u>\$ 811</u>

### **Fiduciary Fund Types**

Pension Trust Funds – To account for the accumulation of resources to be used for retirement payments to employees. Resources are contributed by the City, participating employees and the State.

Agency Fund – To account for the assets and liabilities of the Deferred Compensation Plan. Assets represent amounts earned by employees who have elected to defer a portion of their compensation to a later date.

City of Leesburg, Florida

Fiduciary Fund Types  
Combining Balance Sheet

September 30, 1995

(in thousands)

	<b>Pension Trust Funds</b>		
	<b>Municipal Police Retirement Trust</b>	<b>Municipal Firemen's Retirement Trust</b>	<b>General Employees' Retirement</b>
<b>Assets</b>			
Cash and investments with trustees	\$ 4,986	\$ 5,306	\$ 15,923
Accrued interest receivable	-	2	182
Total assets	<u>\$ 4,986</u>	<u>\$ 5,308</u>	<u>\$ 16,105</u>
 <b>Liabilities and fund equity</b>			
<b>Liabilities:</b>			
Deferred compensation payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund equity:</b>			
Fund balances reserved for employee benefits	4,986	5,308	16,105
Total liabilities and fund equity	<u>\$ 4,986</u>	<u>\$ 5,308</u>	<u>\$ 16,105</u>

<u>Agency Fund</u> <u>Deferred Compensation</u>	<u>Total</u>	
	<u>1995</u>	<u>1994</u>
\$ 1,748	\$ 27,963	\$ 23,353
-	184	175
<u>\$ 1,748</u>	<u>\$ 28,147</u>	<u>\$ 23,528</u>
\$ 1,748	\$ 1,748	\$ 1,407
<u>1,748</u>	<u>1,748</u>	<u>1,407</u>
-	26,399	22,121
<u>\$ 1,748</u>	<u>\$ 28,147</u>	<u>\$ 23,528</u>

City of Leesburg, Florida

Pension Trust Funds  
 Combining Statement of Revenues, Expenses and Changes in Fund Balances

For the year ended September 30, 1995

(in thousands)

	Pension Trust Funds			Totals	
	Municipal Police Retirement Trust	Municipal Firemen's Retirement Trust	General Employees' Retirement	1995	1994
Revenues:					
Investment income:					
Unrealized increase (decrease) in fair value of investments	\$ 907	\$ 938	\$ 963	\$ 2,808	\$ (664)
Interest and dividend income	(3)	15	688	700	766
Gain (loss) on sale of investments-net	-	-	514	514	101
Total investment income	<u>904</u>	<u>953</u>	<u>2,165</u>	<u>4,022</u>	<u>203</u>
Contributions:					
Employer	-	67	650	717	670
Employee	115	58	-	173	154
State of Florida	94	63	-	157	155
Total contributions	<u>209</u>	<u>188</u>	<u>650</u>	<u>1,047</u>	<u>979</u>
Total revenues	<u>1,113</u>	<u>1,141</u>	<u>2,815</u>	<u>5,069</u>	<u>1,182</u>
Expenses:					
Benefit payments	81	127	367	575	836
Administrative expenses	48	21	147	216	185
Total expenses	<u>129</u>	<u>148</u>	<u>514</u>	<u>791</u>	<u>1,021</u>
Net income (loss)	984	993	2,301	4,278	161
Fund balances, beginning of year	4,002	4,315	13,804	22,121	21,960
Fund balances, end of year	<u>\$ 4,986</u>	<u>\$ 5,308</u>	<u>\$ 16,105</u>	<u>\$ 26,399</u>	<u>\$ 22,121</u>

City of Leesburg, Florida

Fiduciary Fund Types  
 Agency Fund  
 Statement of Changes in Assets and Liabilities

For the year ended September 30, 1995

(in thousands)

	<u>Balance October 1, 1994</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 1995</u>
<b>Assets</b>				
Investments	\$ 1,407	\$ 381	\$ 40	\$ 1,748
Total assets	<u>\$ 1,407</u>	<u>\$ 381</u>	<u>\$ 40</u>	<u>\$ 1,748</u>
<b>Liabilities</b>				
Deferred compensation payable	\$ 1,407	\$ 381	\$ 40	\$ 1,748
Total liabilities	<u>\$ 1,407</u>	<u>\$ 381</u>	<u>\$ 40</u>	<u>\$ 1,748</u>



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### **Account Groups**

Account Groups are used to establish accounting control and accountability for the City's general fixed assets and the unmatured principal of its general long – term debt. These account groups are not funds; they do not reflect available financial resources and related liabilities.

City of Leesburg, Florida

Schedule of General Fixed Assets by Source

(in thousands)

	September 30	
	1995	1994
<b>General fixed assets</b>		
Land	\$ 2,377	\$ 2,464
Building	8,299	8,094
Improvements other than buildings	4,254	5,030
Equipment and vehicles	4,505	5,944
Construction work in progress	2,881	937
Total general fixed assets	<u>\$ 22,316</u>	<u>\$ 22,469</u>
 <b>Investments in general fixed assets</b>		
General obligation bonds and revenue certificates	\$ 4,211	\$ 5,854
Capitalized bond interest	722	29
Capital projects funds:		
Economic development administration grants	430	430
Special improvement fund	-	63
Hospital construction fund	1,894	2,174
Federal, state and local grants	3,084	4,105
General fund revenues	10,401	8,305
Special revenue fund revenues	838	824
Utility revenue fund revenues	30	70
Gifts and other	706	615
Total investment in general fixed assets	<u>\$ 22,316</u>	<u>\$ 22,469</u>

City of Leesburg, Florida

Schedule of General Fixed Assets - By Function and Activity

September 30, 1995

(in thousands)

Function and Activity	Total	Land	Buildings	Improvements Other Than Buildings	Equipment and Vehicles
<b>General and government</b>					
Legislative	\$ 158	\$ 113	\$ 33	\$ -	\$ 12
Executive	37	-	-	-	37
Financial and administrative	512	-	4	102	406
Other general government	2,301	15	2,024	69	193
Total general government	<u>3,008</u>	<u>128</u>	<u>2,061</u>	<u>171</u>	<u>648</u>
<b>Public safety</b>					
Law enforcement	1,251	111	421	81	638
Fire control	1,073	39	285	9	740
Deterrence and correction	-	-	-	-	-
Protective inspection	41	-	-	-	41
Total public safety	<u>2,365</u>	<u>150</u>	<u>706</u>	<u>90</u>	<u>1,419</u>
<b>Physical environment</b>					
	<u>886</u>	<u>55</u>	<u>74</u>	<u>228</u>	<u>529</u>
<b>Transportation</b>					
Roads and streets	655	57	5	112	481
Airport	3,425	537	60	2,783	45
Parking facilities	298	298	-	-	-
Total transportation	<u>4,380</u>	<u>892</u>	<u>65</u>	<u>2,895</u>	<u>526</u>
<b>Economic environment</b>					
	<u>245</u>	<u>245</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Human services</b>					
	<u>1,904</u>	<u>31</u>	<u>1,862</u>	<u>-</u>	<u>11</u>
<b>Culture and recreation</b>					
Community building	690	-	690	-	-
Libraries	1,972	60	899	217	796
Parks and recreation	2,693	705	867	626	495
Cultural services	298	-	275	23	-
Special recreational facilities	449	-	443	2	4
Mote-Morris house	478	111	357	-	11
Other culture and recreation	68	-	-	2	66
Total culture and recreation	<u>6,649</u>	<u>876</u>	<u>3,531</u>	<u>870</u>	<u>1,372</u>
Total by function and activity		<u>\$ 2,377</u>	<u>\$ 8,299</u>	<u>\$ 4,254</u>	<u>\$ 4,505</u>
<b>Construction work in progress</b>					
	<u>2,881</u>				
Total general fixed assets	<u>\$ 22,316</u>				

City of Leesburg, Florida

Schedule of Changes in General Fixed Assets – By Function and Activity

For the year ended September 30, 1995

(in thousands)

Function and Activity	General Fixed Assets October 1, 1994	Additions	Deductions	General Fixed Assets September 30, 1995
<b>General and government</b>				
Legislative	\$ 801	\$ 21	\$ 664	\$ 158
Executive	178	8	149	37
Financial and administrative	505	208	196	512
Other general government	2,262	359	320	2,301
Total general government	<u>3,746</u>	<u>591</u>	<u>1,329</u>	<u>3,008</u>
<b>Public safety</b>				
Law enforcement	1,516	305	570	1,251
Fire control	1,137	435	499	1,073
Detention and correction	5	-	5	-
Protective inspection	37	41	37	41
Total public safety	<u>2,695</u>	<u>781</u>	<u>1,111</u>	<u>2,365</u>
<b>Physical Environment</b>	<u>936</u>	<u>204</u>	<u>254</u>	<u>886</u>
<b>Transportation</b>				
Roads and streets	892	159	396	655
Airport	3,552	202	329	3,425
Parking facilities	37	261	-	298
Total transportation	<u>4,481</u>	<u>622</u>	<u>725</u>	<u>4,378</u>
<b>Economic environment</b>	<u>305</u>	<u>185</u>	<u>245</u>	<u>245</u>
<b>Human services</b>	<u>2,182</u>	<u>8</u>	<u>286</u>	<u>1,904</u>
<b>Culture and recreation</b>				
Community building	418	272	-	690
Libraries	2,200	351	579	1,972
Parks and recreation	3,098	334	739	2,693
Cultural services	319	53	74	298
Special recreational facilities	641	217	409	449
Mote-Morris house	397	2	-	478
Other culture and recreation	114	10	56	68
Total culture and recreation	<u>7,187</u>	<u>1,319</u>	<u>1,857</u>	<u>6,649</u>
Construction work in progress	937	1,944	-	2,881
Total general fixed assets	<u>\$ 22,469</u>	<u>\$ 5,654</u>	<u>\$ 5,807</u>	<u>\$ 22,316</u>

City of Leesburg, Florida

Schedule of General Long-Term Debt

(in thousands)

	September 30	
	<u>1995</u>	<u>1994</u>
<b>Amount available and to be provided for the payment of general long-term debt</b>		
Serial and term bonds – Public improvement revenue bonds and certificates:		
Amount available in debt service fund	\$ 721	\$ 714
Amount to be provided	4,294	4,481
Total serial and term bonds	<u>5,015</u>	<u>5,195</u>
Other long-term liabilities		
Amount to be provided	1,317	799
Total available and to be provided	<u>\$ 6,332</u>	<u>\$ 5,994</u>
General long-term debt payable		
Refunding and capital improvement revenue bonds, Series 1987	\$ 5,015	\$ 5,195
Employee compensation absences payable	1,317	782
Capital lease payable	–	17
Total general long-term debt payable	<u>\$ 6,332</u>	<u>\$ 5,994</u>

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**Statistical Section**

### **Statistical Data**

Statistical data are presented to provide greater detailed information than reported in the preceding 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.

City of Leesburg, Florida

General Governmental Expenditures by Function and Other Uses (1)

Last Ten Fiscal Years

(in thousands)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Public Works</u>	<u>Community Development</u>
1986	\$ 641	\$ 2,491	\$ 336	\$ 710	\$ 56
1987	681	2,616	280	661	323
1988	923	2,794	322	731	28
1989	806	2,932	303	918	85
1990	600	3,392	441	887	131
1991	679	3,725	105	1,528	169
1992	708	4,102	281	1,403	174
1993	756	4,187	241	1,519	180
1994	924	4,446	219	1,321	196
1995	1,053	4,722	457	1,309	208

(1) Includes General, Special Revenue and Debt Service Funds.

Table 1

<u>Human Services</u>	<u>Culture and Recreation</u>	<u>Debt Service</u>	<u>Miscellaneous and Other</u>	<u>Total</u>
\$ 222	\$ 1,300	\$ 316	\$ 346	\$ 6,418
258	1,390	776	385	7,370
332	1,383	447	924	7,884
428	1,538	557	1,222	8,789
441	1,688	524	1,770	9,874
531	1,821	533	1,228	10,319
620	1,877	542	1,168	10,875
619	1,947	562	1,227	11,238
675	2,085	569	1,245	11,680
1,071	2,225	539	1,418	13,002

City of Leesburg, Florida

General Revenues by Source and Other Financing Sources (1)

Last Ten Fiscal Years

(in thousands)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>
1986	\$ 1,176	\$ 127	\$ 1,572	\$ 142
1987	1,309	128	1,973	158
1988	1,937	134	1,893	141
1989	2,132	181	1,591	157
1990	2,635	175	1,917	152
1991	2,503	149	2,014	311
1992	2,930	168	2,121	466
1993	2,924	197	2,129	487
1994	3,114	218	2,292	453
1995	3,287	251	2,618	571

(1) Includes General, Special Revenue and Debt Service Funds.

(2) In 1985, the Ambulance Services and Refuse and Garbage revenues are shown in Enterprise Fund.

Table 2

<u>Fines and Forfeitures</u>	<u>Miscellaneous and Other</u>	<u>Transfers</u>	<u>Total</u>
\$ 157	\$ 379	\$ 3,164	\$ 6,717
160	408	2,917	7,053
158	604	3,366	8,233
166	668	4,014	8,909
214	717	3,994	9,804
207	800	4,386	10,370
187	753	4,857	11,482
146	653	4,896	11,432
172	420	5,341	12,010
189	646	5,586	13,148

City of Leesburg, Florida

Property Tax Levies and Collections

Last Ten Fiscal Years

<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>
1986	\$ 1,183	\$ 1,142	\$ 96.5%	\$ 2
1987	1,318	1,268	96.2%	4
1988	1,453	1,402	96.5%	3
1989	1,514	1,461	96.5%	3
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%	26

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

(2) 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.

\* In thousands



Table 3

	<u>Total Tax Collections *</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes (1)</u>
\$	1,144	96.7%	-
	1,272	96.5%	-
	1,405	96.7%	-
	1,464	96.7%	-
	1,802	95.7%	-
	1,790	94.7%	-
	2,116	97.3%	-
	2,133	98.0%	-
	2,215	96.6%	-
	2,301	97.1%	-

## Assessed Value of Exempt and Taxable Property

## Last Ten Fiscal Years

*(in thousands)*

<u>Fiscal Year</u>	<u>Exempt Assessed Valuation</u>	<u>Real</u>	<u>Personal</u>	<u>Centrally Assessed</u>	<u>Taxable Total</u>	<u>Assessed Valuation</u>
1986	118,761	224,234	73,561	433	398,228	416,989
1987	118,421	247,101	84,595	652	332,348	450,769
1988	121,598	271,482	94,174	716	366,372	487,970
1989	124,250	282,164	98,959	408	381,531	505,781
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

**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.

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 non-agricultural property.

- (2) Estimated actual value is not available.

## Property Tax Rates – All Direct and Overlapping Governments

(Per \$1,000 of Assessed Value)  
Last Ten Fiscal Years

Fiscal Year	City	School District	County	Ambulance District	Northwest Hospital District	Water Conservation Authority	Water Management District	Total
1986	3.967	6.415	3.492	0.226	0.706	0.040	0.318	15.164
1987	3.967	6.608	3.400	0.190	1.000	0.300	0.319	15.784
1988	3.967	7.477	3.400	0.188	1.000	0.350	0.517	16.899
1989	3.967	7.742	3.800	0.223	0.964	0.838	0.281	17.815
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

Computation of Overlapping  
General Obligation Debt (1)

September 30, 1995

(in thousands)

<u>Government Unit</u>	<u>Outstanding</u>	<u>Applicable to the City of Leesburg</u>	
		<u>Percent (2)</u>	<u>Amount</u>
Lake County School District Education Bonds	\$ 6,195	10.03%	\$ 621
Lake County School District Certificates of Participation	25,810	10.03%	2,589

- (1) The City of Leesburg did not have any general obligation debt outstanding during the fiscal year ended September 30, 1995.
- (2) Represents the fraction of assessed valuation of taxable property in the City of Leesburg over assessed valuation of taxable property in Lake County.

Ratio of Annual Debt Service Expenditures  
For General and Special Revenue Bonded Debt to  
Total General Expenditures

Last Ten Fiscal Years

*(in thousands)*

Fiscal Year	Principal (1)	Interest (1)	Total Debt Service (1)	Total General Expenditures (2)	Ratio of Debt Service to Total General Expenditures
1986	87	229	316	5,756	5.48
1987	476	300	776	6,208	12.50
1988	75	403	478	5,613	7.33
1989	159	398	557	7,009	7.95
1990	140	384	524	7,708	6.80
1991	145	378	523	8,568	6.11
1992	150	371	521	9,707	5.36
1993	160	367	527	10,011	5.26
1994	170	353	523	10,435	5.01
1995	180	342	539	11,587	4.65

(1) Includes Refunding and Capital Improvement Revenue Bonds, Series 1987, which are Special Obligation Bonds.

(2) Excludes Operating Transfers Out.

City of Leesburg, Florida

Combined Utility Funds  
Schedule of Revenue Bond Coverage

Last Ten Fiscal Years

(in thousands)

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Operation and Maintenance Costs (1)</u>	<u>Net Revenue</u>
1986	\$ 28,960	\$ 21,105	\$ 7,855
1987	28,429	21,218	7,211
1988	31,677	20,712	10,965
1989	33,523	21,912	11,611
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

(1) Excludes interest expense and depreciation.

Table 8

Debt Service Requirements					
<u>Principal</u>	<u>Interest</u>	<u>Sinking Fund</u>	<u>Total</u>	<u>Coverage</u>	
\$ -	\$ 1,953	\$ 327	\$ 2,280		3.45
-	1,953	323	2,276		3.17
-	1,953	318	2,271		4.83
-	1,896	474	2,790		4.16
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

## Demographic Statistics

## Last Ten Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
1986	14,457	13,889	N/A	7.70%
1987	14,659	14,297	N/A	6.40%
1988	14,743	14,635	N/A	5.60%
1989	14,939	15,975	4,763	6.20%
1990	14,912	16,433	4,795	7.90%
1991	15,174	16,576	4,932	8.90%
1992	15,063	17,074	4,930	10.0%
1993	14,963	N/A	4,975	6.90%
1994	15,005	N/A	4,997	6.60%
1995	15,014	N/A	5,157	N/A

N/A = Not Available.

#### Data Sources

- (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 the County as a whole. No individual figures are available for the City of Leesburg.



## Construction Permits and Values

Last Ten Fiscal Years

Fiscal Year	Commercial Construction (1)		Residential Construction (1)	
	Number of Permits	Value <i>(in thousands)</i>	Number of Units	Value <i>(in thousands)</i>
1986	25	4,376	135	4,357
1987	34	11,742	119	4,801
1988	20	6,875	144	5,166
1989	22	13,566	420	15,751
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

(1) Based on building permits issued by City Department of Building and Zoning Codes. Property values are estimated construction costs. Commercial construction includes all non-residential construction.

## Principal Taxpayers

September 30, 1995

<u>Taxpayers</u>	<u>Type of Business</u>	<u>Assessed Valuation</u> <i>(in thousands)</i>	<u>Percentage of Total Assessed Valuation</u>
Coca-Cola - Foods Division	Citrus processing	\$ 60,215,703	11.44 %
United Telephone of Florida	Telephone	41,900,246	7.96 %
Lake Port Properties	Retirement community	18,723,491	3.56 %
Citizens National Bank	Banking	8,946,376	1.70 %
Wal-Mart Stores	Department Store	6,677,343	1.27 %
Scripps Howard Cable Service	Cable Television	5,090,654	.97 %
Leesburg Daily Commercial	Newspaper Publisher	3,849,232	.73 %
Walling Enterprises	Shopping Center	3,696,856	.70 %
SunBank, N.A.	Banking	3,643,909	.69 %
Leesburg Marketplace, Inc.	Shopping Center	3,551,191	.67 %
Smith Kline Beechum Laboratories	Medical Laboratory	3,172,960	.60 %
Leesburg Associates	Shopping Center	3,867,968	.54 %
Mid-Florida Freezer, Inc.	Warehouse	2,782,706	.53 %
		<u>\$ 159,467,961</u>	<u>30.29 %</u>

City of Leesburg, Florida  
Miscellaneous Statistics  
September 30, 1995

**Table 12**

Miles of Paved Streets	80.1
Number of Street Lights	1,800
Fire Protection:	
Number of Stations	2
Number of Firemen and Officers	30
Police Protection:	
Number of Stations	2
Number of Policemen and Officers	51
Education (Elementary Only): (1)	
Attendance Centers (Public Schools Only)	4
Number of Classrooms	104
Number of Teachers	139
Number of Students	2,162
Municipal Water Department:	
Number of Consumers - Residential	8,696
Average Daily Consumption	298 Gallons
Miles of Water Mains	332
Municipal Gas Department:	
Number of Consumers - Residential	6,992
Average Daily Consumption	.770 therms
Miles of Gas Mains	225
Municipal Electric Department:	
Number of Consumers - Residential	14,219
Average Monthly Consumption	994 kwh
Miles of Primary Electric Lines within the City	365
Wastewater and Sanitary Sewers:	
Sanitary Sewers	146 Miles
Storm Sewer	17.7 Miles
Building Permits Issued	292
Recreation and Culture:	
Number of Parks	9 with 225 Acres
Number of Libraries	1
Number of Volumes	113,608
Total Employees for the City Overall:	
Full-time Employees	361
Part-time Employees	16

(1) Elementary includes grades K through 5.

## Corporate Limits and Annexations

## Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Annexation Acres</u>	<u>Corporate Limits</u>	
		<u>Acres</u>	<u>Square Miles</u>
1986	288.43	6,949.78	10.94
1987	230.25	7,180.03	11.30
1988	62.00	7,242.03	11.32
1989	4.70	7,246.73	11.41
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

**Source**

City of Leesburg; Department of Planning and Zoning Development

## Other Reports Section

Report of Independent Auditors  
on Compliance Related to the  
General Purpose Financial Statements

Honorable City Commissioners  
City of Leesburg, Florida

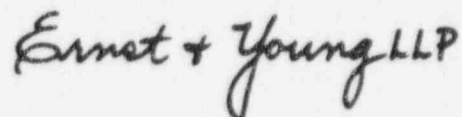
We have audited the general purpose financial statements of the City of Leesburg, Florida as of and for the year ended September 30, 1995, and have issued our report thereon dated December 27, 1995.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Leesburg, Florida, is the responsibility of City of Leesburg, Florida's, management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City of Leesburg, Florida's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended for the information of management, the City Commission, and agencies providing state and federal financial assistance. However, this report is a matter of public record and its distribution is not limited.



December 27, 1995

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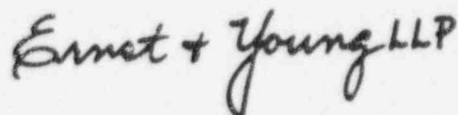
Report of Independent Auditors  
on Supplementary Information  
Schedule of Federal Financial Assistance

Honorable City Commissioners  
City of Leesburg, Florida

We have audited the general purpose financial statements of the City of Leesburg, Florida as of and for the year ended September 30, 1995, and have issued our report thereon dated December 27, 1995. These general purpose financial statements are the responsibility of City of Leesburg, Florida's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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.

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 accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



December 27, 1995



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City of Leesburg, Florida

Schedule of Federal Financial Assistance

For the fiscal year ended September 30, 1995

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<b>Major Program</b>			
<b>Department of Housing and Urban Development</b>			
Section 8 Existing Housing Certificate Program	14.156	\$ 354,496	\$ 354,496
Section 8 Housing Voucher Program	14.156	355,945	355,945
Community Development Block Grant	14.219	328,890	328,890
Total Department of Housing and Urban Development		<u>1,039,331</u>	<u>1,039,331</u>
 <b>Non-major Programs</b>			
Pass-through the Florida Department of State Division of Library Information Services	84.034	3,750	3,750
Department of Community Affairs, Florida Housing and Finance Agency (HOME)	-	26,664	24,436
Community Development Block Grant Loan Program	-	1,821	-
Department of Management Services Bureau of Surplus Property *	-	19,545	5,982
Total Federal Financial Assistance		<u>\$1,091,020</u>	<u>\$1,073,499</u>

\* The Department of Management Services Bureau of Surplus Property requires revenues of 23.3% of the acquisition cost to be reported on the Schedule of Federal Financial Assistance. Reported expenditures indicate the actual purchase price of the property. No cash was received by the City.

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**Report of Independent Auditors  
on Compliance with the Specific Requirements  
Applicable to Major Federal Financial Assistance Programs**

Honorable City Commissioners  
City of Leesburg, Florida

We have audited the general purpose financial statements of the City of Leesburg, Florida as of and for the year ended September 30, 1995, and have issued our report thereon dated December 27, 1995.

We also have audited the City of Leesburg, Florida's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and provisions; and claims for advances and reimbursements that are applicable to its major federal financial assistance program, which is identified in the accompanying schedule of federal financial assistance, for the year ended September 30, 1995. The management of the City of Leesburg, Florida is responsible for the City of Leesburg, Florida's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of Leesburg, Florida's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed an immaterial instance of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings and questioned costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of Leesburg, Florida complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and provisions; and claims for advances and reimbursements that are applicable to its major federal financial assistance program for the year ended September 30, 1995.

This report is intended for the information of agencies providing federal financial assistance and management. However, this report is a matter of public record and its distribution is not limited.

*Ernst + Young LLP*

December 27, 1995

City of Leesburg

Schedule of Findings and Questioned Costs

Year ended September 30, 1995

<b>Compliance Requirement</b>	<b>Finding</b>	<b>Questioned Cost</b>
Community Development block Grant – Three Day Disbursement Rule	During the year ended September 30, 1995, we noted a time period in which the City had in excess of \$5,000 of grant money on hand for a period of greater than three days. The grant stipulates that the City may maintain a \$5,000 cash balance, however, all other funds must be expended within three working days of their receipt. We noted an instance where the city received and deposited a draw of \$157,668 on September 25, 1995 and September 30, 1995 the City still retained \$109,583 in its CDBG account. These funds were not returned to the Department of Community Affairs, but were disbursed at a later date.	-

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Report of Independent Auditors  
on Compliance with the General Requirements  
Applicable to Federal Financial Assistance Programs

Honorable City Commissioners  
City of Leesburg, Florida

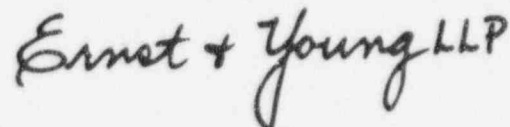
We have audited the general purpose financial statements of the City of Leesburg, Florida as of and for the year ended September 30, 1995, and have issued our report thereon dated December 27, 1995.

We have applied procedures to test the City of Leesburg, Florida's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended September 30, 1995: Political activity, civil rights, cash management, federal financial reports, drug-free workplace, allowable cost/cost principles, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Leesburg, Florida's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Leesburg, Florida, had not complied, in all material respects, with those requirements.

This report is intended for the information of agencies providing federal financial assistance, the City Commission, and management. However, this report is a matter of public record and its distribution is not limited.



December 27, 1995



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Report of Independent Certified Public Accountants  
on Internal Control Structure Used in Administering  
Federal Financial Assistance Programs

Honorable City Commissioners  
City of Leesburg, Florida

We have audited the general purpose financial statements of the City of Leesburg, Florida as of and for the year ended September 30, 1995, and have issued our report thereon dated December 27, 1995. We have also audited the City of Leesburg, Florida's compliance with requirements applicable to its major federal financial assistance program and have issued our report thereon dated December 27, 1995.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the City of Leesburg, Florida complied with laws and regulations, noncompliance with which would be material to its major federal financial assistance program.

In planning and performing our audits for the year ended September 30, 1995, we considered the City of Leesburg, Florida's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of City of Leesburg, Florida and on its compliance with requirements applicable to its major program and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 27, 1995.

The management of the City of Leesburg, Florida is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in conformity with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations.

Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

#### **Administrative Controls**

#### **Internal Accounting Controls**

##### *General Requirements*

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Drug-free Workplace Act
- Allowable cost/cost principles
- Administrative requirements

- Cash Receipts
- Cash Disbursements
- Payroll

##### *Specific Requirements*

- Types of services
- Eligibility of participants
- Reporting
- Special tests and provisions
- Claims for advances and reimbursement

For all the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1995, the City of Leesburg, Florida expended 97% of its total federal financial assistance under one major federal financial assistance program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements and general requirements, that are applicable to the City of Leesburg, Florida's major federal financial assistance program, which is identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance programs would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted other matters involving the internal control structure and its operation that we have reported to the management of the City of Leesburg, Florida in a separate letter dated December 27, 1995.

This report is intended for the information of agencies providing federal financial assistance and management. However, this report is a matter of public record and its distribution is not limited.

December 27, 1995

*Ernst & Young LLP*

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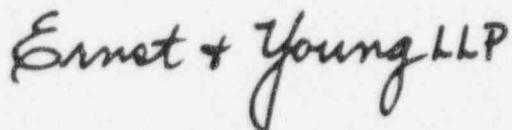
Report of Independent Auditors  
on Supplementary Information  
Schedule of State Financial Assistance

Honorable City Commissioners  
City of Leesburg, Florida

We have audited the general purpose financial statements of the City of Leesburg, Florida as of and for the year ended September 30, 1995, and have issued our report thereon dated December 27, 1995. These general purpose financial statements are the responsibility of City of Leesburg, Florida's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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.

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 accompanying Schedule of State Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



December 27, 1995

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City of Leesburg, Florida

Schedule of State Financial Assistance

For the fiscal year ended September 30, 1995

State Grantor	Grant Number	State Revenues	Expenditures
Florida Department of Community Affairs – Emergency Management	95-EO-4V-06-45-02-010	\$ 24,707	\$ 85,737
Recycling and Education Grant	N/A	18,794	18,794
Florida Division of Historical Resources: Historic Preservation Grants: Mote – Morris House Interior Restoration	B1001 SC-53	108,000	93,102
Florida Department of Commerce, Division of Tourism	N/A	2,500	5,000
Total State Assistance		<u>\$154,001</u>	<u>\$202,633</u>

N/A = Not Available



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Report of Independent Auditors  
on Compliance with Requirements of  
State Financial Assistance Programs

Honorable Mayor and City Commissioners  
City of Leesburg, Florida

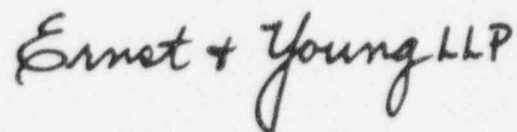
We have audited the general purpose financial statements of the City of Leesburg, Florida, as of and for the year ended September 30, 1995, and have issued our report thereon dated December 27, 1995.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement.

Compliance with laws and regulations related to state financial assistance programs of the City of Leesburg, Florida is the responsibility of City of Leesburg, Florida's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of City of Leesburg, Florida's compliance with certain provisions of laws and regulations, related to state financial assistance programs. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended for the information of the City Commission, management and agencies providing state financial assistance. However, this report is a matter of public record and its distribution is not limited.



December 27, 1995

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