

the City of
Mount Dora

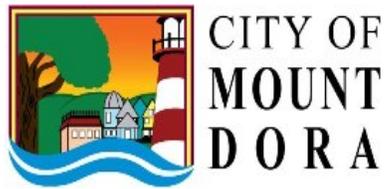
F L O R I D A

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

for the fiscal year ending SEPTEMBER 30



This page left intentionally blank



INTRODUCTORY SECTION

**CITY OF MOUNT DORA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2013**

MAYOR/CITY COUNCIL

MAYOR

Catherine T. Hoechst

COUNCIL MEMBERS

Ryan Donovan, Vice-Mayor

Nick Girone

Robert Maraio

Ed Rowlett

Michael Teddder

Dennis R. Wood

CITY MANAGER

Michael Quinn

PREPARED BY THE FINANCE DEPARTMENT STAFF

Mike Sheppard, Finance Director

Sheila Hayes, Finance Manager

Robert Brekelbaum, CPA, Budget/Utility Analyst

Virginia Caverly, Accounting Technician II

Lin Wyss, Accounting Technician II

AUDITORS

Purvis, Gray and Company

MAYOR/CITY COUNCIL



Catherine T. Hoechst
Mayor



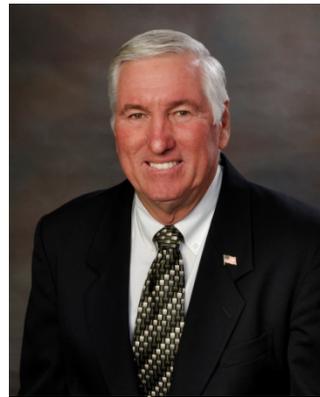
Ryan Donovan
Vice-Mayor/District 1



Nick Girone
Council Member
Member at Large



Robert Maraio
Council Member
District 2



Ed Rowlett
Council Member
District 3



Michael Tedder
Council Member
Member at Large



Dennis R. Wood
Council Member
District 4

**CITY OF MOUNT DORA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED SEPTEMBER 30, 2013**

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Listing and Photos of Mayor and City Council i-ii
 Table of Contents..... iii-v
 Letter of Transmittal vi-xii
 Certificate of Achievement for Excellence in Financial Reporting xiii
 Organization Chart..... xiv

II. FINANCIAL SECTION

Report of Independent Certified Public Accountants..... 1-3

Management’s Discussion and Analysis 4-13

Basic Financial Statements

Statement of Net Position14
 Statement of Activities.....15
 Balance Sheet - All Governmental Funds16
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position17
 Statement of Revenues, Expenditures, and Changes in Fund
 Balances - All Governmental Funds.....18
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Position19
 Statement of Net Position - Proprietary Funds 20-21
 Statement of Revenues, Expenses, and Changes in Net Fund Position- Proprietary Funds.....22
 Statement of Cash Flows - Proprietary Funds..... 23-24
 Statement of Fiduciary Net Position - Pension Trust Funds.....25
 Statement of Changes in Fiduciary Net Position - Pension Trust Funds26
 Notes to Financial Statements 27-59

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund
 Balance - Budget to Actual - Major Fund - General Fund 60-63
 Schedule of Revenues, Expenditures, and Changes in Fund
 Balance - Budget to Actual - Major Fund - Community
 Redevelopment Agency Fund64
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget to Actual - Major Fund - Northeast Redevelopment Fund..... 65
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget to Actual - Major Fund – Public Services Tax Fund..... 66
 Schedule of Funding Progress - General Employees’ Retirement Fund,
 Police Officers’ Retirement Fund, and Firefighters’ Retirement Fund67
 Schedules of Contributions from Employer and Others..... 68
 OPEB Schedule of Funding Progress and Contributions from Employer..... 69

**CITY OF MOUNT DORA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED SEPTEMBER 30, 2013**

**TABLE OF CONTENTS
 (Continued)**

II. FINANCIAL SECTION - (Concluded)

Other Supplemental Information

Combining Balance Sheet - Nonmajor Governmental Funds	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	71
Budget to Actual Comparison - Nonmajor Funds:	
Building Inspection Fund.....	72
Law Enforcement Fund.....	73
Debt Service Fund	74
Discretionary Sales Tax Capital Projects Fund.....	75
Other Capital Projects Fund	76
Budget to Actual Comparison - Major Fund - Impact Fees Capital Projects Fund	77
Combining Statement of Net Position – Internal Service Funds.....	78
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds.....	79
Combining Statement of Cash Flows – Internal Service Funds.....	80

III. STATISTICAL SECTION (UNAUDITED)

Table of Contents.....	81
Net Position by Component	82
Changes in Net Position	83-86
Fund Balances - Governmental Funds.....	87
Changes in Fund Balances - Governmental Funds.....	88
Assessed Value and Actual Value of Taxable Property	89
Direct and Overlapping Property Tax Rates.....	90
Principal Property Taxpayers	91-92
Property Tax Levies and Collections	93
Principal Electrical Customers	94-95
Principal Water Customers.....	96-97
Ratios of General Bonded Outstanding Debt by Type	98
Direct and Overlapping Governmental Activities Debt	99
Pledged Revenue Coverage – Utilities Bonds	100
Pledged Revenue Coverage – Capital Improvement Bonds	101
Demographic and Economic Statistics	102
Principal Employers	103
Full Time Equivalent Employees by Function/Program.....	104-105
Capital Asset Statistics by Function/Program.....	106
Operating Indicators by Function/Program	107-108

**CITY OF MOUNT DORA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2013**

**TABLE OF CONTENTS
(Concluded)**

**IV. ADDITIONAL ELEMENTS OF REPORT PREPARED IN ACCORDANCE
WITH THE PROVISIONS OF GOVERNMENT AUDITING STANDARDS
AND THE RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA**

Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	109-110
Independent Auditor’s Management Letter	111-112
Independent Auditor’s Management Letter Comments.....	113-114
The City’s Response to Management Letter comments	115



**CITY OF
MOUNT
DORA**

OFFICE OF THE CITY MANAGER

City Hall
510 N. Baker St.
Mount Dora, FL 32757

Office of the City Manager
352-735-7126
Fax: 352-735-4801

Finance Department
352-735-7118
Fax: 352-735-1406

Human Resources
352-735-7106
Fax: 352-735-9457

Planning and Development
352-735-7112
Fax: 352-735-7191

City Hall Annex
900 N. Donnelly St.
Mount Dora, FL 32757

Parks and Recreation
352-735-7183
Fax: 352-735-3681

Public Safety Complex
1300 N. Donnelly St.
Mount Dora, FL 32757

Police Department
352-735-7130
Fax: 352-383-4623

Fire Department
352-735-7140
Fax: 352-383-0881

Public Works Complex
1250 N. Highland St.
Mount Dora, FL 32757
352-735-7151
Alt. Tel: 352-735-7105
Fax: 352-735-1539
Alt. Fax: 352-735-2892

W. T. Bland Public Library
1995 N. Donnelly St.
Mount Dora, FL 32757
352-735-7180
Fax: 352-735-0074

Website:
www.cityofmountdora.com

To the Honorable Mayor and Members of City Council

The State of Florida requires that every general-purpose local government publish within twelve months of the close of each fiscal year a complete set of audited financial statements. The Comprehensive Annual Financial Report (CAFR) of the City of Mount Dora, Florida, is hereby submitted to fulfill that requirement for the fiscal year ended September 30, 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The information is presented in a manner designed to fairly set forth the financial position and the results of operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Purvis, Gray and Company, Certified Public Accountants, have issued an unmodified ("Clean") opinion on the City's financial statements for the year ended September 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City and Government

In 1880, the City was established, and first named Royellou after the children of one of the City's pioneers. On March 25, 1910, it was incorporated as a town and changed its name to correspond to the adjoining lake and the fact that the City sits on a plateau 184 feet above sea level with the second highest elevation in the state. The town was incorporated as a city on April 23, 1953. The City is located in Central Florida, approximately 25 miles northwest of Orlando. The City consists of over 11 square miles and has the flavor of a small town with hilly terrain, several lakes, a large canopy of oak trees and many historic buildings. The readers of *Florida Living Magazine* have recognized Mount Dora as Florida's friendliest small town and as having the best antique shopping

area in the State. In 2012, TopRetirement.com named Mount Dora as the “prettiest town in Florida”. Mount Dora is also known as “The Festival City,” hosting major special events, which attract hundreds of thousands of visitors annually.

The City of Mount Dora is empowered by the State to levy a property tax on both real and personal property within its boundaries. It is also empowered by State Statute to extend its corporate limits by annexation, which it has done from time to time. The City has entered into a Joint Planning Agreement with Lake County which defines the future City limits and the type of land uses that will be utilized in areas annexed in the future.

The City Charter provides for a Council/Manager form of government. Policy-making and legislative authority is vested in a City Council consisting of the Mayor, two Council Members elected at large, and four Council Members elected on a district basis. The elected officials are elected every two years on a staggered term and non-partisan basis. The City Council appoints the City Manager, who is responsible for supervising the daily operations and appoints the department heads. The staff is arranged into nine departments: Public Works and Utilities, Police, Fire, Parks and Recreation, Library Services, Planning and Development, Finance, Human Resources and Legal, each run by a professional from the appropriate field.

The City provides a full range of services, including police and fire protection, maintenance of roads and sidewalks, construction and maintenance of infrastructure, recreational, library and other cultural activities. Certain utility services are provided through legally-separated enterprise funds, including electric, water and wastewater, sanitation, stormwater and cemetery. These funds are included in the financial statements. The Community Redevelopment Agency (CRA) and the Northeast Community Redevelopment Agency (NECRA) are considered component units and are included in the City’s financial statements as Major Funds.

Local Economic Conditions

Mount Dora is at the border of the growth spreading from the Orlando-Metro (Orange County) area. Lake County shares its eastern border with Orange County, and the southern portion of Lake County. The City has approved housing developments in its joint planning area (JPA) that will almost double the effective population of the City when the current approved projects are completed. There will be continued annexation to expand the City limits within the JPA areas. In addition to residential growth in Mount Dora, commercial growth along U.S. 441 has expanded with major chain retailers and restaurants that depend on larger populations for their success. The general slowdown in the residential housing market has impacted the City less than surrounding communities. In addition, the City has seen a recent increase in residential

development that has increased building permits and impact fees. Specific economic conditions affecting the City's financial position are discussed in greater detail in the MD&A in this report.

For several years, Lake County's unemployment numbers have been higher than the State of Florida and the United States. This year, the rate has been reduced and is now below the Florida rates, which is helping the local economic recovery. Although foreclosures in the City have not been as high as some of the surrounding areas, but the number of potential foreclosures still remains high. Housing prices have stabilized and are starting to slowly increase as well as, the related ad valorem taxes. Vacancies in the downtown area have stabilized and are lower than levels experienced in other communities. Overall, these factors have presented a challenge to the City in trying to prepare a balanced budget. Although future revenues will be increasing, there is a need to address various budget items that were eliminated or reduced during the recession.

Relevant Financial Policies

During the fiscal year, the City Council adopted a Five Year Capital Improvement Program outlining the capital improvements for all funds. This is the seventh straight year that a formal plan has been adopted. The proposed first year's capital projects in the program were included in the 2013-14 Budget. This program was written in compliance with the City's Reserve, Debt Management, Capital Asset, and Investment Policies. These policies were written as part of an overall program to outline the City's financial strategy to meet its current and future obligations. The Vehicle Replacement Program was funded for the sixth year but only seven pieces of equipment will be replaced for a total of \$337,500. Approximately one-third of the fleet has been replaced in the last five years. The City's Debt Management and Investment Policies were updated in 2011. In 2010, the Debt Management Policy was expanded to allow long-term inter-fund borrowing in order to reduce loans from outside sources and interest expense. This Policy provides strict guidelines where inter-fund loans can be made with specific approval by the City Council.

Major Initiatives and Accomplishments

While the MD&A section that follows, and other supplementary information contained in this report will provide highlights and review financial performance during the reporting period, the following list of major initiatives and accomplishments, which were completed in fiscal year 2013, is provided as a background to the financial results:

During 2012-13:

- The City and its residents worked on an extensive visioning project to determine near, mid and long-term goals for the City to protect its current charm and pave the way for economic vitality. Based upon this plan, many projects were prioritized and became part of the City's five-year Capital Improvement Plan.
- The City completed construction of a series of projects to enhance its various tourist attraction/recreation facilities. These projects include the 4th Ave. docks at \$590,000, development of the Recreation & Nature Park at \$530,000, as well as the replacement of the well-known Palm Island Boardwalk for \$1,160,000.
- Redevelopment funds were used to complete the expansion of the downtown garage for \$212,000 and to virtually complete the Downtown Streetscape Phase I for over \$4.3 million.. Also, a new park in the northeast part of the City was developed at \$239,000.
- The Water and Wastewater Department continued their program of upgrading the existing utility system by spending over \$4.2 million dollars acquiring right-of-way for future development, wells for the new East Water Plant and the start of construction of the plant. It is not surprising that the Water Division has been recognized by the American Water Works Association with an award for excellence in water conservation.
- The repair of the Dogwood Mountain Drainage System was completed at a cost of over \$425,000.

It is the responsibility of the City Manager to carry out the mandates and enforce the policies of the City Council within the budget established by City Council. In order to fulfill these duties, the Manager has a dedicated staff. These department heads, along with the City Attorney, comprise the management team. The City Manager relies on the expertise of the management team to ensure that the goals and needs of the City are met efficiently and effectively.

Long-term Financial Planning

During 2011, the City conducted an extensive long-term visioning project with citizens, business people and other stakeholders to review the strengths and weaknesses of the community. Looking to maintaining the character and charm of the city that is so well known, the visioning project looked to set goals and define major capital projects for the next twenty to thirty years. In October 2011, the City Council adopted the plan.

The City of Mount Dora has developed methodology to manage its long-term financial plan. During the last nine years, the City Council has adopted or revised the Reserve, Debt Management, Purchasing, Investment, Capital Asset Management, Vehicle Replacement and Budget Policies. Annually, the City Council along with the City Manager review the programs, services and the future capital needs of the City in order to meet the future growth and maintain the current level of service and quality of life. The Five-year Capital Improvement Program is then developed to address the priority of the projects and how to fund the projects within the City's available resources. Afterwards, this is incorporated into the budgeting process. Annually, the City Manager develops a work plan in conjunction with the City Council and Department Heads to accomplish the goals of the City. Quarterly reports provide updates on the status of the work plan and capital projects.

Financial Reporting Standards

Our initiatives and accomplishments are possible only in an environment where the resources provided by our citizens, and the use of those resources, are carefully measured, documented and monitored at all times. The trust of our citizens to protect the resources they provide and the use of these resources appropriately is a critical component of effective government.

For this reason, the City Charter requires an annual audit of the books, accounts, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. The accounting firm of Purvis, Gray and Company was selected by the City Council, and their report on the basic financial statements is included in the financial section of this report. The audit process includes a thorough examination of the records of the Finance Department, independent verification of transactions, review of bank statements and other original documents, and analysis of account balances and activities.

In addition to the detailed audit performed by an independent auditor, annually the City submits the completed CAFR to the Government Finance Officers Association of the United States and Canada (GFOA) as part of their awards program.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2012. This was the nineteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement program's requirements, and we will be submitting it to the GFOA to determine its eligibility for another certificate.

Internal Control System

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

In developing and evaluating the City's accounting systems, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- The safeguarding of assets against loss from unauthorized use or disposition.
- The reliability of financial reports for preparing financial statements and maintaining accountability of assets.

The concept of "reasonable assurance" recognizes that:

- The cost of a control should not exceed the benefits likely to be derived.
- The evaluation of the costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. It is understood, however, that no system of controls can prevent all errors or fraud in all situations. We believe, however, that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of Federal, State and County financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the City's management.

Budget Controls

Budgetary control is a management function and is accomplished through the integration of budgetary and financial accounting. Budgeting is considered to be both a planning and control tool. As a planning tool, the budget is an estimate of proposed expenditures and the proposed means of financing those expenditures for the fiscal year. Budgetary control is accomplished through monthly and annual comparison of actual and estimated expenditures. Other controls to insure budgetary compliance include purchasing authorization controls, automatic controls imposed by the accounting system, electronic and signature authorizations and other policies and procedures designed to monitor and restrict outlays to only those approved by the budget.

Acknowledgements

The financial report that follows details the financial results of 2012-13's activities and reports an overall improvement in our financial position since the prior year. Continued planning, efficient and cost-effective operations and responsible financial management has positioned the City to meet the challenge of providing appropriate and quality services at the lowest possible cost to current and future citizens.

The preparation of this report could not be accomplished without the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, appreciation is extended to the Mayor and City Council members for their continued commitment to the highest ethical standards in financial reporting and disclosure, and their support and encouragement for management and staff.

I hope you will review these statements and let me know if you have any questions regarding the information contained herein.

Sincerely,



Michael Quinn, City Manager
March 6, 2014



Government Finance Officers Association

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

Presented to

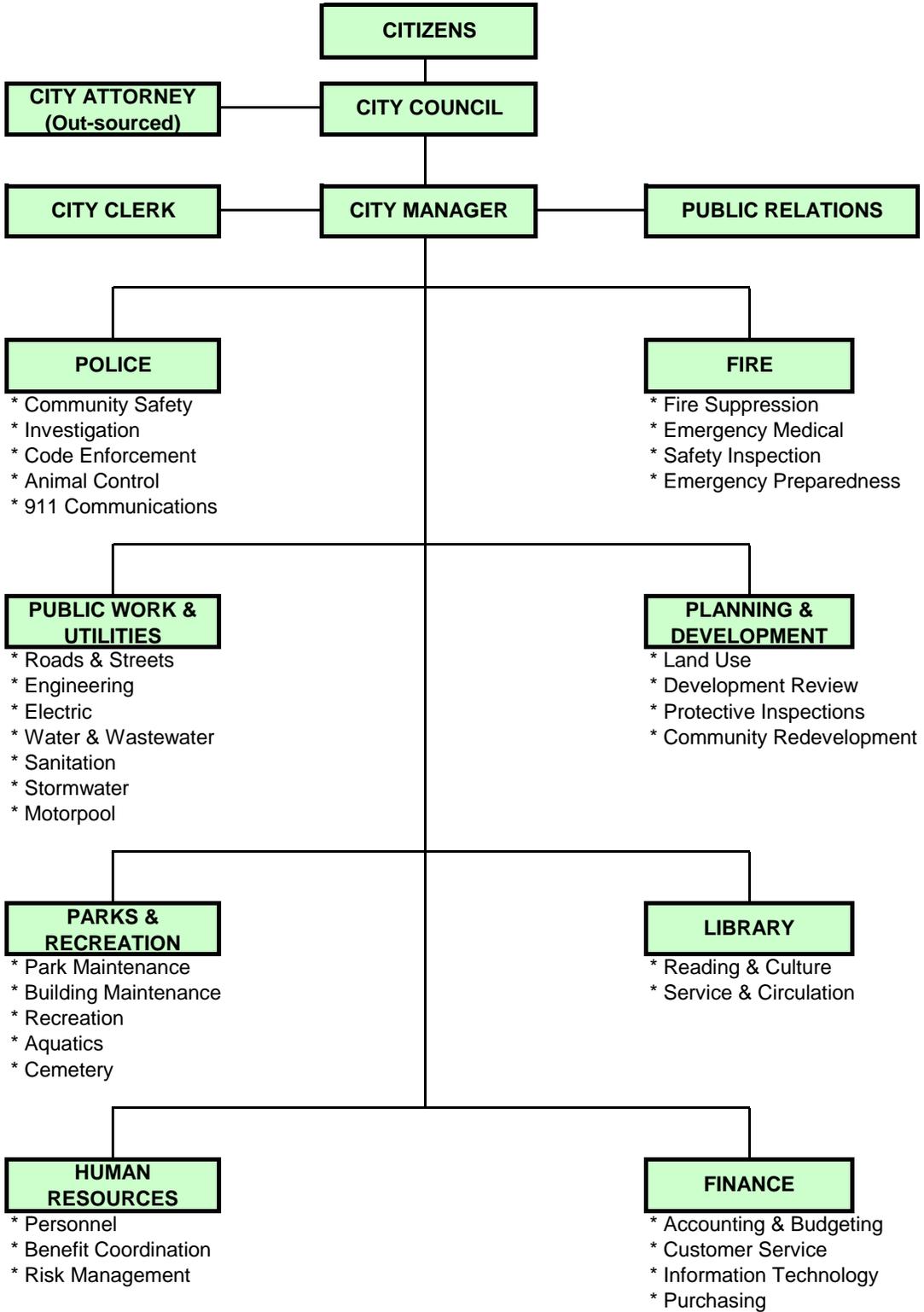
**City of Mount Dora
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

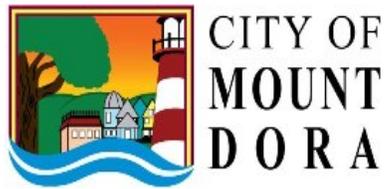
September 30, 2012

Executive Director/CEO

**CITY OF MOUNT DORA
ORGANIZATIONAL CHART
FY 2012-13**



This page left intentionally blank



FINANCIAL SECTION

This section contains the following subsections:

**Report Independent Certified Public Accountants
Management's Discussion and Analysis
Basic Financial Statements**

**Notes to Financial Statements
Required Supplementary Information
Other Supplemental Information**

This page left intentionally blank



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Mount Dora
Mount Dora, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Dora, Florida (the City) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Mayor and Members of the City Council
City of Mount Dora
Mount Dora, Florida

INDEPENDENT AUDITORS' REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 15 to the financial statements, in 2013 the City early adopted Governmental Accounting Standards Board No. 65, *Items Previously Reported as Assets and Liabilities*. The adoption of this standard required a restatement of all prior periods presented. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

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

Honorable Mayor and Members of the City Council
City of Mount Dora
Mount Dora, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Matters (Concluded)

Other Information (Concluded)

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the City's internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

March 5, 2014
Ocala, Florida

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2013

Management's Discussion and Analysis

The readers of the City of Mount Dora's financial statements are provided with this narrative overview and analysis of the financial activities by management. We encourage readers to consider the information presented here in conjunction with additional information in this report.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Mount Dora's basic financial statements prepared in compliance with the pronouncements of the Governmental Accounting Standards Board. The City's basic financial statements are comprised of three separate components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the City's assets, liabilities and deferred inflows/outflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recently completed fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include General Government, Police, Fire, Transportation, Planning, Community Redevelopment, Library, Recreation, Facilities and Parks Maintenance. The business-type activities of the City include electric, water and wastewater, sanitation, stormwater and the cemetery operations. The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements - A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary or business-type funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2013
Management's Discussion and Analysis (Continued)

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund Balance Sheet as well as in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. The Changes in Fund Balances are for the General Fund, the Community Redevelopment Agency, the Northeast Community Redevelopment Agency, Public Services Tax Fund and the Impact Fees Capital Projects Fund, which are shown as major funds (statements on pages 16 and 18). The City has elected to treat the two redevelopment funds as major funds for presentation reasons, although they do not meet all the criteria of a major fund. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General, Special Revenue, Debt and Capital Funds. Budgetary comparison schedules have been provided for the General Fund and any major Special Revenue Fund to demonstrate compliance with the budget and are presented as required supplemental information. Debt Service, Capital Projects and non-major special revenue budgetary comparison schedules demonstrate compliance with the budget and are presented as other supplemental information

Proprietary Funds - The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water and wastewater, sanitation, stormwater and cemetery operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet maintenance operations, vehicle replacement and self insurance (health) programs.

Because services accounted for in the internal service fund are charged back to the appropriate fund based on services provided, its activities are already included in the financial statements of the governmental and business-type funds as presented. Individual fund data for the internal service fund is provided in the proprietary fund financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water and Wastewater, Sanitation, Stormwater and Cemetery Funds. The five funds are considered major funds by the City. The proprietary fund financial statements can be found on pages 19 through 23 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support City programs. The accounting practices used for fiduciary funds are much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 25 and 26 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential in order to obtain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 59 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 60 through 69 of this report.

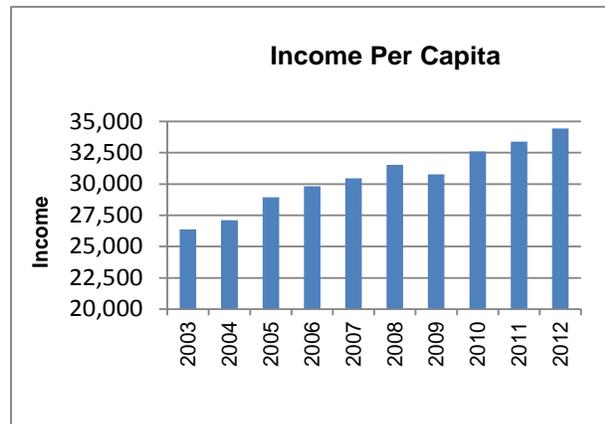
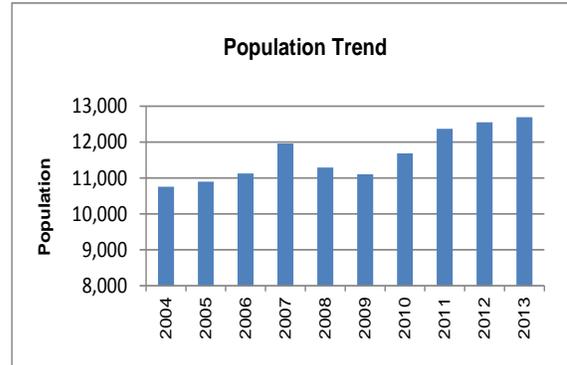
The combined statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 70 through 80 of this report.

**Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2013
Management’s Discussion and Analysis (Continued)**

Economic Factors Affecting Financial Operations

In reviewing the City’s financial position and results of operations, it is important to consider the economic environment present during the reporting period as well. This information is important in understanding the context of the financial decisions that have been made.

The City of Mount Dora is a smaller city located in Lake County bordering U.S. 441, approximately 25 miles northwest of Orlando, Florida. Incorporated as a city in 1910, Mount Dora now encompasses 11 square miles of land and waterways and continues to grow in size due to annexation. The City’s population has increased from 9,418 in 2000 to 12,693 in 2013, with a seasonal population increase in the winter months. The current year’s population growth reflected slower growth rates, and smaller than the state’s rate. Due to seasonal and daily visitors, the demand on City services is higher than what a more rural city of the same size would experience. Current authorized development as indicated by the number of approved projects would forecast that a significant jump in population will take place over the next twenty years, but the slowdown in the housing market has extended the construction period for many of these developments.



Large-scale population growth, with its increased demand on city services, as well as job growth is eventually expected, Lake County’s September 30, 2013 unemployment rate of 6.9%, (which is 2.0% lower than last year), is now below the state rate of 8.7% for the first time since the recession.

The per capita personal income in Lake County for 2012 was \$34,442, compared to \$26,389 in 2003, and is slightly higher than last year’s \$33,398. Future increases in income in Lake County will rely on the ability of its residents to take advantage of business and employment opportunities related to the Metro-Orlando area, and the extent to which Lake County’s economy recovers. Bridging the gap is the start of construction of an

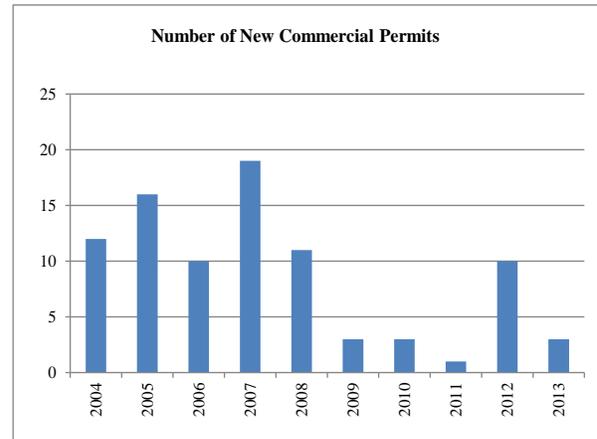
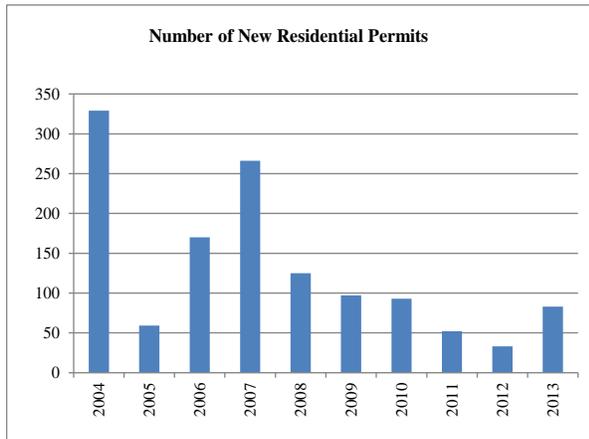
expressway between the I-4 corridor in northern Orange County, through the Wekiva area, to Mount Dora’s doorstep at SR 46 and will make commuting from Mount Dora the obvious choice.

As citizens move to Lake County to avoid the high cost of home ownership in Orange County, while continuing to commute to Orlando for higher paying jobs, the 441 corridor is becoming increasingly more congested. In 2009, the Department of Transportation’s U.S. Highway 441 Road Widening project was completed to reduce congestion. The next segment of the project is currently being planned.

Permit issuance for new residential development spiked in 2004 (see chart below), and has started to rebound from the housing downturn. The value of the permits issued is about 7.5% greater than the prior five year average dollar value. Planned developments within the City’s service area could increase the population by 50% or more within the next twenty years.

In order to sustain the City’s economic health, commercial development is an important consideration. As the graph below illustrates, the number of permits for commercial development has been insignificant since 2007. The number of permits and the value of new commercial construction decreased to \$2,794,000 last year from the \$4,959,385 the previous year, and is about two-thirds of the average value for the last five years. Several commercial development projects are planned, but none in the magnitude needed to significantly increase revenues or the tax base.

**Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2013
Management's Discussion and Analysis (Continued)**



The slowdown in growth has allowed the City time to catch-up on infrastructure projects, but has not provided the needed additional capital money. Fortunately, funds dedicated to capital projects have been sufficient to continue infrastructure improvements and upgrades. Much of the future demand for new non-utility services will impact the General Fund, where the City has the least flexibility to implement alternative revenue-generating activities. Most of the major capital projects will be in the CRA, Water & Wastewater and Stormwater Funds.

The City has increased the tax millage rate from 5.3891 mills in 2012 to 5.6667 mills in 2013, but it is still below the 6.1810 mills in 2004. While the local economy appears to have stabilized to some extent, growth and recovery will be dependent on the local housing market and the state's economy.

Condensed Financial Information – Government-wide

Reviewing the changes in assets, liabilities, and net position during the fiscal period allows the reader to assess the City's current financial position and the results of operations for the last year. The following condensed information includes some of the basic data used to measure the City's progress over the past two years.

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and Other	\$ 11,048,527	\$ 10,927,565	\$ 17,204,400	\$ 16,398,347	\$ 28,252,927	\$ 27,325,912
Capital	43,612,655	40,498,104	43,148,733	39,856,522	86,761,388	80,354,626
Total Assets	54,661,182	51,425,669	60,353,133	56,254,869	115,014,315	107,680,538
Deferred Outflow on Interest Rate Swap	-	-	691,428	959,263	691,428	959,263
Liabilities						
Current and Other	1,538,377	1,300,925	6,700,204	3,520,328	8,238,581	4,821,253
Long Term Outstanding:						
Due within one year	1,158,917	664,170	626,654	585,136	1,785,571	1,249,306
Due in more than one year	6,457,129	4,531,358	7,080,118	7,556,830	13,537,247	12,088,188
Total Liabilities	9,154,423	6,496,453	14,406,976	11,662,294	23,561,399	18,158,747
Net Position						
Net Investment in						
Capital Assets	37,977,455	37,109,503	36,021,284	32,242,768	73,998,739	69,352,271
Restricted	4,446,851	3,895,130	3,256,639	3,948,652	7,703,490	7,843,782
Unrestricted	3,082,453	3,924,583	7,359,662	9,360,418	10,442,115	13,285,001
Total Net Position	\$ 45,506,759	\$ 44,929,216	\$ 46,637,585	\$ 45,551,838	\$ 92,144,344	\$ 90,481,054

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2013
Management's Discussion and Analysis (Continued)

Assets – For the second year in a row, the Government-wide Assets increased from the prior year to a total balance at year-end of \$115.0 million. This year's increase was \$7,333,777 versus a \$558,378 improvement for the prior year. The \$927,000 increase in Current and Other Assets was primarily due to more utility impact fees being collected, which are used for capital investments. Due from Other Funds decreased by over \$280,000, because the Discretionary Sales Tax Fund repaid the remainder of the loan of \$205,000 from the General Fund. Gross Capital Assets increased by \$7.3 million as Business-type Activities increased by almost \$3.3 million after depreciation. In addition to the regular capital projects, the East Water Plant started construction and the Enterprise portion of the Downtown Streetscape was almost completed. This latter project contributed to the Governmental Activities Capital increase of \$3.2 million in addition to three other major projects being completed. Capital Assets (e.g., land, buildings, machinery, and equipment) consist of approximately 75% of the Total Assets.

Liabilities - Total Government-wide Liabilities increased by \$5.67 million dollars. This was mostly due to issuance of a \$2,500,000 CRA loan and addition of over \$2.3 million in unearned revenue in the Enterprise Funds. Also, Accounts Payable in the Enterprise Fund increased due to large year-end payables and retainage on construction contracts plus the year-end timing of payment of operating expenses. The Business-type Activities' Long-term Outstanding Liabilities decreased due to normal bond payments. Two other components of Long-term Liabilities increased - the Net OPEB Obligations by \$163,613, and Compensated Absences by \$61,416.

Net Position - Government-wide assets and deferred outflows of the City exceeded its liabilities as of September 30, 2013 by \$92 million. Total Net Position increased by \$1,560,000 from last year, which is the most since 2010 and approximately three times the improvement in 2012. The improvement was mainly due to the collection of more Water & Wastewater Impact Fees of about \$640,000, and Library capital grants of \$500,000, as well as the Internal Service Charges in excess of expenses. Business-type Restricted Net Position as well as Unrestricted Net Position decreased due to an increase in capital projects spending. The Business-type operating expenses modestly increased by \$95,764 during the period, but are still over \$1.5 million less than two years ago. This is mostly due to lower electric power costs. These factors helped grow the Unrestricted Net Position by a healthy \$1.6 million.

Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 6,464,555	\$ 6,464,555	\$ 5,414,407	\$ 5,414,207	\$ 11,878,962	\$ 11,878,762
Buildings	20,116,577	18,330,081	12,232,539	11,670,693	32,349,116	30,000,774
Infrastructure	28,691,966	26,359,500	51,822,405	50,354,621	80,514,371	76,714,121
Machinery, Equipment and Materials	8,654,423	8,541,285	3,500,387	3,508,255	12,154,810	12,049,540
Construction in Progress	2,757,181	3,243,276	4,465,150	1,180,963	7,222,331	4,424,239
Less: Accumulated Depreciation	(23,072,047)	(22,440,593)	(34,286,155)	(32,272,217)	(57,358,202)	(54,712,810)
Net Capital Assets	<u>\$ 43,612,655</u>	<u>\$ 40,498,104</u>	<u>\$ 43,148,733</u>	<u>\$ 39,856,522</u>	<u>\$ 86,761,388</u>	<u>\$ 80,354,626</u>

Governmental Capital Assets Net of Depreciation increased by \$3,114,551 in 2013 as capital spending rebounded from the prior year by \$1,474,537 as reserve funds were expended. This increase came about because the City boosted payments for several projects using reserve funds and a CRA Loan. For Business-type activities, capital assets before depreciation grew by \$3.2 million as the City is still vigorously building its infrastructure. Infrastructure spending increased assets by \$3.8 million and Buildings by \$2.3 million as \$6.7 million of WIP projects were completed. However, additional projects were started resulting in a net increase of \$2.8 million. Machinery and Equipment decreased slightly as the vehicle fleet was downsized and other purchases for small equipment were delayed. A more detailed schedule of Capital Asset activity for the year is included in the Notes on pages 42-44.

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2013
Management's Discussion and Analysis (Continued)

Long-term Debt Activity

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue Bonds	\$ 5,635,200	\$ 3,388,600	\$ 7,127,449	\$ 7,613,754	\$ 12,762,649	\$ 11,002,354
Compensated Absences	1,008,752	960,206	282,828	269,958	1,291,580	1,230,164
Net OPEB Obligation	972,094	846,722	296,495	258,254	1,268,589	1,104,976
Total Debt	\$ 7,616,046	\$ 5,195,528	\$ 7,706,772	\$ 8,141,966	\$ 15,322,818	\$ 13,337,494

The Revenue Bonds payables were increased by \$1,760,300 due to a new note issued for \$2,500,000 net of regular debt payment of the outstanding bonds. Net OPEB Obligation increased during the year due to increased medical costs and the pay-as-you go method for funding OPEB. The Compensated Absences increased due to salary increases of approximately 2% to 3% and increased accruals of the current employees. A more detailed Schedule of Long-term Liabilities is included in the Notes on pages 44-48.

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
<i>Program Revenues</i>						
Charges for Services	\$ 1,089,248	\$ 1,357,236	\$ 20,821,870	\$ 20,761,780	\$ 21,911,118	\$ 22,119,016
Operating Grants and Contrib.	21,193	161,939	3,025	2,000	24,218	163,939
Capital Grants and Contrib.	963,779	583,538	1,526,854	801,163	2,490,633	1,384,701
<i>General Revenues</i>						
Property Taxes	4,571,110	4,547,594	-	-	4,571,110	4,547,594
Other Taxes	3,849,168	3,372,983	-	-	3,849,168	3,372,983
State Shared Revenues	1,804,701	1,746,271	-	-	1,804,701	1,746,271
Investment Earnings (Losses)	(45,406)	70,285	(49,812)	72,160	(95,218)	142,445
Other	361,624	45,022	38,387	33,175	400,011	78,197
Total Revenues	12,615,417	11,884,868	22,340,324	21,670,278	34,955,741	33,555,146
Expenses						
General Government	2,432,163	2,130,728	-	-	2,432,163	2,130,728
Public Safety	7,567,046	7,603,665	-	-	7,567,046	7,603,665
Physical Environment	-	2,316	18,908,405	18,812,641	18,908,405	18,814,957
Transportation	1,664,660	1,681,721	-	-	1,664,660	1,681,721
Culture and Recreation	2,877,536	2,645,608	-	-	2,877,536	2,645,608
Interest on Long-term Debt	82,169	102,941	-	-	82,169	102,941
Total Expenses	14,623,574	14,166,979	18,908,405	18,812,641	33,531,979	32,979,620
Excess (Deficit) Before Transfers	(2,008,157)	(2,282,111)	3,431,919	2,857,637	1,423,762	575,526
Net Transfers	2,691,300	2,173,621	(2,691,300)	(2,173,621)	-	-
Increase in Net Position	683,143	(108,490)	740,619	684,016	1,423,762	575,526
Net Position - October 1 st	44,823,616	45,037,706	45,896,966	44,867,822	90,720,582	89,905,528
Net Position - September 30 th	\$ 45,506,759	\$ 44,929,216	\$ 46,637,585	\$ 45,551,838	\$ 92,144,344	\$ 90,481,054

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2013 Management's Discussion and Analysis (Continued)

Revenues

The overall revenues Government-wide rose by \$1,400,600 after decreasing by \$1,356,000 and \$1,136,000 in the previous two years. This year's improvement was due to larger capital grants and impact fees of \$1.1 million plus other taxes of \$476,000 despite lower electric charges (\$673,700) and lower interest earnings (\$321,800). Real Estate Taxes and State Shared Revenues were up less than \$82,000 this year. Total Business-type Charges for Services increased by \$82,000, due to a rise in Water & Wastewater charges of \$671,750, which offset the lower electric charges.

Expenses

Health costs that had slowed the prior year, swelled again this year as claims continued to grow by almost \$200,000 or 16%. After several years of holding expenses, raises, benefit costs and general inflation increased other operating costs by \$350,000. Retirement costs continued to rise despite transferring most of the General Employees to a DC plan. 2013 expense was \$1,576,000 versus \$1,476,400 for the prior year. However, steps taken during 2013 will actually reduce retirement contributions for the near future. Excluding Government Activities' new debt, the City reduced Interest on Long-term Debt by \$37,100 due to principal reductions and debt restructuring. All Business-type expenses grew slightly from 2012 levels by \$95,750, but are still significantly lower than the 2011 amount of \$19,960,800, primarily owing to decreasing electric power expense and plant operations.

The transfer from Business-type activities more than offset the losses from Governmental activities resulting in a net increase in Net Position of \$683,000. A strong showing from the Water and Wastewater operations (\$814,400) led to a Net Position increase for Business-type activities. As the local economy started to make a turnaround, the City's Government-wide current financial position has improved despite the City facing several major issues in both Governmental Activities and in Business-type Activities. Yet, the amount of the Net Position improved by \$1,424,000 or 1.4%, which is the most it has improved in the last three years. This year and last year should be considered good financial years considering recent Florida's economic environment.

Significant Conditions Impacting Financial Position

In the 2013-14 Budget, the City has had to take into consideration that the economy has started to improve and that property values have bottomed. The millage rate was maintained at 5.6667 mills to help local businesses and residents for another year. The work force will be augmented by only 1.3 full-time equivalent positions citywide. The General Fund Budget was balanced using \$420,250 of General Fund Reserves. The City continues to develop long-range planning on how to consolidate services or methods to deliver services at a lower cost. We have developed several projects to accomplish this goal including a joint effort with the surrounding cities on ways that we can work together. In addition, the City continues to contract services with private enterprise, where possible.

Due to the potential future restructuring of the workforce as personnel depart, the commitment to manage costs, the planning of appropriate rate increases and conservative revenue forecasting, both the governmental and business-type funds of the City are healthy, and are moving forward in a positive direction. The City is committed to eliminate the use of General Fund Reserves and to reduce the deficit in the Impact Fees Capital Fund. The City completed an extensive visioning project to help guide the future of the City. The financial position of the City continues to grow to meet future needs as a result of prudent management strategies implemented during the last decade. The careful assessment of future demands, and the infrastructure necessary to meet those demands, as well as a measured approach to financing decisions, will ensure that this trend continues.

Analysis of Financial Position and Results of Operations - Individual Funds

Governmental Activities

General Fund

The General Fund had a \$273,403 deficit, which was less than the projected \$340,000 budget deficit. This is the first year that the General Fund had a deficit since 2009 when \$690,000 of reserve funds was used to reduce debt ahead

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2013
Management's Discussion and Analysis (Continued)

of schedule. Revenues were slightly down from last year (\$8,000), but exceeded the Final Budget by \$101,100 due primarily to an increase in state revenue sharing over the projected amount. Ad valorem taxes increased by \$31,000 as tax collections started to improve slightly.

The General Fund experienced higher premium charges for health insurance due to greater claims and the expected Self Insurance Fund's deficit next year. The additional charges contributed \$222,750 of higher expenditures towards the overall fund's deficit. Expenditures of \$1,489,900 were in-line with the revised budget and were only \$57,000 over the original budget. There were no major budget revisions during the year. The only area that was significantly under the revised budget was the Police Department by \$75,200. The net transfers were \$28,750 less than the original budget due to a decrease of \$36,550 in transfers from the Electric Utility. However, the overall Transfers In were \$400,800 more than the prior year. This was the first year that there was a transfer from the Stormwater Fund.

Special Revenue Funds

Community Redevelopment Agency Fund

The Community Redevelopment Agency Fund (CRA) was established by City Ordinance, in agreement with Lake County and based upon the State Statute and has been extended until 2042. Revenues are comprised of the incremental ad valorem taxes collected on property in the City's downtown redevelopment district. Property taxes collected decreased by \$4,100 and Intergovernmental Revenues (Incremental Taxes) were down approximately \$22,000 from the previous year due to lower property values within the district. Although not significant amounts, it is the fifth year in a row that revenues have been reduced. Operating Expenditures were up \$93,900 mostly due to \$42,600 in grant increases. The CRA issued \$2,500,000 in notes to fund the long anticipated Downtown Streetscape project, which cost about \$4.3 million and used cash from various funds. Additional note funds were raised to fund part of the second phase of construction scheduled for 2014, which will probably use most of the remaining fund balance.

Northeast Redevelopment Agency Fund

The purpose of the Northeast Redevelopment Agency Fund is to account for funds received for redevelopment of the northeast section of the City. Total revenues were down approximately \$25,000 compared to a decrease of \$20,050 last year. The decrease of ad valorem taxes and Intergovernmental Revenues (Incremental Taxes) was a larger percentage decline than the Community Redevelopment Agency Fund as this district is composed mainly of residential rather than commercial properties, which held their values better this last year. Similarly to the CRA, it is the fifth year in a row that revenues have declined. Operating expenditures increased by \$9,150, due mainly to salaries and fringe benefits for community policing of the officer assigned to this area. Capital outlays decreased \$183,150 from the previous year, when a new park was completed. Five years ago, the NECRA Fund completed its largest capital project ever in constructing a major sports complex at Frank Brown Field in the amount of \$2.5 million. This year's budget was again a process of rebuilding the fund balance to accumulate money for future redevelopment projects. The fund balance represents approximately six years of accumulation.

Public Services Tax Fund

This Fund accumulates the revenues that are pledged for the general debt repayment. Overall, revenues were up \$44,550 from last year due to a larger collection of Telecommunication Taxes, which also increased the prior year by \$56,750. Other revenues were flat. The transfer to the General Fund was added to by \$50,000, while transfers to the Debt Service Fund were reduced by \$61,000, due to lower annual debt service costs on the 2011 Revenue and Refunding Bonds.

Other Special Revenue Funds

The Building Inspection Fund reversed the two prior years' substandard performance by increasing Net Position by \$102,450. Permit revenues were up \$252,600 due to the partial recovery of construction in the City. In addition, the fund reduced expenditures by \$81,600 by using further personnel cutbacks, thus, changing the prior year's loss of \$237,600 to a surplus this year.

Most years, the Law Enforcement Fund that tracks federal and state forfeitures has little activity, except for accumulating funds for future equipment purchases.

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2013
Management's Discussion and Analysis (Continued)

Debt Service Fund

In September 2011, the City Council approved the issuance of the 2011 Public Services Tax Refunding and Revenue Bond with proceeds of \$3,635,000 to fund an escrow to call the 2001 Bonds and fund the issuance costs and prepaid interests. The transfer from the Public Services Tax Fund of \$314,000 was used to make scheduled annual debt payments; this transfer was reduced by \$61,000 as a result of the lower annual debt service.

Capital Funds

Impact Fees Capital Projects Fund

This fund collects impact fees for specific activities from developers and then expends the money on capital projects. The four impact fees that are tracked by this fund are Police, Fire, Library and Recreational. The recreational fee is the largest revenue with the library fee being the third largest. Neither is collected on commercial properties. Since the number of new homes construction increased from 33 last year to 83 residential permits this year, the impact fees collected is up from the previous two years. Construction expenditures were limited to three park projects, the completion of the library expansion and additions to the library collection. The Police Impact Fees repaid \$40,000 of the inter-fund loan, while the Library Impact portion of the Fund repaid \$35,000 of the loan from the General Fund. During this fiscal year, the Library's portion of Net Position improved by \$328,000. The inter-fund loans are to be repaid by the future impact revenue stream.

Discretionary Sales Tax Capital Projects Fund

As the economy continued to rebound slowly, the Discretionary Sales Tax Capital Projects Fund revenues increased \$75,000 as compared to last year's improvement of \$60,500. Capital expenditures continued at a higher level (\$1,096,600) to address the backlog of capital projects. The fund spent \$660,000 on park projects and \$225,000 on transportation projects. Furthermore, the fund repaid the final \$205,000 of its loan from the General Fund.

Other Capital Funds

The other Capital Funds had limited expenditures in Information Technology of \$28,000 and Transportation of \$17,750. The fund balance was reduced to \$392,000 which will be used for Visioning Projects and computer software purchases.

Business-Type Activities

Electric Fund

A major portion of the electric rates is structured to recover the wholesale power costs. The City uses a rate structure that adjusts a portion of the customer's bill for recovering of power costs on a semi-annual basis. This last year, the overall electricity sales were reduced by \$673,700 (a total of \$1,711,700 in two years), while the wholesale power costs were lowered by \$593,600 (a total of \$1,251,150 in two years). Maintenance and administrative expenses increased by only \$16,700 during the year. The system received an \$806,330 refund from the wholesale power supplier's insurance settlement. It was decided that the amount would be credited against future customer rates through the end of the current contract, which ends in December 2017. This settlement and other adjustments of power cost collections resulted in a rate stabilization account of \$810,550 at year-end. Consequently, the large decline in revenues for the last two years and the increase in transfers of \$208,400 have resulted in the system experiencing a small loss. It is expected that the system will show a profit in the future.

Water & Wastewater Fund

The City has been keeping rate increases to a minimum to help customers during the difficult economic times. However, rates were increased 2.5% in September 2012 and 5.0% in April 2103 in anticipation of the new water plant operations and additional capital projects. As result, Operating Revenues increased \$671,750 versus a \$17,250 rise the previous year. Meanwhile expenses (excluding depreciation, amortization and interest) increased \$1,023,300 versus a decline of \$502,500 the previous year. Impact fees rebounded from new residential construction, increasing by \$641,000. In recent years, there has been a continuing trend of wide fluctuation in revenues and more capital construction spending, which has reduced the cash and investments. This year was an exception due to a \$2.1 million back payment from a developer, which resulted in an overall increase in cash and investments at year-end of \$750,000, but it still did not offset the previous four years reduction of \$6,570,000 in funds. An effort is being made to contain future costs and continued rate increases are anticipated in both October 2013 and April 2014. However, there must be some slow-down in future capital expenditures or the system will be forced to issue additional debt in

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2013 Management's Discussion and Analysis (Continued)

2014 or 2015. The Fund had an improvement in its Net Position by \$814,418, compared to only \$21,149 in 2012, solely due to the higher collection of impact fees.

Other Enterprise Funds

The Sanitation Fund consists chiefly of collecting the fees charged by a third-party hauler. The City adds a fee to offset a maintenance worker's costs as well as billing costs. The Sanitation Fund has experienced small losses in the past as some internal operational costs are not being fully recovered through the revenue stream. The rate structure has continued to be raised to eliminate deficits. The fund had a \$26,074 increase in Net Position, due to the reduction in the allocation of administrative and general expenses.

After accumulating cash for many years, the Stormwater Fund expended over \$1 million on two major projects, as well as several minor ones, thus, reducing the cash balance by over \$707,500. Operating expenses increased by \$125,400 as the City continued to meet its obligations under the NPDES permit and has more facilities to maintain. The decrease in Net Position was only \$68,000, even though the Fund transferred \$128,100 to the General Fund for the first time. One major special assessment project was completed this year, which allows homeowners to make repayment over 15 years. The system did not raise its monthly fees, but will need to do so to fund future capital projects.

The Cemetery Fund was started in the fiscal year 2008 to run the cemetery in a more businesslike manner. The Cemetery Fund had a decrease in Net Position of \$11,994 despite an additional \$10,000 of transfers from the General Fund. Plans are being discussed as to how to augment revenues or reduce expenses for the future. Despite an above ground niche being constructed during previous years, revenues declined \$24,000 or 42% from the previous year.

Original Budget vs. Final Budget

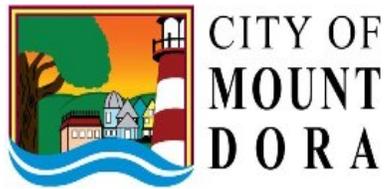
General Fund

Accurate revenue projection is critical to sound budgeting. The amount of resources available for appropriation is the foundation for any budget and should be the basis for decision-making in the budget process. General Fund Revenues exceeded the Original Budget by \$152,294 or 2.2% of the Original Budget. These projections were in keeping with the expected slow growth of the general economy. Due to the uncertainty of potential future revenue streams, the Administration continued to tightly control the operational budget. General Fund Expenditures were \$56,947 or 0.5% over the original appropriations. Transfers were increased by \$400,800 to offset projected flat revenues and increased expenditures. Thus the net decrease in the Change in Fund balance was only \$273,402 versus the expected \$355,759 in the Final Budget..

Requests for Information

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, please contact the City's Finance Department at 510 N. Baker Street, Mount Dora, Florida 32757.

This page left intentionally blank



BASIC FINANCIAL STATEMENTS

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

Assets	Governmental Activities	Business- Type Activities	Total
Cash and Investments	\$ 10,153,024	\$ 13,881,164	\$ 24,034,188
Receivables, Net	167,961	2,687,833	2,855,794
Internal Balances	56,176	(56,176)	-
Due from Other Governments	296,244	-	296,244
Accrued Interest Receivable	19,605	22,093	41,698
Employee Advances	15,814	-	15,814
Deferred Charge	294,428	-	294,428
Inventories and Prepaid Items	45,275	669,486	714,761
Capital Assets:			
Capital Assets Not Being Depreciated	9,221,736	9,879,557	19,101,293
Capital Assets Being Depreciated - Net	34,390,919	33,269,176	67,660,095
Total Assets	\$ 54,661,182	\$ 60,353,133	\$ 115,014,315
Deferred Outflow on Interest Rate Swap	\$ -	\$ 691,428	\$ 691,428
Liabilities			
Accounts Payable	1,263,734	2,372,781	3,636,515
Accrued Liabilities	198,873	196,055	394,928
Unearned Revenue and Deposits	75,770	3,439,940	3,515,710
Fair Market Value of Interest Rate Swap	-	691,428	691,428
Long-term Liabilities:			
Due Within One Year	1,158,917	626,654	1,785,571
Due in More Than One Year	6,457,129	7,080,118	13,537,247
Total Liabilities	\$ 9,154,423	\$ 14,406,976	\$ 23,561,399
Net Position			
Net Investment in Capital Assets	37,977,455	36,021,284	73,998,739
Restricted for:			
Capital Improvements	3,480,972	2,706,639	6,187,611
Debt Service	573,847	550,000	1,123,847
Building Inspections	386,484	-	386,484
Law Enforcement	5,548	-	5,548
Unrestricted	3,082,453	7,359,662	10,442,115
Total Net Position	\$ 45,506,759	\$ 46,637,585	\$ 92,144,344

See accompanying notes.

**CITY OF MOUNT DORA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 2,432,163	\$ 69,815	\$ -	\$ -	\$ (2,362,348)	\$ -	\$ (2,362,348)
Public Safety	7,567,046	852,862	-	149,953	(6,564,231)	-	(6,564,231)
Physical Environment	-	3,129	-	-	3,129	-	3,129
Transportation	1,664,660	-	21,193	-	(1,643,467)	-	(1,643,467)
Culture and Recreation	2,877,536	163,442	-	813,826	(1,900,268)	-	(1,900,268)
Interest on Long-term debt	82,169	-	-	-	(82,169)	-	(82,169)
Total Governmental Activities	\$ 14,623,574	\$ 1,089,248	\$ 21,193	\$ 963,779	(12,549,354)	-	(12,549,354)
Business-type Activities							
Electric Utility	9,079,195	10,324,206	-	29,769	-	1,274,780	1,274,780
Water and Wastewater Utility	6,612,703	7,499,207	3,025	1,294,754	-	2,184,283	2,184,283
Sanitation	2,091,761	2,117,927	-	-	-	26,166	26,166
Stormwater Utility	988,600	851,139	-	202,331	-	64,870	64,870
Cemetery	136,146	29,391	-	-	-	(106,755)	(106,755)
Total Business-type Activities	\$ 18,908,405	\$ 20,821,870	\$ 3,025	\$ 1,526,854	-	3,443,344	3,443,344
General Revenues							
Taxes:							
Property Taxes					4,571,110	-	4,571,110
Public Service Taxes					1,867,561	-	1,867,561
Other Taxes					1,351,654	-	1,351,654
Franchise Fees					629,953	-	629,953
State & County Shared Revenues - unrestricted					1,804,701	-	1,804,701
Investment Earnings (Losses)					(45,406)	(49,812)	(95,218)
Miscellaneous					361,624	38,387	400,011
Transfers					2,691,300	(2,691,300)	-
Total General Revenues and Transfers					13,232,497	(2,702,725)	10,529,772
Change in Net Position					683,143	740,619	1,423,762
Net Position, Beginning of Year, as restated					44,823,616	45,896,966	90,720,582
Net Position, End of Year					\$ 45,506,759	\$ 46,637,585	\$ 92,144,344

See accompanying notes.

**CITY OF MOUNT DORA, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

	General Fund	Community Redevelopment Agency Fund	Northeast Redevelopment Agency Fund	Public Services Tax Fund	Impact Fees Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Investments	\$ 2,114,128	\$ 1,511,618	\$ 1,069,291	\$ 322,553	\$ 1,217,638	\$ 1,940,291	\$ 8,175,519
Receivables (Net)	63,833	-	-	51,928	-	-	115,761
Due from Other Funds	2,214,965	-	-	41,211	-	-	2,256,176
Due from Other Governments	143,860	-	-	50,470	-	101,914	296,244
Accrued Interest Receivable	5,483	3,026	2,082	473	2,671	2,912	16,647
Employee Advances	15,814	-	-	-	-	-	15,814
Inventory and Prepaid Items	36,561	-	-	-	-	-	36,561
Total Assets	<u>\$ 4,594,644</u>	<u>\$ 1,514,644</u>	<u>\$ 1,071,373</u>	<u>\$ 466,635</u>	<u>\$ 1,220,309</u>	<u>\$ 2,045,117</u>	<u>\$ 10,912,722</u>
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ 212,384	\$ 532,189	\$ 44,234	\$ -	\$ 13,050	\$ 64,417	\$ 866,274
Accrued Liabilities	171,493	3,754	2,086	-	-	4,238	181,571
Due to Other Funds	-	-	-	-	2,200,000	-	2,200,000
Unearned Revenue and Deposits	75,770	-	-	-	-	-	75,770
Total Liabilities	<u>459,647</u>	<u>535,943</u>	<u>46,320</u>	<u>-</u>	<u>2,213,050</u>	<u>68,655</u>	<u>3,323,615</u>
Fund Balances							
Nonspendable							
Inventory and Prepaid Items	36,561	-	-	-	-	-	36,561
Restricted for:							
Capital Improvements	-	978,701	1,025,053	-	-	1,085,341	3,089,095
Debt Service	-	-	-	466,635	-	-	466,635
Building Inspections	-	-	-	-	-	386,484	386,484
Law Enforcement	-	-	-	-	-	5,548	5,548
Assigned for:							
General Fund	420,250	-	-	-	-	-	420,250
Capital Improvements	-	-	-	-	-	391,877	391,877
Debt Service	-	-	-	-	-	107,212	107,212
Unassigned:							
General Fund	3,678,186	-	-	-	-	-	3,678,186
Special Revenue Funds	-	-	-	-	(992,741)	-	(992,741)
Total Fund Balances	<u>4,134,997</u>	<u>978,701</u>	<u>1,025,053</u>	<u>466,635</u>	<u>(992,741)</u>	<u>1,976,462</u>	<u>7,589,107</u>
Total Liabilities and Fund Balances	<u>\$ 4,594,644</u>	<u>\$ 1,514,644</u>	<u>\$ 1,071,373</u>	<u>\$ 466,635</u>	<u>\$ 1,220,309</u>	<u>\$ 2,045,117</u>	<u>\$ 10,912,722</u>

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

Total Fund Balances of Governmental Funds \$ 7,589,107

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$66,684,702 and the accumulated depreciation is \$23,072,047 (includes Internal Service Fund) 43,612,655

The internal service fund is used by management to charge the costs of fleet management and other services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 1,641,832

Pension obligation asset - deferred charge 294,428

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

Bonds Payable	(5,635,200)
Accrued Interest Payable	(16,329)
Compensated Absences	(1,007,640)
Unfunded Actuarial Accrued Liability -OPEB	(972,094)

Total Net Position of Governmental Activities \$ 45,506,759

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	General Fund	Community Redevelopment Agency Fund	Northeast Redevelopment Agency Fund	Public Services Tax Fund	Impact Fees Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 4,347,497	\$ 393,558	\$ 170,467	\$ 1,867,561	\$ -	\$ 1,011,242	\$ 7,790,325
Permits and Fees	661,148	-	-	-	-	520,549	1,181,697
Intergovernmental	1,313,568	372,815	161,554	-	496,406	50,334	2,394,677
Charges for Service	400,281	-	-	-	-	46,132	446,413
Fines and Forfeitures	87,726	-	-	-	-	3,367	91,093
Impact Fees	-	-	-	-	394,996	-	394,996
Miscellaneous	214,974	9,221	(5,203)	(1,658)	(7,923)	(4,123)	205,288
Total Revenues	<u>7,025,194</u>	<u>775,594</u>	<u>326,818</u>	<u>1,865,903</u>	<u>883,479</u>	<u>1,627,501</u>	<u>12,504,489</u>
Expenditures							
Current:							
General Government	1,297,015	397,563	132,188	-	-	623	1,827,389
Public Safety	6,885,014	-	-	-	-	463,652	7,348,666
Transportation	1,092,796	3,459	-	-	-	-	1,096,255
Culture and Recreation	2,050,337	-	-	-	-	-	2,050,337
Grants and Aid	17,210	99,134	3,000	-	-	-	119,344
Capital Outlay	147,525	2,426,934	55,748	-	1,404,134	1,141,185	5,175,526
Debt Service:							
Principal Payments	-	-	-	-	-	253,400	253,400
Interest	-	-	-	-	9,550	66,421	75,971
Total Expenditures	<u>(11,489,897)</u>	<u>(2,927,090)</u>	<u>(190,936)</u>	<u>-</u>	<u>(1,413,684)</u>	<u>(1,925,281)</u>	<u>(17,946,888)</u>
(Deficiency) Excess of Revenues							
(Under) Over Expenditures	<u>(4,464,703)</u>	<u>(2,151,496)</u>	<u>135,882</u>	<u>1,865,903</u>	<u>(530,205)</u>	<u>(297,780)</u>	<u>(5,442,399)</u>
Other Financing Sources (Uses)							
Issuance of Debt		2,500,000					2,500,000
Transfers in	4,286,300	-	-	-	-	314,000	4,600,300
Transfers out	(95,000)	-	-	(1,814,000)	-	-	(1,909,000)
Total Other Financing Sources (Uses)	<u>4,191,300</u>	<u>2,500,000</u>	<u>-</u>	<u>(1,814,000)</u>	<u>-</u>	<u>314,000</u>	<u>5,191,300</u>
Net Change in Fund Balances	<u>(273,403)</u>	<u>348,504</u>	<u>135,882</u>	<u>51,903</u>	<u>(530,205)</u>	<u>16,220</u>	<u>(251,099)</u>
Fund Balance, Beginning of Year	<u>4,408,400</u>	<u>630,197</u>	<u>889,171</u>	<u>414,732</u>	<u>(462,536)</u>	<u>1,960,242</u>	<u>7,840,206</u>
Fund Balances, End of Year	<u>\$ 4,134,997</u>	<u>\$ 978,701</u>	<u>\$ 1,025,053</u>	<u>\$ 466,635</u>	<u>\$ (992,741)</u>	<u>\$ 1,976,462</u>	<u>\$ 7,589,107</u>

See accompanying notes

CITY OF MOUNT DORA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Net Change in Fund Balances - Total Governmental Funds \$ (251,099)

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This reconciling item is the amount by which capital purchases of \$5,069,616 exceeded depreciation expense of \$1,991,374 3,078,242

Prepaid Net Pension Obligation used to provide for current-year contributions to retirement plans. 178,490

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. Also, governmental funds report the effect of issuance costs, premium, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of the items that make up these differences in treatment of long-term debt and related items are:

Debt Issued or Incurred:
 Issuance of Notes (2,500,000)

Principal Repayments:
 Bonds 253,400

Estimated increase in Net OPEB Obligations (125,372)

Inter-fund Investment Earnings netted against Inter-fund Interest Expense of \$10,131 -

Some expenses reported in the statement of activities, such as compensated absences and accrued interest, do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Compensated Absences (55,247)
 Accrued Interest on Long-term Debt (16,329)

The internal service fund is used by management to charge the costs of activities that benefit the entire government. The net (expense) income of the internal service fund is reported with governmental activities. 121,058

Change in Net Position of Governmental Activities \$ 683,143

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Business-Type Activities					Total	Governmental
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Cemetery Fund		Internal Service Funds
Assets							
Current Assets							
Pooled Cash and Investments	\$ 4,925,991	\$ 3,366,500	\$ 15,946	\$ 1,112,499	\$ 3,745	\$ 9,424,681	\$ 1,977,505
Cash - Customer Deposits	666,885	329,867	63,454	-	-	1,060,206	-
Receivables:							
Customers (Net of Allowance for Uncollectible Accounts)	1,383,254	828,761	236,800	103,360	-	2,552,175	52,200
Accrued Interest Receivable	8,541	11,000	30	2,518	4	22,093	2,958
Inventories, at Cost	531,116	106,465	-	-	-	637,581	7,936
Prepaid Items	8,294	13,956	-	9,655	-	31,905	778
Total Current Assets	<u>7,524,081</u>	<u>4,656,549</u>	<u>316,230</u>	<u>1,228,032</u>	<u>3,749</u>	<u>13,728,641</u>	<u>2,041,377</u>
Noncurrent Assets							
Restricted Assets							
Pooled Cash and Investments:							
Sinking	-	689,638	-	-	-	689,638	-
Water Impact Fees	-	21,959	-	-	-	21,959	-
Wastewater Impact Fees	-	2,684,680	-	-	-	2,684,680	-
Total Restricted Assets	<u>-</u>	<u>3,396,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,396,277</u>	<u>-</u>
Account Receivable - noncurrent				135,658		135,658	
Capital Assets							
Property, Plant and Equipment	15,380,076	50,122,655	26,371	7,402,019	38,617	72,969,738	1,972,600
(Accumulated Depreciation and Amortization)	(8,804,022)	(22,666,071)	(25,737)	(2,782,753)	(7,572)	(34,286,155)	(1,330,129)
Construction in Progress	456,986	3,424,224	-	583,940	-	4,465,150	-
Total Capital Assets - Cost Less Depreciation	<u>7,033,040</u>	<u>30,880,808</u>	<u>634</u>	<u>5,203,206</u>	<u>31,045</u>	<u>43,148,733</u>	<u>642,471</u>
Total Noncurrent Assets	<u>7,033,040</u>	<u>34,277,085</u>	<u>634</u>	<u>5,338,864</u>	<u>31,045</u>	<u>46,680,668</u>	<u>642,471</u>
Total Assets	<u>14,557,121</u>	<u>38,933,634</u>	<u>316,864</u>	<u>6,566,896</u>	<u>34,794</u>	<u>60,409,309</u>	<u>2,683,848</u>
Deferred Outflow on Interest Rate Swap	<u>-</u>	<u>691,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>691,428</u>	<u>-</u>

Continued

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013
(Concluded)

	Business-Type Activities					Total	Governmental
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Cemetery Fund		Internal Service Funds
Liabilities and Net Position							
Current Liabilities							
Accounts Payable	\$ 887,246	\$ 1,165,328	\$ 137,446	\$ 181,209	\$ 1,552	\$ 2,372,781	\$ 397,460
Accrued Expenses	15,012	173,086	1,127	5,375	1,455	196,055	973
Due to Other Funds	41,211	-	14,965	-	-	56,176	-
Unearned Revenue	810,846	1,568,888	-	-	-	2,379,734	-
Bond Payable	-	510,356	-	-	-	510,356	-
Compensated Absences	34,200	70,454	1,521	7,930	2,193	116,298	457
Customer Deposits	666,885	329,867	63,454	-	-	1,060,206	-
Total Current Liabilities	<u>2,455,400</u>	<u>3,817,979</u>	<u>218,513</u>	<u>194,514</u>	<u>5,200</u>	<u>6,691,606</u>	<u>398,890</u>
Long-term Liabilities							
Bond Payable	-	6,617,093	-	-	-	6,617,093	-
Fair Market Value of Interest Rate Swap	-	691,428	-	-	-	691,428	-
Compensated Absences	48,971	100,884	2,178	11,356	3,141	166,530	655
Net OPEB Obligation	88,324	168,668	5,781	25,362	8,360	296,495	-
Total Long-term Liabilities	<u>137,295</u>	<u>7,578,073</u>	<u>7,959</u>	<u>36,718</u>	<u>11,501</u>	<u>7,771,546</u>	<u>655</u>
Total Liabilities	<u>2,592,695</u>	<u>11,396,052</u>	<u>226,472</u>	<u>231,232</u>	<u>16,701</u>	<u>14,463,152</u>	<u>399,545</u>
Net Position							
Net Investment in Capital Assets	7,033,040	23,753,359	634	5,203,206	31,045	36,021,284	642,471
Restricted for Capital Improvements	-	2,706,639	-	-	-	2,706,639	-
Restricted for Debt Service	-	550,000	-	-	-	550,000	-
Unrestricted	4,931,386	1,219,012	89,758	1,132,458	(12,952)	7,359,662	1,641,832
Total Net Position	<u>11,964,426</u>	<u>28,229,010</u>	<u>90,392</u>	<u>6,335,664</u>	<u>18,093</u>	<u>46,637,585</u>	<u>2,284,303</u>

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Business-Type Activities					Total	Governmental Activities
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Cemetery Fund		Internal Service Funds
Operating Revenues							
Charges for Services	\$ 10,324,206	\$ 7,499,207	\$ 2,117,927	\$ 851,139	\$ 29,391	\$ 20,821,870	\$ 2,803,542
Operating Expenses							
Purchased Power	6,518,607	-	-	-	-	6,518,607	-
Plant Operations	-	2,106,310	-	-	-	2,106,310	-
Distribution and Collection	1,054,100	1,396,475	2,033,860	505,911	-	4,990,346	-
Administration and General	994,697	1,343,851	57,100	110,349	134,287	2,640,284	2,535,142
Depreciation and Amortization	511,791	1,494,707	801	372,340	1,859	2,381,498	205,121
Total Operating Expenses	<u>9,079,195</u>	<u>6,341,343</u>	<u>2,091,761</u>	<u>988,600</u>	<u>136,146</u>	<u>18,637,045</u>	<u>2,740,263</u>
Operating Income (Loss)	<u>1,245,011</u>	<u>1,157,864</u>	<u>26,166</u>	<u>(137,461)</u>	<u>(106,755)</u>	<u>2,184,825</u>	<u>63,279</u>
Non-operating Revenues (Expenses)							
Investment Earnings (Losses)	(18,229)	(25,807)	(92)	(5,445)	(239)	(49,812)	(5,870)
Interest Expense	-	(271,360)	-	-	-	(271,360)	-
Other Income	19,521	21,217	-	674	-	41,412	63,649
Total Non-operating Revenues (Expenses)	<u>1,292</u>	<u>(275,950)</u>	<u>(92)</u>	<u>(4,771)</u>	<u>(239)</u>	<u>(279,760)</u>	<u>57,779</u>
Income (Loss) Before Capital Contributions and Transfers	1,246,303	881,914	26,074	(142,232)	(106,994)	1,905,065	121,058
Capital Contributions and Transfers							
Capital Contributions	29,769	1,294,754	-	202,331	-	1,526,854	-
Transfers in	-	-	-	-	95,000	95,000	-
Transfers (out)	(1,295,950)	(1,362,250)	-	(128,100)	-	(2,786,300)	-
Net Capital Contributions and Transfers	<u>(1,266,181)</u>	<u>(67,496)</u>	<u>-</u>	<u>74,231</u>	<u>95,000</u>	<u>(1,164,446)</u>	<u>-</u>
Change in Net Position	(19,878)	814,418	26,074	(68,001)	(11,994)	740,619	121,058
Net Position, Beginning of Year, as restated	11,984,304	27,414,592	64,318	6,403,665	30,087	45,896,966	2,163,245
Net Position, End of Year	<u>\$ 11,964,426</u>	<u>\$ 28,229,010</u>	<u>\$ 90,392</u>	<u>\$ 6,335,664</u>	<u>\$ 18,093</u>	<u>\$ 46,637,585</u>	<u>\$ 2,284,303</u>

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Business-Type Activities					Total	Governmental Activities
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Cemetery Fund		Internal Service Funds
Cash Flows from Operating Activities							
Cash Received from Customers, Including							
Cash Deposits	\$ 10,357,191	\$ 7,435,006	\$ 2,108,501	\$ 703,363	\$ 29,391	\$ 20,633,452	\$ 2,809,311
Cash Paid to Suppliers	(6,823,249)	(2,221,278)	(2,024,491)	(207,613)	(50,341)	(11,326,972)	(2,415,587)
Cash Paid to Employees for Services	(824,955)	(1,851,131)	(61,286)	(266,813)	(80,161)	(3,084,346)	(56,888)
Net Cash Provided by (Used in) Operating Activities	<u>2,708,987</u>	<u>3,362,597</u>	<u>22,724</u>	<u>228,937</u>	<u>(101,111)</u>	<u>6,222,134</u>	<u>336,836</u>
Cash Flows from Noncapital Financing Activities							
Transfers In	-	-	-	-	95,000	95,000	-
Transfers Out	(1,295,950)	(1,362,250)	-	(128,100)	-	(2,786,300)	-
Subsidy from Others	-	1,774	-	-	-	1,774	27,242
Subsidy from Grants	-	3,025	-	-	-	3,025	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,295,950)</u>	<u>(1,357,451)</u>	<u>-</u>	<u>(128,100)</u>	<u>95,000</u>	<u>(2,686,501)</u>	<u>27,242</u>
Cash Flows from Capital and Related Financing Activities							
Capital Contributions	29,769	3,226,646	-	202,331	-	3,458,746	-
Property, Plant and Equipment Acquisitions	(921,279)	(3,584,329)	-	(1,005,368)	-	(5,510,976)	(235,910)
Cash Received from Sale of Assets	43	603	-	-	-	646	36,163
Property Rent	18,750	6,300	-	-	-	25,050	-
Insurance Proceeds	728	9,515	-	674	-	10,917	244
Principal Payments on Debt	-	(530,000)	-	-	-	(530,000)	-
Interest Paid	-	(314,287)	-	-	-	(314,287)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(871,989)</u>	<u>(1,185,552)</u>	<u>-</u>	<u>(802,363)</u>	<u>-</u>	<u>(2,859,904)</u>	<u>(199,503)</u>
Cash Flows to Investing Activities							
Net Investment Activity	(21,633)	(27,677)	(119)	(6,047)	(241)	(55,717)	(7,468)
Total Cash Flows from Investing Activities	<u>(21,633)</u>	<u>(27,677)</u>	<u>(119)</u>	<u>(6,047)</u>	<u>(241)</u>	<u>(55,717)</u>	<u>(7,468)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	519,415	791,917	22,605	(707,573)	(6,352)	620,012	157,107
Cash and Cash Equivalents, Beginning of Year	5,073,461	6,300,727	56,795	1,820,072	10,097	13,261,152	1,820,398
Cash and Cash Equivalents, End of Year	<u>\$ 5,592,876</u>	<u>\$ 7,092,644</u>	<u>\$ 79,400</u>	<u>\$ 1,112,499</u>	<u>\$ 3,745</u>	<u>\$ 13,881,164</u>	<u>\$ 1,977,505</u>

Continued

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Concluded)

	Business-Type Activities					Total	Governmental
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Cemetery Fund		Internal Service Funds
Shown in the Financial Statements as							
Pooled Cash and Investments	\$ 4,925,991	\$ 3,366,500	\$ 15,946	\$ 1,112,499	\$ 3,745	\$ 9,424,681	\$ 1,977,505
Cash - Customer Deposits	666,885	329,867	63,454	-	-	1,060,206	-
Restricted Cash	-	3,396,277	-	-	-	3,396,277	-
Total	\$ 5,592,876	\$ 7,092,644	\$ 79,400	\$ 1,112,499	\$ 3,745	\$ 13,881,164	\$ 1,977,505
Reconciliation of Operating Income to Net Cash							
Provided by (Used in) Operating Activities							
Operating Income (Loss)	\$ 1,245,011	\$ 1,157,864	\$ 26,166	\$ (137,461)	\$ (106,755)	\$ 2,184,825	\$ 63,279
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Depreciation and Amortization	511,791	1,494,707	801	372,340	1,859	2,381,498	205,121
Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease):							
Accounts Receivable - Net	25,046	(96,445)	(17,806)	(147,776)	-	(236,981)	5,769
Inventories	49,677	22,596	-	-	-	72,273	79,086
Prepaid Items	(8,294)	(13,956)	-	(9,655)	-	(31,905)	(778)
Accounts Payable	62,797	732,308	3,461	145,432	1,040	945,038	(8,783)
Accrued Expenses	1,329	(4,643)	190	1,211	178	(1,735)	(158)
Due to Other Funds	(1,880)	-	481	-	-	(1,399)	-
Unearned Revenue	810,846	-	-	-	-	810,846	-
Compensated Absences	(6,537)	16,049	309	1,430	1,619	12,870	(6,700)
Net OPEB Obligation	11,262	21,873	742	3,416	948	38,241	-
Customer Deposits	7,939	32,244	8,380	-	-	48,563	-
Total Adjustments	1,463,976	2,204,733	(3,442)	366,398	5,644	4,037,309	273,557
Net Cash Provided by (Used in) Operating Activities	\$ 2,708,987	\$ 3,362,597	\$ 22,724	\$ 228,937	\$ (101,111)	\$ 6,222,134	\$ 336,836

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2013

	Pension Trust Funds
Assets	
Cash and Cash Equivalents	\$ 55,968
Receivables (Net)	134,469
Investments:	
Money Market Funds	417,636
Bonds	1,138,878
Stocks	7,242,822
Bond Mutual Fund	7,815,040
Stock Mutual Fund	10,111,118
Real Estate Investment Trust	784,751
Accrued Interest Receivable	9,295
Total Assets	27,709,977
Liabilities - Payables	348,397
Net Position	
Held in Trust for:	
Employees' Pension Benefits	\$ 27,361,580

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer	\$ 1,193,783
Employee	251,485
State	<u>162,532</u>
Total Contributions	<u>1,607,800</u>
Investment Earnings	2,885,204
Less: Investment Management Fees	<u>(136,813)</u>
Net Investment Income (Loss)	<u>2,748,391</u>
Other Miscellaneous Income	<u>123,725</u>
Total Additions	<u>4,479,916</u>
Deductions	
Pension Benefit Payments and Refunds	1,663,997
General and Administrative	<u>121,034</u>
(Total Deductions)	<u>(1,785,031)</u>
Net Increase	<u>2,694,885</u>
Net Position Reserved for Employees'	
Pension Benefits	
Beginning of Year	<u>24,666,695</u>
End of Year	<u>\$ 27,361,580</u>

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA**

Note 1 - Description of Funds and Summary of Significant Accounting Policies

The financial statements of the City of Mount Dora, Florida (the City) have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant City accounting policies are described below.

Reporting Entity

The City of Mount Dora, Florida is the City's official name. The City was originally incorporated as a town on March 25, 1910 and later incorporated as a city on April 23, 1953, pursuant to Chapter 29302, L.O.F. On September 17, 1991, the City adopted its current charter by Ordinance Number 91-585.

The City operates under a council-manager form of government and provides the following services, as authorized by its charter: public safety, public works, public utilities, culture, recreation and community development.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, be includable within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

■ **Blended Component Units**

The City established the Community Redevelopment Agency and the Northeast Community Redevelopment Agency as component units of the City. The City Council is the governing body for both agencies.

These agencies are authorized by Florida Statutes and formed by City Ordinance. The Community Redevelopment Agency was created by Ordinance Number 447 passed on June 16, 1987 and the Northeast Community Redevelopment Agency was created by Ordinance Number 546 passed on April 3, 1990. The statutory life of these community redevelopment agencies is thirty years unless extended by ordinance and notification to contributing parties. The City passed Ordinance 2012-05 on May 1, 2012 to extend the CRA for an additional thirty years. The governing bodies are appointed by the City (or its officials) who retains the corporate powers of these agencies. These organizations are reported as blended component units as part of the primary government, since the City is able to impose its will on the organization or there is a potential for specific financial benefits or burdens on the City. Separate financial statements are not issued for either agency.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

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

Reporting Entity *(Concluded)*

■ **Related Organization; Not Included in Entity**

The Board of the Mount Dora Health Facilities Authority is appointed by the City Council, but the City's accountability does not extend beyond making these appointments. There was no activity or expenditures this Fiscal Year. Neither funding nor bonded debt approval is provided by the City Council. This organization is excluded from the reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses, or a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated automatically and certain indirect costs are included in program expenses reported for individual functions and activities. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Note that consumable services are not eliminated.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Government-wide Financial Statements *(Concluded)*

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally-dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers receivables collected within sixty days after the year-end to be available and recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City operates the following major governmental funds:

■ **Government Funds**

Governmental funds are used to account for all or most of a government's general activities. The City operates the following major governmental funds:

- The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Community Redevelopment Agency Fund** accounts for receipts and disbursements of additional tax monies for the City's Downtown Redevelopment Tax District.
- The **Northeast Redevelopment Agency Fund** accounts for receipts and disbursements of tax proceeds and other revenues to redevelop the northeast section of the City.
- The **Public Services Tax Fund** accounts for pledged revenues of the public service tax and communications tax for the Improvement Refunding Revenue Bonds – Series 2011.
- The **Impact Fees Capital Projects Fund** accounts for the receipts and disbursements of impact fees restricted for capital improvements for law enforcement, fire control, recreation, and libraries activities.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)
Fund Financial Statements *(Continued)*

■ **Proprietary Funds**

The Proprietary funds are used to account for a government's ongoing activities, which are similar to those found in the private sector, where the determination of changes in net position is necessary or useful to sound financial administration.

The City reports the following major proprietary funds:

- The **Electric Utility Fund** accounts for the fiscal activity of providing electric services to residential and commercial customers.
- The **Water and Wastewater Fund** accounts for the fiscal activity of providing water and wastewater services to residential and commercial customers within and outside City limits.
- The **Sanitation Fund** accounts for the operations and maintenance of the City's refuse collection and recycling system.
- The **Stormwater Utility Fund** accounts for the operations and maintenance of the City's stormwater management system.
- The **Cemetery Fund** accounts for the operation and maintenance of the City owned cemetery.

■ **Additionally, the City reports the following non-major fund types:**

- The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.
 - **Building Inspection Fund** – To account for revenues and expenditures related to Building Inspection Program.
 - **Law Enforcement Fund** - To account for forfeitures restricted for law enforcement expenditures.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Concluded)

Fund Financial Statements *(Concluded)*

■ **Additionally, the City reports the following non-major fund types:** *(Concluded)*

- **Debt Service Fund** - To account for the accumulation of the resources that are restricted, committed or assigned for the payment of general long-term debt principal and interest, excluding lease payments.
- **Discretionary Sales Tax Capital Projects Fund** - To account for receipts and disbursements of the City's portion of the additional one percent sales tax passed by Lake County voters in November 2001.
- **Other Capital Projects Fund** - To account for the intermittent resources that are restricted, committed or assigned for the constructing multi-year, public buildings and renovations as well as other departmental joint projects.
- **Internal Service Fund - Motorpool Fund** - To account for the cost of operating a maintenance facility for automotive equipment used by other City departments. Such costs are billed to other departments on a break-even basis, including overhead, depreciation and charges for a vehicle replacement program.
- **Internal Service Fund - Insurance Fund** - To account for the cost of operating a self-funded health and life insurance program. Such costs are billed to other departments on a break-even basis based upon the estimated individual premiums. These costs include network and claims administration, third-party stop loss insurance premiums, life insurance premiums, as well as pharmaceutical, hospital, doctor and other medical claims.
- The **Pension Trust Fund** accounts for the activities of the City's General Employees' and Firefighters' and Police Officers' Retirement Funds, which accumulate resources for pension benefit payments for qualified retiring employees. They are excluded from the government-wide financial statements because they are fiduciary in nature and do not represent resources available to the government for operations.

Summary of Significant Accounting Policies

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. The operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the internal service funds are customer charges for sales and services. Operating expenses for enterprise funds and the internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

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

Summary of Significant Accounting Policies *(Continued)*

operating revenues and expenses. These nonoperating revenues include investment earnings, grants, impact fees and rental income plus sale of scrap and equipment.

When both restricted and unrestricted resources are available for use, it is the City's policy to generally use restricted resources first, and then unrestricted resources, as they are needed for their intended purposes; however, this decision is frequently made on a case-by-case basis based upon facts and circumstances. Revenues of the enterprise funds are recognized on the basis of services rendered. Enterprise funds billing cycles that overlap September 30th are prorated based upon the meter-reading dates. As a regulated electric utility, the City applies the accounting principles permitted by GASB 20 for certain expenses and revenues are deferred and recognized in accordance with rate actions of the City Council.

Budgets and Budgetary Accounting

The City's procedures in preparing and adopting the annual budget, which is adopted on a basis consistent with generally accepted accounting principles, are as follows:

- 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.
- Public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through passage of a resolution.
- The City Manager is authorized to transfer budgeted amounts within any fund or department, but may not revise total fund expenditures without the approval of the City Council. The budgetary data presented is in agreement with the originally adopted budget, as amended by the City Council.
- Formal budgetary integration is employed as a management control device during the year for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. Total budgeted fund expenditures within the governmental-type funds may not be exceeded legally. Appropriations lapse at the end of the year and are re-appropriated in the ensuing year's budget. All funds have legally adopted budgets, except the pension trust funds.

Pooled Cash and Investments

Pooled cash and investments include cash on hand, demand deposits with banks, deposits in cash management pools that have the general characteristics of demand deposit accounts, as well as investments. The City's pooled investment account is considered to be cash equivalent since each fund can effectively deposit or withdraw funds at any time without prior notice or penalty.

Each fund utilizing the pooled cash and investments account participates on a dollar-equivalent basis. Interest is distributed quarterly based on average cash balances. The nature

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

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

Summary of Significant Accounting Policies *(Continued)*

Pooled Cash and Investments *(Continued)*

of the pooled accounts permits temporary negative cash balances upon overdrawing of cash available in individual funds, which is presented as interfund receivables and payables. The investments of the pension trust funds are held separately from those of other City funds. Investments, including pension funds, are stated at fair value - quoted market price or the best available estimate.

Receivables (Net)

Receivables include amounts due from utility customers, third-party collectors of taxes and miscellaneous sources. All receivables are current and therefore due within one year. Receivables and revenues are reported net of an allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$627 for the General Fund; \$149,439 for the Electric Fund; \$90,258 for the Water & Wastewater Fund; \$28,801 for the Sanitation Fund; and \$9,668 for the Stormwater Fund as of September 30, 2013. Uncollectible amounts shown as an expense were \$56,383 for the Electric Fund; \$37,804 for the Water & Wastewater Fund; \$2,308 for the Sanitation Fund; and \$3,794 for the Stormwater Fund for the year ended September 30, 2013.

Interfund Receivables and Payables and Transfers

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Transfers are recognized in the accounting period in which the interfund receivable and payable arise. Transfers are made from the enterprise funds to finance operations of the general fund. Transfers are also made from the special revenue fund to the debt service fund to finance debt service requirements.

Capital Grants and Contributions

Accounts receivable from other governments include amounts due from grantors. Program and capital grants for general capital assets are recorded as receivables and revenues at the time reimbursable costs are incurred. Revenues received in advance of costs being incurred are deferred. Capital grants and other contributions for capital asset additions to the proprietary funds are recorded as nonoperating revenues. Contributed assets are recorded in the proprietary funds and in general assets at fair value at the time received.

Inventory

Inventories held by the proprietary funds are carried at cost, determined using the weighted-average cost method. Inventory shown in the general fund consists of janitorial and office supplies held for consumption. General fund inventories are valued at cost, as determined using the weighted-average cost method. Inventory is accounted for by use of the consumption method.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

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

Summary of Significant Accounting Policies *(Continued)*

Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30th are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant and equipment with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial or improvement costs equal or exceed \$25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure assets acquired prior to October 1, 2003 have been recorded.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of major business-type activities is included as part of the capitalized value of the assets constructed. During 2013, \$50,839 of interest was capitalized in the Water/Wastewater Utility Fund.

Capital asset purchases are recorded as capital outlay expenditures in the fund level governmental funds in the year of acquisition.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Plant, Buildings and Improvements	25 - 50 Years
Utility Line Extensions	30 - 50 Years
Machinery, Equipment and Vehicles	3 - 25 Years
Meters, Poles and Transformers	10 - 33 Years
Studies	5 Years

Proprietary fund expenses for repairs and maintenance are expensed when incurred. Additions, major renewals and replacements, which increase the useful lives of the assets, are capitalized.

Compensated Absences

In governmental fund financial statements, the amount of compensated absences associated with employee vacations that are recorded as expenditures represent the amounts paid during the year, plus the amount accrued at year-end that would normally be liquidated with available spendable resources. Only the amount of the compensated absence liability that has matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement) that would normally be liquidated with current expendable available resources in the next fiscal year is recorded in the fund financial statements of governmental funds. In the

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

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

Summary of Significant Accounting Policies *(Concluded)*

Compensated Absences *(Continued)*

government-wide financial statements, all governmental fund compensated absences are recorded and split between the current and noncurrent portions.

In proprietary funds, the amount of compensated absences associated with employee vacations that are recorded as expenses represent the amounts paid during the year and accrued at year-end. The entire liability for compensated absences of these funds is reflected in the respective financial statements split between the current and noncurrent portions.

The City's sick leave paid-out policy upon termination varies depending upon whether or not a specific employee is included in a recognized bargaining unit; however, for some employees there is no maximum amount that an employee can accrue. For Police Union employees, there is no limit on the amount of sick leave that may be paid out. For Fire Union employees hired after 1/1/96, the sick leave accrual is capped at 467 hours, for those employed prior to that date the maximum is 720 hours. General employees who had more than 720 hours prior to 10/1/90 are paid a maximum of 960 hours and all others are paid a maximum of 720 hours. All payouts for sick leave depend upon which bargaining unit (if any) the employee is in and the circumstances of the employee's departure. Sick leave payout of accrued hours is at a rate of 25%, if an employee leaves, or 50%, if they retire. The City accrues 25% of sick leave hours at the employee's current pay rate for financial reporting purposes, except those employees who are vested and have reached retirement age, which the sick leave accruals are computed at 50%.

Each fund is required to liquidate the related liability that becomes current during that fiscal year and was recorded within that fund.

Deferred Outflow of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. This is the potential charge for terminating the derivative associated with the 2006 Utility Bonds based upon the fair market value of the derivative. For more details, see Note 4 – Derivative Instruments.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Fund Balance/Net Position Disclosure

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

Nonspendable Fund Balance includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal/contractual requirements. Examples are Prepaid Expenses and Inventory.

Spendable Fund Balance includes Restricted, Committed, Assigned and Unassigned designations.

- **Restricted** includes fund balance amounts that are limited for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. Examples would be:
 - **Community Redevelopment Agency and the Northeast Redevelopment Agency Funds** – As noted under Blended Component Units, these two agencies were established to enhance redevelopment activities in two different sections of the City. The interlocal agreement with the County as well as the State Statutes contains certain restrictions on the expenditures of funds.
 - **Capital Projects Impact Fees Fund** - The City Council has adopted ordinances that require new developments to pay a fee for their impact on recreation, library, police and fire services. These fees are accounted for separately and may be used only for additions and extensions to the respective system or debt service on previous qualified projects. The impact fees and interest earned on these funds are recognized as restricted.
 - **Discretionary Sales Tax Fund** - The City Council has entered into an interlocal agreement with the County and other municipalities to share revenue from a countywide optional one cent sales tax. The proceeds are distributed to various governments based upon an agreed formula. The funds are restricted for infrastructure capital uses as outlined in the agreement.
 - **Protective Inspections Fund** – Florida Statutes require that building and fire permit revenue are only to be used for activities related to those operations. In order to comply with those requirements, the City records all revenues and expenditures in this fund that qualify under the Statutes.
 - **Law Enforcement Trust Fund** – This fund was established to receive forfeiture funds, which are restricted by Federal and State Statutes as to their usage.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

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

Fund Balance/Net Position Disclosure *(Continued)*

- **Pledged Revenue and Debt Service Funds** – These funds were established in accordance with bond covenants to record receipt of revenues pledged for the repayment of the outstanding general bond and to record the various interest and principal payments.
- **Committed** includes fund balance amounts that are obligated to a specific purpose which are internally imposed by the government through formal action by ordinances, which is the highest level of City Council. These commitments can only be overturned by a like action. Examples are Encumbrances of Construction and Service Contracts, and specific allocation of funds for particular future activities.
- **Assigned** includes spendable fund balance amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. It is the City’s policy that undesignated excess Fund Balances may be assigned by the City Council, City Manager or Finance Director for specific purposes through the budget process or agenda items as authorized by City Council. The assigned designation may be reversed by the City Council at any public meeting.
- **Unassigned** includes residual positive fund balances within the General Fund, which have not been classified within the other above mentioned categories. Unassigned Fund Balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in the General Fund, it is the City’s policy to use unassigned resources first, then assigned, and then committed as needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any other governmental fund, it is the City’s policy to use committed resources first, then assigned, and then unassigned as needed.

The City does not have a formal minimum fund balance requirement. However, the City has adopted a Reserve Policy, which addresses various targeted reserve amounts in the General Fund and Enterprise Fund and the action that will be taken if the reserves fall below the targeted amount.

Net Position is utilized in the government-wide and business-type Fund Financial Statements presentations. Net position is categorized as net investment in capital assets, plus restricted and unrestricted net position.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

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

Fund Balance/Net Position Disclosure *(Continued)*

- **Net Investment in Capital Assets** is intended to reflect the portion of net position, which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less outstanding liquid assets and any associated unamortized costs associated with that debt.
- **Restricted Net Position** is liquid assets, which have third-party (statutory, bond covenant or granting agency) limitations on their use. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- **Unrestricted Net Position** typically represents unrestricted liquid assets. The City Council has the authority to revisit or alter this designation.

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 assessments 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 millage rate assessed by the City for the fiscal year ended September 30, 2013 was 5.6667 mills.

All property is assessed according to its fair market value on 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 the rolls meet all of the appropriate requirements of Florida Statutes.

The current-year taxes for the fiscal year beginning October 1 are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment, as follows:

November	4%
December	3%
January	2%
February	1%
March	0%

Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 of the following tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. The certificate holder may make application for a tax deed on any unredeemed tax certificates. Delinquent taxes on personal property bear interest up to 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 1 - Property Taxes (Continued)

There were no material delinquent and uncollected property taxes at year-end. The City's tax calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31 (Succeeding Year)
Lien Date:	April 1 (Succeeding Year)

Legal Compliance - Budgets

Budgets and Budgetary Accounting

The annual operating budget serves as legal authorization for expenditures and the proposed means of financing them. The 2012-13 annual operating budgets were prepared for all funds, except Pension Trust Funds.

Budget submissions are completed during the month of April and are due to the City Manager by May 31. A proposed budget is presented to the City Council in July. The City Council conducts a series of budget work sessions during the month of July. During these work sessions, the proposed expenditure budgets are reconciled to the revenue estimates provided by the Director of Finance. The revenue estimates include the amount of ad valorem taxes to be derived from the tax roll certified by the Property Appraiser as of July 1. Within thirty-five days from that date, the City Council must advise the Property Appraiser of the proposed and rolled back millage rates.

Within eighty days, but not earlier than sixty-five days after the Property Appraiser certifies the tax roll, the City Council conducts a public hearing to adopt a tentative budget and millage rates. No sooner than two days and no later than twenty days following the first public hearing, a second public hearing is held to formally adopt the final budget and millage.

Note 2 - Cash and Investments

Pooled Cash and Investments

The City maintains a cash and investment pool that carries substantially all cash and investments of the City, and is used by all funds except the Pension Trust Funds. Each fund's portion of the pool is displayed in the accompanying financial statements as "Equity in Pooled Investments." The cash and investments of the Pension Trust Funds are held separately from other funds of the City. All cash and investments of the pool are considered cash equivalents for the statement of cash flows.

Cash Deposits

As of September 30, 2013, the City's pooled cash deposits were entirely covered by federal depository insurance or by the banking network provided by Chapter 280 of the Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans, and limit local government deposits to "authorized depositories." Therefore, all pooled cash deposits held by banks can be classified as fully insured.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 2 - Cash and Investments (Continued)

Investments (Continued)

Restricted Cash

Customer deposits, sinking fund and unspent impact fees are shown as restricted cash due to the legal limitations imposed on them.

Investments

The City's pooled investment policy allows the City to invest surplus money in instruments as provided by Florida Statute 218.415. Among them are:

- The State Board of Administration of Florida Local Government Surplus Trust Fund;
- Florida regulated or federal banking institutions (provided such deposits are secured by collateral, as required);
- Direct or guaranteed obligations of the United States Government;
- Obligations of the Federal Farm Credit Banks; the Federal Home Loan Mortgage Corporation (including participation certificates), or the Federal Home Loan Bank or its district banks or obligation guaranteed by the Government National Mortgage Association;
- Obligations of the Federal National Mortgage Association (including participation certificates and pass-through certificates guaranteed by the Federal National Mortgage Association); and
- Open or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940.

City ordinance authorizes investments for the Pension Trust Funds as follows:

- Annuity and life insurance contracts;
- Time and savings accounts of a National Bank and a State of Florida banks insured by FDIC;
- Obligations of the United States; State and local government bonds (as restricted); and
- Corporate stocks and bonds (as restricted).

The following is a summary of pooled investments held by the City as of September 30, 2013:

<u>Type</u>	<u>Fair Value</u>	<u>Maturities</u>		
		<u>1 Year or less</u>	<u>1-5 Years</u>	<u>5-10 Years</u>
U.S. Government Agencies	\$15,549,979	\$ -	\$15,549,979	\$ -
Certificate of Deposits	1,000,000	250,000	750,000	-
Local Government Surplus Trust Fund	88,203			
Money market accounts	4,211,261			
Total Investments	20,849,443			
Demand deposits	3,182,550			
Petty cash	2,195			
Total Cash and Investments	<u>\$ 24,034,188</u>			

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 2 - Cash and Investments (Continued)

Investments (Continued)

The following is a summary of pension investments held by the City as of September 30, 2013:

	Fair Value	Maturities		
		1 Year or less	1-5 Years	5-10 Years
U.S. Treasuries	\$ 1,138,878	\$ -	\$ 615,844	\$ 523,034
Money market accounts	417,636			
Domestic fixed income mutual funds	6,498,184			
International fixed income mutual funds	1,316,856			
Domestic stocks	6,943,041			
International Stocks	299,781			
Domestic stock mutual funds	8,066,583			
International stock mutual funds	2,044,535			
Real estate investment trust	784,751			
Total Investments	<u>27,510,245</u>			
Cash	<u>55,968</u>			
Total Cash and Investments	<u>\$ 27,566,213</u>			

Interest Rate Risk – To mitigate interest rate risk, the City’s Pooled Investment Policy requires that the investment portfolio structure maturities to meet the City’s cash needs for ongoing operations and that operating funds be invested primarily in short-term securities. Of the total Cash and Investments outstanding at year-end, 32.9% have maturities of less than one year. The City’s policy requires that individual securities have maturities no greater than five years and two months. The Local Government Surplus Trust (Florida Prime) Fund A had a weighted average maturity of 44 days and Fund B had a weighted average life of 4.04 years as of September 30, 2013. FLSAFE has 35 days weighted average maturity The Florida Municipal Investment Trust 0-2 Year High Quality Bond Fund has 0.68 year weighted average maturity and the 1-3 Year High Quality Bond Fund has 1.52 year weighted average maturity. The Pension Investment Policies do not restrict maturities.

Credit Quality Risk – To mitigate credit risk, the City invests primarily in U.S. Federal Agency obligations and State of Florida Qualified Public Depositories. Money market accounts are held with FLSAFE (\$612,024), Florida Municipal Investment Trust 0-2 Year High Quality Bond Fund (\$2,546,763) and the 1-3 Year High Quality Bond Fund (\$1,052,797), which are all AAA money market funds. Fund A of the Local Government Surplus Trust (Florida Prime) Fund is an AAAM money market fund, while Fund B is unrated. All Federal Agency Bonds held at year-end had AAA rating. All of these investments meet the criteria under the City’s Pooled Investment Policy. Under that policy, the credit risk is mitigated by (1) limiting investments to the safest types of securities; (2) pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which any entity will do business; and (3) diversifying the investment portfolio so that the potential losses on individual securities will be minimized. The Pension Investment Policies restricts bond investments to investment grade quality. All bonds in the pension funds at year-end had an AAA rating.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 2 - Cash and Investments (Concluded)

Investments (Concluded)

Custodial Risk – To mitigate custodial risk, broker/dealers must meet established capital requirements, as set forth by the Securities Exchange Commission, be registered in the State of Florida, provide proof of registration, complete a broker/dealer questionnaire, certify a understanding of the City’s Pooled Investment Policy, and provide a copy of their most recent audit report. All pension assets are held by a third party.

Concentration of Credit Risk – The City’s Pooled Investment Policy requires that investments be diversified by security type, maturity and institution. No investment in a single authorized security with the same maturity date or total investment in certificates of deposit within a single institution shall exceed 10% of the total deposits. The Pension Investment Policies do not restrict individual investment concentrations. Pension fund investments are made up primarily of individual bonds, stocks and mutual funds, which do not exceed 5% of net plan assets, except \$ 6,498,184 in Galliard Immediate Bond mutual fund and \$3,559,377 in Rockwood Capital commingled stock mutual fund.

Note 3 - Capital Assets

Capital asset activity for the year ended September 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 6,464,555	\$ -	\$ -	\$ 6,464,555
Construction in Progress	3,243,276	4,611,215	(5,097,310)	2,757,181
Total Capital Assets Not Being Depreciated	9,707,831	4,611,215	(5,097,310)	9,221,736
Capital Assets Being Depreciated:				
Buildings	18,330,081	2,805,269	(1,018,773)	20,116,577
Infrastructure	26,359,500	2,342,790	(10,324)	28,691,966
Equipment	7,983,562	582,714	(479,124)	8,087,152
Media Collection	557,723	66,368	(56,820)	567,271
Total Capital Assets Being Depreciated	53,230,866	5,797,141	(1,565,041)	57,462,966
Less Accumulated Depreciation				
Buildings	(7,396,662)	(764,936)	1,018,773	(7,142,825)
Infrastructure	(8,707,305)	(858,929)	10,324	(9,555,910)
Equipment	(5,935,037)	(489,415)	479,124	(5,945,328)
Media Collection	(401,589)	(83,215)	56,820	(427,984)
Total Accumulated Depreciation	(22,440,593)	(2,196,495)	1,565,041	(23,072,047)
Total Capital Assets Being Depreciated, Net	30,790,273	3,600,646	-	34,390,919
Total Gov. Activities Capital Assets, Net	\$ 40,498,104	\$ 8,211,861	\$ (5,097,310)	\$ 43,612,655

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 3 - Capital Assets (Continued)

Depreciation Expense was charged to the following functions/programs:

Depreciation Expense - Governmental Activities

General Government and Administration	\$ 286,702
Public Safety	371,891
Transportation	518,336
Culture and Recreation	814,445
Capital Assets held by the Internal Service Funds are charged to the various functions based upon their usage of the assets	205,121
Total Depreciation Expense - Governmental Activities	\$ 2,196,495

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 5,414,207	\$ 200	\$ -	\$ 5,414,407
Construction in Progress	1,180,963	4,856,579	(1,572,392)	4,465,150
Total Capital Assets Not Being Depreciated	6,595,170	4,856,779	(1,572,392)	9,879,557
Capital Assets Being Depreciated:				
Buildings	11,670,693	561,846	-	12,232,539
Infrastructure	50,354,621	1,803,717	(335,933)	51,822,405
Equipment	3,508,255	23,759	(31,627)	3,500,387
Total Capital Assets Being Depreciated	65,533,569	2,389,322	(367,560)	67,555,331
Less Accumulated Depreciation				
Buildings	(3,318,472)	(273,978)		(3,592,450)
Infrastructure	(26,451,406)	(1,946,321)	335,933	(28,061,794)
Equipment	(2,502,339)	(161,199)	31,627	(2,631,911)
Total Accumulated Depreciation	(32,272,217)	(2,381,498)	367,560	(34,286,155)
Total Capital Assets Being Depreciated, Net	33,261,352	7,824	-	33,269,176
Total Bus.-type Activities Capital Assets, Net	\$ 39,856,522	\$ 4,864,603	\$ (1,572,392)	\$ 43,148,733

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 3 - Capital Assets (Concluded)

Depreciation Expense was charged to the following functions/programs:

Depreciation Expense - Business-type

Electric Utility	\$ 511,791
Water and Wastewater Utility	1,494,707
Sanitation	801
Stormwater Utility	372,340
Cemetery	1,859
Total Depreciation Expense - Business-type	\$ 2,381,498

Note 4 - Long-term Liabilities

Long-term liability activity for the year ended September 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Revenue Bonds:					
Imp. Rev. Refunding Bonds, 2011	\$ 3,388,600	\$ -	\$ (253,400)	\$3,135,200	\$ 258,300
CRA Revenue Bond, 2013	-	2,500,000	-	2,500,000	138,000
Total Revenue Bonds	3,388,600	2,500,000	(253,400)	5,635,200	396,300
Other Liabilities:					
Compensated Absences	960,206	688,668	(640,122)	1,008,752	762,617
Net OPEB Obligations	846,722	125,372	-	972,094	-
Total Other Liabilities	1,806,928	814,040	(640,122)	1,980,846	762,617
Total Governmental Activities	\$ 5,195,528	\$3,314,040	\$ (893,522)	\$7,616,046	\$1,158,917
Business-type Activities					
Revenue Bonds:					
2006 Serial Bonds	\$ 7,875,000	\$ -	\$ (530,000)	\$7,345,000	\$ 550,000
Issuance Discount	(261,246)	-	43,695	(217,551)	(39,644)
Total Revenue Bonds	7,613,754	-	(486,305)	7,127,449	510,356
Other Liabilities:					
Compensated Absences	269,958	241,847	(228,977)	282,828	116,298
Net OPEB Obligations	258,254	38,241	-	296,495	-
Total Other Liabilities	528,212	280,088	(228,977)	579,323	116,298
Total Business-type Activities	\$ 8,141,966	\$ 280,088	\$ (715,282)	\$7,706,772	\$ 626,654

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 4 - Long-term Liabilities (Continued)

Compensated absences and net pension obligations are generally liquidated with resources from the fund that created the liability. Net Other Pension Employment Obligations have been paid by the general and proprietary funds on a pay-as-you go basis, with allocations to the proper fund/department.

Capital Improvement Refunding Revenue Bonds, Series 2011

In 2011, the City issued Capital Improvement Refunding Revenue Bonds, Series 2011, (Series 2011 Bonds) in the amount of \$3,635,400, with a fixed interest rate of 1.95%. The proceeds were used to defease the 2001 Bonds and to pay issuance costs. Management expects that the net present value will provide a savings of over \$650,000 over the life of the bonds.

The Series 2011 Bonds are payable from a secured lien and pledge of the public services tax pursuant to Section 166.2331, Florida Statutes. Annual principal and interest on the bonds are expected to require approximately 17.1 percent of such tax revenue and are payable through 2024. Pledged revenues available for debt service totaled \$1,867,561 for the year. At year-end, pledged future revenues totaled \$3,513,814, which was the amount of the remaining principal and interest on the bonds. There was no Federal arbitrage liability on these bonds at year end.

CRA Redevelopment Revenue Note, Series 2013

In May 2013, the City issued CRA Redevelopment Revenue Note, Series 2013, (Series 2013 Note) in the amount of \$2,500,000, with a fixed interest rate of 2.17%. The proceeds were used to fund the Downtown Streetscape Project and to pay issuance costs.

The Series 2013 Note is payable from a secured lien and pledge of the Community Redevelopment Agency revenues with a secondary pledge of public services tax pursuant to Section 166.2331, Florida Statutes. Annual principal and interest on the bonds are expected to require approximately 25.3 percent of such tax revenue and are payable through 2028. Pledged revenues available for debt service totaled \$775,594 for the year. At year-end, pledged future revenues totaled \$2,947,643, which was the amount of the remaining principal and interest on the bonds. There was no Federal arbitrage liability on these bonds at year end.

Utility Bonds

The series 2006 Bonds were issued January 2006 in the amount of \$9,495,000 at a fixed rate of 3.74% to refund \$9,070,000 of outstanding Series 1998 Bonds. The net carrying amount is amount due at maturity, adjusted for issuance costs related to the old debt, as well as the deferred outflow associated with the derivative instrument that is an effective hedge on the new debt. Management expects that the net present value will provide a savings of over \$610,000 over the life of the bonds.

The Series 2006 Bonds are payable from and secured by a pledge of and prior lien on the revenues derived from operations of the water and wastewater system. Annual principal and interest on the bonds are expected to require approximately 33.8 percent of such revenue and are payable through 2023. Principal and interest for the current year was \$818,585. At year-end, pledged future revenues totaled \$8,960,443 which was the amount of the remaining principal and interest on the loan. There was no Federal arbitrage liability due on these bonds at year end.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 4 - Long-term Liabilities (Continued)

Derivative Instruments

Simultaneous to the issuance of the Series 2006 Bonds, the City entered into a pay-fixed receive variable interest rate swap, a derivative instrument, in order to fix the rate on the bonds at 3.74%. The bonds carry a variable interest rate that changes monthly based as described below. Because the swap variable rate and all other relevant terms are the same as the bonds, the pay-fix interest rate swap rate does not vary. Accordingly, the derivative instrument is considered effective for financial reporting purposes. The interest rate swap is recorded at fair value as a liability of the Water and Wastewater Fund with a corresponding Deferred Inflow.

The fair value balance and notional amount of the derivative instrument outstanding as of September 30, 2013, classified by type, and the change in fair value of the derivative instrument for the year then ended as reported in the 2013 financial statement is as follows; (amounts in thousands; debit (credit):

	<u>Changes in Fair Value</u>		<u>Fair Value at 9/30/13</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Business-type activities					
Cash flow hedge:					
Pay-fixed interest rate swap	Deferred	\$267	Debt	\$(691)	\$7,345
	Outflow				

The fair value of the interest rate swap was estimated using the estimated price or spread level at which an agent for the City might find liquidity for a round lot transaction within the relevant market. Valuations are based in part upon historical cash and asset information furnished to our agent by third parties.

The City’s objective and terms of the hedging derivative instrument as of September 30, 2013 was as follows:

Type: Pay-fixed interest rate swap - Counterparty Credit Rating: A/A2
Objective: To provide a fix rate on the Series 2006 Bonds
Original Notional Amount: \$9,495,000 - Current Notional Amount: \$7,345,000
Date of Agreement: September 21, 2005 - Effective Date: January 17, 2006
Maturity Date: October 1, 2023 - Adjustment Period: First of each month
Terms: Pay 3.74% Fixed Rate with the variable rate at 63.7% of London Interbank Offered Rate (LIBOR) plus 0.55% and the variable rate of the interest rate is the same as the bonds

Risks

Credit Risk

The agreement is subject to termination if there is a credit event due to merger or bankruptcy of either party. In such event close-out netting provision permits the non-defaulting party to terminate the agreement and pay or receive a single amount.

The fair value of the hedging derivative was negative \$691,428 as of September 30, 2013. This is the maximum liability that the City would have if there was an early termination of the bond agreement.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 4 - Long-term Liabilities (Continued)

Interest rate risk

The City is exposed to interest rate risk on the hedging instrument. A pay-fix interest rate swap, the amount that may be payable due to early termination, will increase or decrease in direct relationship to the change in the LIBOR rate.

Basis risk

The City is exposed to basis risk with this pay-fix interest rate swap only if there is an early termination. The amount of risk is dependent on the prevailing current market rate at that time.

Termination Risk

The City may terminate the pay-fix interest rate swap at any time and be subject to pay or receive payment based upon Net Settlement Amount equal to the market value of the derivative.

Rollover Risk

The City has no rollover risk as the derivative instrument has an identical maturity date to that of the outstanding bonds.

The following is a schedule of bonds and notes outstanding at September 30, 2013:

Description of the Bonds	Purpose of the Issue	Amount Issued	Amount Outstanding	Interest Rate
Governmental Activities				
Revenue Bonds:				
Improvement Revenue Refunding Bonds, Series 2011	Refunding	\$ 3,635,400	\$ 3,135,200	1.95%
CRA Revenue Note, Series 2013	Improvements	2,500,000	2,500,000	2.17%
Total Governmental Activities		<u>\$ 6,135,400</u>	<u>\$ 5,635,200</u>	
Business-type Activities				
Revenue Bonds:				
Utility Revenue Bonds, Series 2006	Refunding	\$ 9,495,000	\$ 7,345,000	3.74%
Total Business-type Activities		<u>\$ 9,495,000</u>	<u>\$ 7,345,000</u>	

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 4 - Long-term Liabilities (Concluded)

Debt service to maturity on the City's bonded indebtedness, and note payable are as follows:

<u>Year(s)</u> <u>Ending</u>	<u>Business-type Activities</u>		<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 550,000	\$ 266,705	\$ 396,300	\$ 119,493
2015	570,000	243,474	410,300	106,563
2016	595,000	221,689	417,500	98,228
2017	615,000	199,062	426,700	89,737
2018	640,000	175,593	435,100	81,058
2019-2023	3,575,000	493,960	2,311,000	268,975
2024-2028	800,000	14,960	1,238,300	62,203
Total	\$ 7,345,000	\$ 1,615,443	\$ 5,635,200	\$ 826,257

Conduit Debt

Periodically, the City will issue conduit debt to fulfill a public need or purpose. These obligations are not reported as liabilities in the financial statements as the City is not obligated in any manner for repayment of the debt. In 2008, the City authorized the issuance of \$3,300,000 of conduit bonds under the authority of the Florida Statutes, Part II Chapter 159 for Christian Home and Bible School, who is solely responsible for the debt, issuance costs and all debt payments. The 2008 Bonds issued have a final maturity on February 23, 2018. There was \$2,760,176 outstanding as of September 30, 2013.

Capitalized Lease Obligations

As of September 30, 2013, the City had no outstanding capital lease agreements.

Defeased Debt

There is no outstanding defeased debt.

Note 5 - Inter-fund Balances and Transfers

Inter-fund balances at September 30, 2013, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Impact Fees	\$ 2,200,000
General Fund	Sanitation Fund	14,965
Public Services Tax Fund	Electric Utility	41,211

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 5 - Inter-fund Balances and Transfers (Continued)

In 2010, the City Council passed Resolution 2010-16, which authorized long-term inter-fund loans from the General Fund to the Capital Projects Impact Fees Fund. In addition, Resolution 2011-08 authorized an additional \$600,000 for Capital Projects Impact Fees Fund for the Library Expansion project. The receivable from the Sanitation Fund is for estimated franchise taxes due. The Receivable in the Public Services Fund is for the estimated utility taxes for unbilled prorated services from the Electric Utility Fund.

Inter-fund transfers during 2012-13 were made as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 4,286,300	\$ 95,000
Public Service Fund	-	1,814,000
Electric Utility Fund	-	1,295,950
Water and Wastewater Utility Fund	-	1,362,250
Stormwater Utility Fund	-	128,100
Cemetery Fund	95,000	-
Non-major Fund:		
Debt Service Fund	314,000	-
Total	<u>\$ 4,695,300</u>	<u>\$ 4,695,300</u>

The Enterprise Funds transfer money to the General Fund based upon a calculation of the estimated amount of taxes and investment returns that would be expected to be received by the general government, if the utilities were privately owned. Revenues deposited in the Public Services Tax Fund are transferred to the Debt Service Fund to meet the required debt payments with the balance of the budgeted funds being transferred to the General Fund for operations. The General Fund transferred money to the Cemetery Fund to subsidize operations.

Note 6 - All Requirements for Electric Service/Purchased Electric Power Cost Agreement

The City has entered into an agreement with Duke Energy, Inc. for the purchase and sale of all requirements for electric service. The agreement expires on December 31, 2017.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 7 - Agreement for Exclusive Right to Collect Refuse

On August 18, 2013, the City Council approved a new agreement with Waste Management, Inc. The agreement grants exclusive rights to Waste Management, Inc. to collect refuse within the City, commenced on October 1, 2013, subject to termination upon default. The contract is for seven years and may be extended for an additional five-year term.

The City continues to bill and collect from sanitation customers. The City retains \$2.22 per month for each customer billed as revenue in the sanitation fund for operational costs. A 10% franchise fee is collected and recognized in the general fund. Waste Management, Inc. has furnished the City with a performance bond in the amount of \$250,000 insuring the faithful performance of the agreement. In addition, a liability policy naming the City as an additional insured in the amount of \$1,000,000 per occurrence and \$1,000,000 in the aggregate has been obtained.

Note 8- Other Post-employment Benefits

The City provides, through annual City Council appropriation, health and life insurance for sixty-one retired employees and thirteen spouses. The post-employment benefits are funded for by the general and enterprise funds on a “pay-as-you-go” basis. Stand alone financial reports are not issued. The cost for the year ended September 30, 2013, was \$503,998. In addition, the City provides health insurance coverage to terminated employees in accordance with the COBRA law. These benefits are provided at a limited cost by the City, since the former employees reimburse the City for the full estimated premium allowed by law.

Based on GASB Statements 45, which set forth the guidelines for the treatment of Other Post Employment Benefits (OPEB), the City has had an actuarial calculation completed to determine the future funding requirements of these benefits. The actuary’s 2012 valuation (calculated as of October 1, 2012) involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. These assumptions include future employment, mortality future payroll and health care cost trends. The calculation used the Entry Age Normal method, including normal pension-related actuarial assumptions, health care inflation for Pre-Medicare and for post-Medicare of 8.5% grading down to 4.55% in 2017, plus a payroll growth inflation assumption of 4%. The calculation amortizes the UAAL over 30 years, using closed amortization periods. The calculation is based upon the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and the plan members at the date of the evaluation. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multi-year trend information indicating whether the actuarial value of plan assets is increasing over time relative to the actuarial liabilities for benefits.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 8- Other Post-employment Benefits (Concluded)

Valuation Date	10/1/2012	10/1/2011	10/1/2010
Applicable for Fiscal Year ending	9/30/2013	9/30/2012	9/30/2011
Annual Required Contribution	732,476	745,422	716,204
Interest on Net OPEB Obligation	55,249	46,599	37,580
Adjustment in Annual Required Contribution	(52,031)	(35,568)	(28,684)
Annual OPEB Cost/(Expense)	735,694	756,453	725,100
Estimated Contribution Made	(572,083)	(583,450)	(544,721)
Anticipated Increase/(Decrease) in Net OPEB Obligation	163,611	173,003	180,379
Net OPEB Obligation - Beginning of the Year	1,104,977	931,974	751,595
Estimated Net Obligation - End of the Year	1,268,588	1,104,977	931,974
Percentage of Annual OPEB Cost Contributed	77.8%	77.1%	75.1%
Funded Status as of Fiscal Year Beginning		10/1/2012	
Actuarial Accrued Liability (AAL)		\$ 10,674,280	
Actuarial Value of Assets (AVA)		-	
Unfunded Actuarial Accrued Liability (UAAL)		\$ 10,674,280	
Funded Ratio		0.0%	
Covered Payroll		\$ 8,044,869	
Ratio of UAAL to Covered Payroll		132.7%	

The City contributes either 50% or 100% of the active health insurance premium for certain groups of retirees with at least 10 years of service on September 30, 2003 and who were participating in the City's group insurance plan. For those employees hired prior to April 15, 2003 with less than 10 years of service on September 30, 2003, the City contributes 2.5% for each year of service toward the retiree premium in the City's group insurance up to 75% for normal retirees and 50% for early retirees. Pursuant to Section 112.01, Florida Statutes, the City is required to permit participation in the health insurance program by retirees and their eligible dependents, at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. The City also contributes 100% of the active life insurance premium for normal retirees with at least 10 years of service on September 30, 2003 and participating in the City's group life insurance plan. Life insurance coverage is available up to \$5,000 and may be purchased by the retiree at the active premium rate. The City currently has no plans to fund the Unfunded Actuarial Accrued Liability.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 9 - Uncertainties

The City participates in a number of Federal and State programs funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the grantor. The City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any individual fund or the overall financial position of the City.

Note 10 - Federal and State Single Audit Requirements

During the fiscal year, less than \$500,000 was expended in Federal and State financial assistance. Pursuant to the Office of Management and Budget (OMB) Circular A-133 and the Single Audit Act, the City was not subject to Federal or State Single Audit requirements.

Note 11 - Risk Management and Litigation

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, which the City carries commercial insurance. The City has effectively managed risks through insurance coverage subject to coverage limits from commercial insurance companies. For each of the past three fiscal years, no losses in excess of the insurance coverage have occurred. There have been no significant reductions in coverage limits from prior years.

Insurance against losses are provided through various commercial carriers for the following:

- | | |
|----------------------------------|---|
| ■ General Liability | ■ Pollution Liability |
| ■ Property | ■ Accidental Death and Dismemberment |
| ■ Automobile | ■ Group Health (partially self insured) |
| ■ Police Professional | ■ Employee Dishonesty |
| ■ Fire Legal Liability | ■ Emergency Medical Treatment |
| ■ Boiler and Machinery Liability | |

In 2010, The City established a limited risk management program to help contain rising health insurance costs. The program consists of purchasing an aggregate stop loss and individual maximum claims reinsurance policies with the City being responsible for the claims not covered by the policies. Premiums are charged to each fund and department based upon the individuals selection of coverage. Then the employees are charged for a portion of individual or family coverage. The premiums collected are then deposited into the internal service fund called Self-Insurance fund. All administrative, networks, insurance and claims costs are charged to the fund. If there were to be a shortage, then the excess would be charged to each fund and department based upon their portioned share.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs) based the estimated claims incurred as of September 30th and offset by any estimated recover from the excess insurance. The results of the process to estimate the claims liability is not an exact amount as it depends on timing of claims being reported and processed through the system. During the year, the excess individual insurance policy covers claims in excess of \$60,000, while aggregate covers total claims in excess of \$1,509,049.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 11 - Risk Management and Litigation (Continued)

Fiscal Year Ending	9/30/13	9/30/12
Unpaid Claims, Beginning of Fiscal Year	\$ 385,248	\$ 340,729
Incurred Claims (including IBNRs)	1,439,702	1,241,001
Claims Payments	(1,433,156)	(1,196,482)
Unpaid Claims, End of Fiscal Year	<u>\$ 391,794</u>	<u>\$ 385,248</u>

Note 12 - Defined-Benefit Pension Plans

Plan Descriptions and Contribution Information

The City maintains three separate single-employer pension defined benefit plans for police officers, firefighters, and general employees that cover substantially all full-time Police and Fire employees most full-time General Employees hired before 10/1/2010. These plans are maintained as Pension Trust Funds, utilize the accrual basis of accounting and are included as part of the City's reporting entity. State law requires contributions to be determined by actuarial studies at least every three years. The City elects to have actuarial studies conducted annually. Stand-alone financial reports are not issued.

Investments are reported at fair value and are managed by third party money managers. The City's independent custodian and the individual money managers price each instrument (using various third party pricing sources) and reconcile material differences. Investments that do not have an estimated market are reported at estimated fair value. Performance reporting, manager fees and the City's asset valuations are based on the custodian's determination of the fair value.

Membership of each plan consisted of the following at October 1, 2012, the date of the latest actuarial valuation:

	<u>GERP</u>	<u>PORP</u>	<u>FRP</u>
Retirees and Beneficiaries receiving benefits	71	14	10
Terminated Plan Members entitled to but not yet receiving benefits	8	6	1
Active Plan Members with frozen benefits	75	0	0
Active Plan Members with continuing benefit accruals	20	31	24
Total	<u>174</u>	<u>51</u>	<u>35</u>

- **Plan Description** - The General Employees' Retirement Plan (GERP) provides retirement, death and disability benefits to plan members and their beneficiaries. The GERP is a defined-benefit pension plan formed under authority of Florida Statutes, Chapter 112, covering substantially all full-time employees hired before October 1, 2010, who are not classified as full-time sworn police officers or firefighters. It is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The City Council has the authority to establish and amend the benefit provisions of the plan. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. On September 21, 2010, the City council passed Ordinance 2010-14, which materially changed the number of employees eligible for the Plan. Only employees with

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 12 - Defined-benefit Pension Plans *(Continued)*

Plan Descriptions and Contribution Information *(Continued)*

■ **General Employees' Retirement Plan *(Continued)***

- **Plan Description *(Continued)*** - seven years of service and age 55 or older (15 members) as of September 30, 2010 and non-certified employees of the Police Union (8 members) will continue to participate in the plan after October 1, 2010. On March 6, 2012 the plan was closed to non-certified employees of the Police Union. All future employees will participate in a new defined contribution plan. On April 17, 2012 the definition of pensionable earnings was changed to exclude overtime pay earned in excess of 300 hours after March 6, 2012.

- **Contributions** - None are required for members hired prior to October 1, 1985; 7.14% of pay for additional benefits provided to contributing members (optional for members hired prior to October 1, 1985, and mandatory for all subsequent members). City contributions are required for the remaining amount necessary to fund annual normal costs and amortization of the unfunded actuarial accrued liability.

■ **Police Officers' Retirement Plan**

- **Plan Description** - The Police Officers' Retirement Plan (PORP) provides retirement, death and disability benefits to plan members and their beneficiaries. The PORP is a defined-benefit pension plan covering all regular sworn police officers employed by the City. It is not subject to the provisions of ERISA. The PORP is modeled after Florida Statutes, Chapter 185, as amended by City Ordinance. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Ordinance No. 2012-08, adopted on April 17, 2012, changed the definition of pensionable earnings by excluding overtime pay for hours earned after March 6, 2012 in excess of 300 hours of overtime per year. Additionally, payments for unused leave earned after March 6, 2012 are excluded from pensionable compensation.

- **Contributions** - Plan members are required to contribute 5.55% of their annual covered salary. The State of Florida collects and remits proceeds from a 1% excise tax levied on insurance premiums within the City limits. The City contributes the proceeds from the State and an additional amount equal to the actuarially-determined amount each year. The State contribution is recognized when received, which was \$ 77,789 for the FY 2013.

■ **Firefighters' Retirement Plan**

- **Plan Description** - The Firefighters' Retirement Plan (FRP) provides retirement, death and disability benefits to plan members and their beneficiaries. The FRP is a defined-benefit pension plan covering all certified full-time and volunteer firefighters. It is not subject to the provisions of the ERISA. The FRP is modeled after Florida Statutes, Chapter 175, as amended by City Ordinance. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 12 - Defined-benefit Pension Plans (Continued)

Plan Descriptions and Contribution Information (Continued)

■ **Firefighters' Retirement Plan (Continued)**

- **Contributions** - Plan members are required to contribute 5.49% of their annual covered salary. The State of Florida collects and remits proceeds from a 1% excise tax levied on insurance premiums within the City limits. The City contributes the proceeds from the State and the additional amount equal to the actuarially-determined amount each year. The State contribution is recognized when received, which was \$ 84,743 for the FY 2013.

Annual Pension Costs and Net Pension Obligation

The City's annual pension cost and net pension obligation to GERP, PORP and FRP for the Fiscal Year ending September 30, 2013 were as follows:

	GERP	PORP	FRP
Annual Required Contribution (ARC)	570,759	402,409	293,565
Interest on Net Pension Obligation	(6,113)	(6,632)	(3,651)
Adjustment to ARC	12,166	9,531	5,427
Annual Pension Cost (APC)	576,812	405,308	295,341
Contributions Made	(577,401)	(427,051)	(351,863)
Net Pension Obligation, Beginning of Year	(81,504)	(88,428)	(45,642)
Net Pension Obligation, End of Year	\$ (82,093)	\$ (110,171)	\$ (102,164)

The aggregate negative net pension obligation of \$294,428 is reflected on the statement of net position as a deferred charge.

The current funding status of the three plans as of the most recent valuation dates are as follows:

Pension Plan	Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL) Entry Age (1)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
GERP	10/1/12	\$ 13,195,495	\$ 16,300,186	\$ 3,104,691	81.0%	\$ 4,387,563	70.8%
PORP	10/1/12	6,185,029	7,846,731	1,661,702	78.8%	1,861,356	89.3%
FRP	10/1/12	5,044,876	5,716,184	671,308	88.2%	1,388,873	48.3%

(1) General Employees Retirement Fund uses Frozen Initial Liability

Other Pension Information

The annual required contribution for the current year was determined as part of the actuarial valuation, as indicated. The assumptions do not include other post-retirement benefits, which are not funded under the pension plans.

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 12 - Defined-benefit Pension Plans (Continued)

Actuarial Valuation, October 1	<u>2012</u>	<u>2012</u>	<u>2012</u>
	GERP	PORP	FRP
Actuarial Valuation Method	Frozen Initial	Aggregate	Aggregate
Rate of Return	7.5%	7.5%	8.0%
Projected Salary Increase	6.0%	6.0% to 12.5%	5.5%
Inflation Rate	3.0%	4.0%	4.0%
Cost-of-living Adjustment	N/A	N/A	N/A
Remaining Amortization Period	17 Years	N/A	N/A

The actuarial value of assets was determined using a five-year smoothing market for the all Plans. The excess of the actuarial value of assets over the actuarial accrued liabilities is being amortized using the level dollar method for the GERP and is not applicable for the PORP and FRP. The remaining amortization period at October 1, 2012, is seventeen years for the GERP and is closed. Both the PORP and FRP use the aggregate-actuarial-cost method, which does not identify or separately amortize unfunded actuarial liabilities. For actuarial calculation, administrative expenses are assumed to be the average of actual expenses over the previous two years. Actuarial valuations involve estimates and assumptions about events far in the future and are subject to continual revisions. The actuarial valuations reflect long-term perspective and are designed to reduce short-term volatility. The Aggregate Actuarial Cost Method used by the Police Officers' and Firefighters' Retirement Plans does not identify or separately amortize unfunded actuarial accrued liabilities, information about the funded status and funding progress is presented using entry age actuarial cost method and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan. Schedules of funding progress are presented as required supplementary information following the notes to the financial statements

	F/Y/E	<u>Three-Year Trend Information</u>		
		Annual Pension	% of APC	Net Pension
		Cost (APC)	Contributed	Obligation
	September 30th			
GERP	2013	\$ 576,812	100.1%	\$ (82,093)
	2012	504,942	98.0%	(81,504)
	2011	538,816	97.8%	(91,480)
PORP	2013	405,308	105.4%	(110,171)
	2012	395,359	99.1%	(88,428)
	2011	332,533	98.7%	(92,180)
FRP	2013	295,341	119.1%	(102,164)
	2012	292,659	99.4%	(45,642)
	2011	249,229	99.5%	(47,395)

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 12 - Defined-Benefit Pension Plans (Continued)

Other Pension Plan Information (Concluded)

Derivation of the Current UAAL for the General Employee's Retirement Plan

10/1/11 UAAL	\$ 3,579,216
Last year's Employer Normal Costs	209,115
Last Year's Contribution	(494,966)
Interest at the Assumed Rate	261,349
This Year's UAAL prior to Revision	3,554,714
Change in UAAL Due to Plan Amendments and/or Changes in Actuarial Assumptions	113,061
10/1/12 Revised UAAL	<u>\$ 3,667,775</u>

UAAL amortization period and payments for the General Employees' Retirement Plan

<u>Date</u> <u>Established</u>	<u>Original UAAL</u>		<u>Years</u> <u>Remaining</u>	<u>Current UAAL</u>	
	<u>Amortization</u> <u>Period (Years)</u>	<u>Amount</u>		<u>Amount</u>	<u>Payment*</u>
10/1/2009	20	\$ 3,770,344	17	\$ 3,245,558	\$ 320,027
10/1/2010	19	157,488	17	150,651	14,855
10/1/2011	18	159,269	17	158,163	15,596
10/1/2011	18	(49,285)	17	(48,943)	(4,826)
10/1/2011	17	162,346	17	162,346	16,008
		<u>\$ 4,200,162</u>		<u>\$3,667,775</u>	<u>\$ 361,660</u>

* Using an Interest Rate of 7.5%

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Continued)

Note 12 - Defined-Benefit Pension Plans (Concluded)

Other Pension Plan Information (Concluded)

Schedule of the Change in Pension Plan Net Position as of September 30, 2013

	General Employees' Retirement Fund	Police Officers' Retirement Fund	Firefighters' Retirement Fund	Total
Assets				
Cash	\$ 2,252	\$ 35,397	\$ 18,319	\$ 55,968
Receivable	134,469	-	-	134,469
Investments	14,336,643	7,096,631	6,076,971	27,510,245
Accrued Interest Receivable	5,330	2,036	1,929	9,295
Total Assets	14,478,694	7,134,064	6,097,219	27,709,977
Liabilities				
Accounts Payable	(132,995)	(7,100)	(208,302)	(348,397)
Total Liabilities	(132,995)	(7,100)	(208,302)	(348,397)
Net Position				
Restricted for Pension Benefits	\$ 14,345,699	\$ 7,126,964	\$ 5,888,917	\$ 27,361,580
Additions				
Contributions:				
Employer	\$ 577,401	\$ 349,262	\$ 267,120	\$ 1,193,783
Employee	65,460	110,204	75,821	251,485
State	-	77,789	84,743	162,532
Total Contributions	642,861	537,255	427,684	1,607,800
Investment Earnings:				
Investment Earnings	1,425,610	767,965	691,629	2,885,204
Less: Invest. Management Fees	(63,260)	(39,972)	(33,581)	(136,813)
Net Investment Income	1,362,350	727,993	658,048	2,748,391
Other Miscellaneous Income	123,725	-	-	123,725
Total Additions	2,128,936	1,265,248	1,085,732	4,479,916
Deductions				
Pension Benefit Payments	898,173	296,601	386,132	1,580,906
Pension Contribution Refunds	37,396	45,695	-	83,091
General and Administrative	43,163	39,105	38,766	121,034
Total Deductions	(978,732)	(381,401)	(424,898)	(1,785,031)
Net increase	1,150,204	883,847	660,834	2,694,885
Net Position Restricted for Employees' Pension Benefits				
Beginning of the Year	13,195,495	6,243,117	5,228,083	24,666,695
End of the Year	\$ 14,345,699	\$ 7,126,964	\$ 5,888,917	\$ 27,361,580

NOTES TO FINANCIAL STATEMENTS
CITY OF MOUNT DORA, FLORIDA
(Concluded)

Note 13 – Deferred Compensation Program and 401A

The City offers its employees a deferred compensation program created in accordance with the Internal Revenue Code (IRC) Section 457 and Florida Statutes. During the year ended September 30, 2013, the City complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Pursuant to the provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the financial statements do not display deferred compensation balances.

The City also provides a defined contribution plan under the Internal Revenue Code, Section 401 (a). The plan provides an employer-paid, pre-tax allowance for the non-union and General Employees Union employees that do not qualify for the Defined Benefit Plan, the City Manager and part-time employees that work over 1000 hours the previous year. The benefit is in replacement of a pension plan for these employees. The City contributes 6% of the employee's base salary and will match the employees' contribution up to another 4%, for a maximum contribution of 10% for an employee. The employee vests in the City's contribution evenly over a five year period. For the year ended September 30, 2013, the City contributed \$382,214.

Note 14 - Construction Commitments

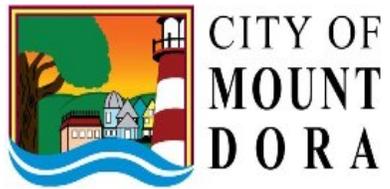
During 2012-13, the City entered into seven contracts that are partially completed. All expenditures and the related contract retainage have been recorded in the appropriate funds. The remaining portion of the contracts and the amount of retainage is as follows:

<u>Fund</u>	<u>Balance</u>	<u>Retainage</u>
Discretionary Sales Tax Fund	\$ 55,879	\$ 18,361
Community Redevelopment Fund	519,163	170,242
Northeast Community Redevelopment Fund	317,603	-
Electric Fund	145,952	44,471
Water & Wastewater Fund	3,903,840	237,431
Stormwater Fund	179,325	45,014

Note 15 - Prior Year Adjustments

During the current year, it was determined that certain prior year water and wastewater impact fees were incorrectly recorded as revenue in the year of receipt instead of as unearned revenue. In addition, it determined that one developer had not fully paid the required impact fee due to failure to track the number of lots prepaid. By September 30th, all outstanding Impact Fees were paid. To correct these errors, the Water and Wastewater Fund's beginning net position was increased by \$363,004. In addition, the City has elected to do an early implementation of GASB 65 by eliminating the beginning balance of the Unamortized Bond Issuance Cost of \$17,876. The resulting \$345,128 increased the net asset position for Business-type activities to \$45,896,966, from the originally reported \$45,551,838. The beginning balance of the Unamortized Bond Issuance Cost of \$105,600 for the Governmental Activities was eliminated, thus reducing the net position to \$44,823,616, from the originally reported \$44,929,216 for Governmental Activities.

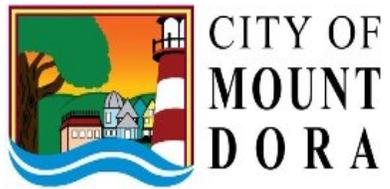
This page left intentionally blank



REQUIRED SUPPLEMENTARY INFORMATION

The following supplemental schedules present trend information regarding the retirement plans for the City's general employees, police officers, firefighters and major fund budgetary comparison schedules. This information is necessary for a fair presentation in conformity with generally accepted accounting principles. The basis for budgetary comparisons shown is same as GAAP.

This page left intentionally blank



CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Taxes				
Ad Valorem	\$ 3,995,100	\$ 3,995,100	\$ 4,007,085	\$ 11,985
Local Option Gas Tax	324,000	324,000	317,141	(6,859)
Local Business Tax	29,500	29,500	23,271	(6,229)
Total Taxes	<u>4,348,600</u>	<u>4,348,600</u>	<u>4,347,497</u>	<u>(1,103)</u>
Permits and Fees				
Franchise Fee:				
Electric	415,500	415,500	398,975	(16,525)
Gas	44,000	44,000	42,839	(1,161)
Solid Waste	177,650	177,650	183,928	6,278
Other	5,750	5,750	4,211	(1,539)
Site Development Permits	15,000	15,000	8,750	(6,250)
Garage Sale Permits	1,500	1,500	1,245	(255)
Rental License	16,500	16,500	21,200	4,700
Total Permits and Fees	<u>675,900</u>	<u>675,900</u>	<u>661,148</u>	<u>(14,752)</u>
Intergovernmental				
Grants	36,500	36,500	43,237	6,737
State Revenue Sharing	291,600	303,950	315,314	11,364
Local Option Sales Tax	565,000	565,000	612,470	47,470
County Revenue Sharing	12,950	12,950	14,603	1,653
County Voted One-cent Gas Tax	82,500	82,500	83,600	1,100
County Library Funding	245,150	245,150	244,344	(806)
Total Intergovernmental	<u>1,233,700</u>	<u>1,246,050</u>	<u>1,313,568</u>	<u>67,518</u>
Charges for Services				
Special Events Fees	21,750	28,050	32,362	4,312
Development Review & Service Fees	33,400	33,400	24,875	(8,525)
Public Safety Revenue	167,100	181,650	183,941	2,291
Recreation Fees	84,650	84,650	111,732	27,082
Finance Fees	56,500	56,500	47,371	(9,129)
Total Charges for Services	<u>363,400</u>	<u>384,250</u>	<u>400,281</u>	<u>16,031</u>

continued

CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues (Concluded)				
Fines and Forfeitures				
Court and Parking Fines	\$ 37,000	\$ 37,000	\$ 54,359	\$ 17,359
Library Fines	25,500	25,500	22,477	(3,023)
Code Enforcement Fines	500	500	10,890	10,390
Total Fines and Forfeitures	<u>63,000</u>	<u>63,000</u>	<u>87,726</u>	<u>24,726</u>
Miscellaneous				
Miscellaneous Billings	4,650	4,650	10,989	6,339
Investment Earnings (Losses)	45,150	45,150	(1,487)	(46,637)
Real Estate Rent	130,250	130,250	148,132	17,882
Sale of Surplus Property	3,000	3,000	5,584	2,584
Contributions	-	18,000	22,688	4,688
Other Revenues	5,250	5,250	29,068	23,818
Total Miscellaneous	<u>188,300</u>	<u>206,300</u>	<u>214,974</u>	<u>8,674</u>
Total Revenues	<u>6,872,900</u>	<u>6,924,100</u>	<u>7,025,194</u>	<u>101,094</u>
Expenditures				
General Government				
Legislative:				
Personal Services	50,500	50,500	46,420	4,080
Operating Expenses	18,700	18,700	23,393	(4,693)
Cost Allocations	(24,000)	(24,000)	(19,550)	(4,450)
Total Legislative	<u>45,200</u>	<u>45,200</u>	<u>50,263</u>	<u>(5,063)</u>
Executive:				
Personal Services	306,850	313,800	295,655	18,145
Operating Expenses	202,150	202,150	196,799	5,351
Cost Allocations	(284,350)	(284,350)	(264,150)	(20,200)
Total Executive	<u>224,650</u>	<u>231,600</u>	<u>228,304</u>	<u>3,296</u>
Finance and Administrative:				
Personal Services	1,195,000	1,215,150	1,238,330	(23,180)
Operating Expenses	625,900	625,900	623,978	1,922
Capital Outlay	41,550	41,550	39,470	2,080
Cost Allocations	(1,582,300)	(1,582,300)	(1,589,701)	7,401
Total Finance and Administrative	<u>280,150</u>	<u>300,300</u>	<u>312,077</u>	<u>(11,777)</u>

continued

CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Expenditures (Continued)				
Planning and Development:				
Personal Services	\$ 259,100	\$ 263,500	\$ 262,769	\$ 731
Operating Expenses	79,900	79,900	63,330	16,570
Cost Allocations	20,000	20,000	20,850	(850)
Total Planning and Development	<u>359,000</u>	<u>363,400</u>	<u>346,949</u>	<u>16,451</u>
Other General Government:				
Personal Services	425,500	425,500	503,998	(78,498)
Operating Expenses	28,500	36,500	36,799	(299)
Capital Outlay	-	-	-	-
Grants and Aid	108,600	108,600	17,210	91,390
Cost Allocations	(141,150)	(141,150)	(141,905)	755
Contingency	210,000	17,000	-	17,000
Total Other General Government	<u>631,450</u>	<u>446,450</u>	<u>416,102</u>	<u>30,348</u>
Total General Government	<u>1,540,450</u>	<u>1,386,950</u>	<u>1,353,695</u>	<u>33,255</u>
Public Safety				
Law Enforcement:				
Personal Services	3,366,450	3,449,650	3,491,473	(41,823)
Operating Expenses	776,900	806,487	820,084	(13,597)
Capital Outlay	8,100	8,100	38,103	(30,003)
Cost Allocations	288,250	288,250	278,050	10,200
Total Law Enforcement	<u>4,439,700</u>	<u>4,552,487</u>	<u>4,627,710</u>	<u>(75,223)</u>
Fire Control:				
Personal Services	1,917,400	1,956,350	1,977,730	(21,380)
Operating Expenses	235,700	237,700	239,477	(1,777)
Capital Outlay	7,600	7,600	7,781	(181)
Cost Allocations	76,800	76,800	78,200	(1,400)
Total Fire Control	<u>2,237,500</u>	<u>2,278,450</u>	<u>2,303,188</u>	<u>(24,738)</u>
Total Public Safety	<u>6,677,200</u>	<u>6,830,937</u>	<u>6,930,898</u>	<u>(99,961)</u>
Transportation				
Roads and Streets:				
Personal Services	572,800	581,500	593,058	(11,558)
Operating Expenses	465,050	455,400	447,038	8,362
Capital Outlay	-	4,100	4,050	50
Cost Allocations	49,700	49,700	52,700	(3,000)
Total Transportation	<u>1,087,550</u>	<u>1,090,700</u>	<u>1,096,846</u>	<u>(6,146)</u>

continued

CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013
(Concluded)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Expenditures (Concluded)				
Culture and Recreation				
Libraries:				
Personal Services	\$ 450,450	\$ 458,100	\$ 479,569	\$ (21,469)
Operating Expenses	160,450	169,150	115,314	53,836
Capital Outlay	25,000	25,600	36,324	(10,724)
Cost Allocations	111,900	111,900	118,800	(6,900)
Total Libraries	<u>747,800</u>	<u>764,750</u>	<u>750,007</u>	<u>14,743</u>
Parks and Recreation:				
Personal Services	1,049,550	1,064,550	1,044,620	19,930
Operating Expenses	685,900	701,232	662,329	38,903
Capital Outlay	7,900	14,200	21,797	(7,597)
Cost Allocations	(363,400)	(363,400)	(370,295)	6,895
Total Parks and Recreation	<u>1,379,950</u>	<u>1,416,582</u>	<u>1,358,451</u>	<u>58,131</u>
Total Culture and Recreation	<u>2,127,750</u>	<u>2,181,332</u>	<u>2,108,458</u>	<u>72,874</u>
Total Expenditures	<u>(11,432,950)</u>	<u>(11,489,919)</u>	<u>(11,489,897)</u>	<u>22</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(4,560,050)</u>	<u>(4,565,819)</u>	<u>(4,464,703)</u>	<u>101,116</u>
Other Financing Sources (Uses)				
Transfers in:				
Public Services Tax	1,500,000	1,500,000	1,500,000	-
Electric	1,332,500	1,332,500	1,295,950	(36,550)
Water and Wastewater	1,346,850	1,346,850	1,362,250	15,400
Stormwater	125,700	125,700	128,100	2,400
Transfers out:				
Cemetery Fund	(85,000)	(95,000)	(95,000)	-
Total Other Financing Sources (Uses)	<u>4,220,050</u>	<u>4,210,050</u>	<u>4,191,300</u>	<u>(18,750)</u>
Net Change in Fund Balance	(340,000)	(355,769)	(273,403)	82,366
Fund Balance, Beginning of Year	<u>340,000</u>	<u>361,319</u>	<u>4,408,400</u>	<u>4,047,081</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 5,550</u>	<u>\$ 4,134,997</u>	<u>\$ 4,129,447</u>

CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - COMMUNITY REDEVELOPMENT AGENCY
(INCREMENTAL TAX DISTRICT)
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 394,400	\$ 394,400	\$ 393,558	\$ (842)
Intergovernmental	372,800	372,800	372,815	15
Miscellaneous	6,000	29,475	9,221	(20,254)
Total Revenues	<u>773,200</u>	<u>796,675</u>	<u>775,594</u>	<u>(21,081)</u>
Expenditures				
General Government:				
Personal Services	208,800	208,800	223,764	(14,964)
Operating Expenses	149,900	214,900	173,799	41,101
Grants and Aid	90,000	90,000	99,134	(9,134)
Total General Government	<u>(448,700)</u>	<u>(513,700)</u>	<u>(496,697)</u>	<u>17,003</u>
Transportation				
Operating Expenses	-	-	3,459	-
Capital Outlay	1,000,000	2,201,463	2,242,140	(40,677)
Total Transportation	<u>(1,000,000)</u>	<u>(2,201,463)</u>	<u>(2,245,599)</u>	<u>(40,677)</u>
Culture and Recreation				
Operating Expenses	-	-	-	-
Capital Outlay	-	213,975	184,794	29,181
Total Culture and Recreation	<u>-</u>	<u>(213,975)</u>	<u>(184,794)</u>	<u>(29,181)</u>
Total Expenditures	<u>(1,448,700)</u>	<u>(2,929,138)</u>	<u>(2,927,090)</u>	<u>(52,855)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(675,500)	(2,132,463)	(2,151,496)	(73,936)
Other Financing Sources				
Issuance of Debt	175,000	2,388,200	2,500,000	111,800
Total Financing Sources	<u>175,000</u>	<u>2,388,200</u>	<u>2,500,000</u>	<u>111,800</u>
Net Change in Fund Balance	(500,500)	255,737	348,504	37,864
Fund Balance, Beginning of Year	<u>510,000</u>	<u>729,462</u>	<u>630,197</u>	<u>(99,265)</u>
Fund Balance, End of Year	<u>\$ 9,500</u>	<u>\$ 985,199</u>	<u>\$ 978,701</u>	<u>\$ (61,401)</u>

CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - NORTHEAST REDEVELOPMENT AGENCY
(INCREMENTAL TAX DISTRICT)
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 171,850	\$ 171,850	\$ 170,467	\$ (1,383)
Intergovernmental	162,400	487,400	161,554	(325,846)
Miscellaneous	12,500	12,500	(5,203)	(17,703)
Total Revenues	<u>346,750</u>	<u>671,750</u>	<u>326,818</u>	<u>(344,932)</u>
Expenditures				
General Government:				
Personal Services	116,150	116,150	107,695	8,455
Operating Expenses	33,150	33,150	24,493	8,657
Grants and Aid	15,000	15,000	3,000	12,000
Capital Outlay	100,000	675,000	55,748	225,000
Transportation				
Capital Outlay	20,000	20,000	-	20,000
Total Expenditures	<u>(284,300)</u>	<u>(859,300)</u>	<u>(190,936)</u>	<u>274,112</u>
Net Change in Fund Balance	62,450	(187,550)	135,882	(70,820)
Fund Balance, Beginning of Year	<u>800,000</u>	<u>800,000</u>	<u>889,171</u>	<u>89,171</u>
Fund Balance, End of Year	<u>\$ 862,450</u>	<u>\$ 612,450</u>	<u>\$ 1,025,053</u>	<u>\$ 18,351</u>

CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - PUBLIC SERVICES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
Revenues				
Utility Taxes:				
Communications Services	\$ 520,000	\$ 520,000	\$ 629,995	\$ 109,995
Electric	1,224,700	1,224,700	1,168,541	(56,159)
Gas	70,950	70,950	69,025	(1,925)
Investment Earnings (Losses)	200	200	(1,658)	(1,858)
Total Revenues	<u>1,815,850</u>	<u>1,815,850</u>	<u>1,865,903</u>	<u>50,053</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>1,815,850</u>	<u>1,815,850</u>	<u>1,865,903</u>	<u>50,053</u>
Other Financing (Uses)				
Transfers Out:				
General Fund	1,500,000	1,500,000	1,500,000	-
Debt Service	314,000	314,000	314,000	-
Total Other Financing (Uses)	<u>1,814,000</u>	<u>1,814,000</u>	<u>1,814,000</u>	<u>-</u>
Net Change in Fund Balance	1,850	1,850	51,903	50,053
Fund Balances, Beginning of Year	<u>80,000</u>	<u>80,000</u>	<u>414,732</u>	<u>334,732</u>
Fund Balances, End of Year	<u>\$ 81,850</u>	<u>\$ 81,850</u>	<u>\$ 466,635</u>	<u>\$ 384,785</u>

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF FUNDING PROGRESS
(UNAUDITED)**

GENERAL EMPLOYEES' RETIREMENT FUND

Actuarial Valuation date <u>10/1</u>	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/(c)
	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Level Dollar, Closed	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2013	\$ 13,960,711	\$ 16,427,813	\$ 2,467,102	85.0%	\$ 3,836,623	64.3%
2012	13,195,495	16,300,186	3,104,691	81.0%	4,387,563	70.8%
2011	11,525,703	15,840,310	4,314,607	72.8%	4,181,877	103.2%
2010	12,091,526	15,681,114	3,589,588	77.1%	5,256,191	68.3%
2009	10,497,679	14,268,023	3,770,344	73.6%	5,456,477	69.1%
2008	12,090,931	14,447,008	2,356,077	83.7%	5,686,670	41.4%
2007	11,399,072	13,174,552	1,775,480	86.5%	5,471,423	32.5%
2006	10,202,669	12,037,028	1,834,359	84.8%	5,169,021	35.5%
2005	9,110,559	10,999,629	1,889,070	82.8%	4,528,827	41.7%
2004	8,429,336	10,195,079	1,765,743	82.7%	4,126,143	42.7%

POLICE OFFICERS' RETIREMENT FUND

Actuarial Valuation date <u>10/1</u>	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/(c)
	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2013	\$ 6,820,205	\$ 8,463,332	\$ 1,643,127	80.6%	\$ 1,938,783	84.8%
2012	6,185,029	7,846,731	1,661,702	78.8%	1,861,356	89.3%
2011	5,606,689	6,763,841	1,157,152	82.9%	1,898,583	60.9%
2010	5,290,735	6,227,313	936,578	85.0%	1,961,175	47.8%
2009	4,857,631	5,704,611	846,980	85.2%	1,937,468	43.7%
2008	4,521,811	5,191,482	669,671	87.1%	1,978,254	33.9%
2007	4,132,561	4,534,136	401,575	91.1%	1,788,405	22.5%
2006	3,030,542	3,755,895	725,353	80.7%	1,458,952	49.7%
2005	2,701,410	3,403,188	701,778	79.4%	1,429,903	49.1%
2004	2,404,294	3,073,573	669,279	78.2%	1,434,810	46.6%

FIREFIGHTERS' RETIREMENT FUND

Actuarial Valuation date <u>10/1</u>	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/(c)
	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2013	\$ 5,627,944	\$ 6,186,859	\$ 558,915	91.0%	\$ 1,231,802	45.4%
2012	5,044,876	5,716,184	671,308	88.2%	1,388,873	48.3%
2011	4,595,919	5,200,074	604,155	88.4%	1,246,793	48.5%
2010	4,267,134	4,858,172	591,038	87.8%	1,318,797	44.8%
2009	3,686,940	4,248,985	562,045	86.8%	1,159,985	48.5%
2008	3,357,310	3,857,291	499,981	87.0%	1,116,078	44.8%
2007	3,169,383	3,568,596	399,213	88.8%	1,106,320	36.1%
2006	2,819,105	3,187,772	368,667	88.4%	940,112	38.2%
2005	2,618,209	3,139,169	520,960	83.4%	786,501	66.2%
2004	2,496,376	3,083,200	586,824	81.0%	777,154	75.5%

REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHERS
(UNAUDITED)

General Employees' Retirement Plan (GERP)

<u>Year Ended September 30th</u>	<u>Annual Required Contribution (ARC) (1)</u>	<u>Percentage of ARC Contributed</u>
2012	\$ 494,966	100.0%
2011	526,757	100.0%
2010	797,760	100.0%
2009	693,738	100.0%
2008	652,201	100.0%
2007	587,751	100.0%
2006	528,266	100.0%
2005	512,705	100.0%
2004	470,958	100.0%
2003	403,489	100.0%

Police Officers' Retirement Plan (PORP)

<u>Year Ended September 30th</u>	<u>Annual Required Contribution (ARC) (2)</u>	<u>Percentage of ARC Contributed</u>
2011	\$ 391,607	100.0%
2011	328,092	100.0%
2010	348,521	100.0%
2009	300,381	100.0%
2008	265,984	100.0%
2007	251,320	100.0%
2006	250,839	101.2%
2005	220,039	100.0%
2004	181,395	100.0%
2003	158,096	100.8%

Firefighters' Retirement Plan (FRP)

<u>Year Ended September 30th</u>	<u>Annual Required Contribution (ARC) (2)</u>	<u>Percentage of ARC Contributed</u>
2012	\$ 290,906	100.0%
2011	247,933	100.0%
2010	226,573	100.0%
2009	209,865	100.0%
2008	182,344	100.0%
2007	181,996	100.0%
2006	180,803	101.0%
2005	163,809	102.3%
2004	134,488	100.0%
2003	96,512	100.8%

(1) Includes required employer's contributions only

(2) Includes required contributions by employer and excise tax on certain insurance policies, which are collected by the State of Florida

REQUIRED SUPPLEMENTARY INFORMATION
(Concluded)

CITY OF MOUNT DORA, FLORIDA
OPEB SCHEDULE OF FUNDING PROGRESS

(1) Valuation Date	(2) Actual Value of Assets (AVA)	(3) Entry Age Normal Actuarial Accrued Liability (AAAL)	(4) Unfunded Actuarial Accrued Liability (UAAL) (3) - (2)	(5) Funded Ratio (2) / (3)	(6) Annual Covered Payroll	(7) UAAL as a Percentage of Payroll (4) / (6)
10/1/12	\$ -	\$ 10,674,280	\$ 10,674,280	0.00%	\$ 8,044,869	132.7%
10/1/11	-	11,062,548	11,062,548	0.00%	7,301,866	151.5%
10/1/10	-	10,808,969	10,808,969	0.00%	7,021,025	154.0%
10/1/09	-	9,344,282	9,344,282	0.00%	8,139,902	114.8%
10/1/08	-	8,993,332	8,993,332	0.00%	7,826,829	114.9%

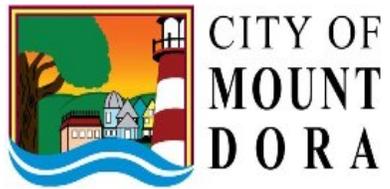
CITY OF MOUNT DORA, FLORIDA
CONTRIBUTIONS FROM EMPLOYER

Year Ended September 30,	Annual Required Contribution	% of ARC Contributed	Net OPEB Obligation
2013	\$ 735,694	77.8%	\$ 1,268,588
2012	756,453	77.1%	1,104,977
2011	725,100	75.1%	931,974
2010	640,889	64.6%	751,595
2009	608,585	62.0%	524,894

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. City implemented GASB Statement No. 45, *Accounting and Financial Reporting for Other Postemployment Benefits*, in fiscal year 2008; accordingly, only four years of OPEB data are presented.

OTHER SUPPLEMENTAL INFORMATION

This page left intentionally blank



**CITY OF MOUNT DORA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

	<u>Special Revenue Funds</u>			<u>Capital Funds</u>		
	<u>Building Inspection Fund</u>	<u>Law Enforcement Fund</u>	<u>Debt Service Fund</u>	<u>Discretionary Sales Tax Capital Projects Fund</u>	<u>Other Capital Projects Funds</u>	<u>Total</u>
Assets						
Pooled Cash and Investments	\$ 392,335	\$ 5,526	\$ 106,823	\$ 1,044,170	\$ 391,437	\$ 1,940,291
Due from Other Governments	-	-	-	101,914	-	101,914
Accrued Interest Receivable	545	22	389	1,516	440	2,912
Prepaid Items	-	-	-	-	-	-
Total Assets	<u>\$ 392,880</u>	<u>\$ 5,548</u>	<u>\$ 107,212</u>	<u>\$ 1,147,600</u>	<u>\$ 391,877</u>	<u>\$ 2,045,117</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$ 2,158	\$ -	\$ -	\$ 62,259	\$ -	\$ 64,417
Accrued Liabilities	4,238	-	-	-	-	4,238
Total Liabilities	<u>6,396</u>	<u>-</u>	<u>-</u>	<u>62,259</u>	<u>-</u>	<u>68,655</u>
Fund Balance						
Nonspendable						
Inventory and Prepays	-	-	-	-	-	-
Restricted for:						
Capital Improvements	-	-	-	1,085,341	-	1,085,341
Building Inspections	386,484	-	-	-	-	386,484
Law Enforcement	-	5,548	-	-	-	5,548
Assigned for:						
Capital Improvements	-	-	-	-	391,877	391,877
Debt Service Funds	-	-	107,212	-	-	107,212
Total Fund Balances	<u>386,484</u>	<u>5,548</u>	<u>107,212</u>	<u>1,085,341</u>	<u>391,877</u>	<u>1,976,462</u>
Total Liabilities and Fund Balances	<u>\$ 392,880</u>	<u>\$ 5,548</u>	<u>\$ 107,212</u>	<u>\$ 1,147,600</u>	<u>\$ 391,877</u>	<u>\$ 2,045,117</u>

CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Special Revenue Funds</u>			<u>Capital Funds</u>		<u>Total</u>
	<u>Building Inspection Fund</u>	<u>Law Enforcement Fund</u>	<u>Debt Service Fund</u>	<u>Discretionary Sales Tax Capital Projects Fund</u>	<u>Other Capital Projects Funds</u>	
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 1,011,242	\$ -	\$ 1,011,242
Intergovernmental	-	-	-	50,334	-	50,334
Permits and Fees	520,549	-	-	-	-	520,549
Charges For Services	46,132	-	-	-	-	46,132
Fines and Forfeitures	-	3,367	-	-	-	3,367
Miscellaneous	(582)	(13)	(1,200)	(568)	(1,760)	(4,123)
Total Revenues	<u>566,099</u>	<u>3,354</u>	<u>(1,200)</u>	<u>1,061,008</u>	<u>(1,760)</u>	<u>1,627,501</u>
Expenditures						
Public Safety	463,652	-	-	-	-	463,652
Transportation	-	-	-	623	-	623
Culture and Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	1,095,430	45,755	1,141,185
Debt Service:						
Principal	-	-	253,400	-	-	253,400
Interest	-	-	65,841	580	-	66,421
Other Costs	-	-	-	-	-	-
Total Expenditures	<u>(463,652)</u>	<u>-</u>	<u>(319,241)</u>	<u>(1,096,633)</u>	<u>(45,755)</u>	<u>(1,925,281)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>102,447</u>	<u>3,354</u>	<u>(320,441)</u>	<u>(35,625)</u>	<u>(47,515)</u>	<u>(297,780)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	314,000	-	-	314,000
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>314,000</u>	<u>-</u>	<u>-</u>	<u>314,000</u>
Net Change in Fund Balance	102,447	3,354	(6,441)	(35,625)	(47,515)	16,220
Fund Balances, Beginning of Year	<u>284,037</u>	<u>2,194</u>	<u>113,653</u>	<u>1,120,966</u>	<u>439,392</u>	<u>1,960,242</u>
Fund Balances, End of Year	<u>\$ 386,484</u>	<u>\$ 5,548</u>	<u>\$ 107,212</u>	<u>\$ 1,085,341</u>	<u>\$ 391,877</u>	<u>\$ 1,976,462</u>

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND
BUILDING INSPECTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Permits and Fees	\$ 425,000	\$ 520,549	\$ 95,549
Charges For Services	31,300	46,132	14,832
Investment Earnings (Losses)	1,500	(582)	(2,082)
Total Revenues	<u>457,800</u>	<u>566,099</u>	<u>108,299</u>
Expenditures			
Public Safety:			
Operating	551,200	463,652	87,548
Capital Outlay	3,000	-	3,000
Total Expenditures	<u>(554,200)</u>	<u>(463,652)</u>	<u>90,548</u>
Net Change in Fund Balance	(96,400)	102,447	198,847
Fund Balance, Beginning of Year	<u>310,000</u>	<u>284,037</u>	<u>(25,963)</u>
Fund Balance, End of Year	<u>\$ 213,600</u>	<u>\$ 386,484</u>	<u>\$ 172,884</u>

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ -	\$ 3,367	\$ 3,367
Investment Earnings (loss)	-	(13)	(13)
Total Revenues	<u>-</u>	<u>3,354</u>	<u>3,354</u>
Expenditures			
Public Safety:	6,082		
Operating	-	-	-
Total Expenditures	<u>(6,082)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(6,082)	3,354	3,354
Fund Balance, Beginning of Year	<u>6,082</u>	<u>2,194</u>	<u>(3,888)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 5,548</u>	<u>\$ (534)</u>

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Investment Earnings (Loss)	\$ 500	(1,200)	\$ (1,700)
Total Revenues	<u>500</u>	<u>(1,200)</u>	<u>(1,700)</u>
Expenditures			
Debt Service:			
Principal	253,400	253,400	-
Interest	66,100	65,841	259
Total Expenditures	<u>(319,500)</u>	<u>(319,241)</u>	<u>259</u>
(Deficiency) of Revenues Over Expenditures	<u>(319,000)</u>	<u>(320,441)</u>	<u>(1,441)</u>
Other Financing Sources (Uses)			
Transfers in			
Public Services Tax	314,000	314,000	-
Total Financing Sources	<u>314,000</u>	<u>314,000</u>	<u>-</u>
Net Change in Fund Balance	(5,000)	(6,441)	(1,441)
Fund Balance, Beginning of Year	-	113,653	113,653
Fund Balance, End of Year	<u>\$ (5,000)</u>	<u>\$ 107,212</u>	<u>\$ 112,212</u>

**CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND
DISCRETIONARY SALES TAX CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 922,500	\$ 1,011,242	\$ 88,742
Intergovernmental-Grants	50,300	50,334	34
Investment Earnings (Losses)	7,500	(568)	(8,068)
Total Revenues	<u>980,300</u>	<u>1,061,008</u>	<u>80,708</u>
Expenditures			
Operating:			
General Government	-	623	(623)
Capital Outlay:			
General Government	240,000	52,224	187,776
Public Safety	184,150	161,286	22,864
Transportation	782,500	225,386	557,114
Culture and Recreation	680,428	656,534	23,894
Inter-fund Interest	2,100	580	1,520
Total Expenditures	<u>(1,889,178)</u>	<u>(1,096,633)</u>	<u>792,545</u>
Net Change in Fund Balance	<u>(908,878)</u>	<u>(35,625)</u>	<u>873,253</u>
Fund Balance, Beginning of Year	<u>908,878</u>	<u>1,120,966</u>	<u>212,088</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 1,085,341</u>	<u>\$ 1,085,341</u>

**CITY OF MOUNT DORA, FLORIDA
 BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND
 OTHER CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013**

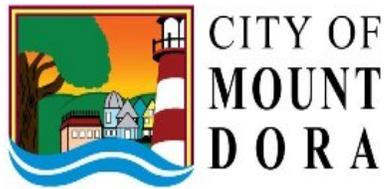
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Investment Earnings	\$ 2,500	\$ (1,760)	\$ (4,260)
Total Revenues	<u>2,500</u>	<u>(1,760)</u>	<u>(4,260)</u>
Expenditures			
General Government:			
Capital Outlay	175,000	27,995	147,005
Transportation			
Capital Outlay	100,000	17,760	82,240
Culture and Recreation:			
Capital Outlay	4,787	-	4,787
Total Expenditures	<u>(279,787)</u>	<u>(45,755)</u>	<u>234,032</u>
(Deficiency) of Revenues Over Expenditures	(277,287)	(47,515)	229,772
Net Change in Fund Balance	(277,287)	(47,515)	229,772
Fund Balance, Beginning of Year	<u>277,287</u>	<u>439,392</u>	<u>162,105</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 391,877</u>	<u>\$ 391,877</u>

**CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - MAJOR FUND
IMPACT FEES CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Impact Fees:			
Fire	\$ 27,000	\$ 38,170	\$ 11,170
Police	28,000	39,406	11,406
Libraries	65,500	111,554	46,054
Recreation	243,500	205,866	(37,634)
Intergovernmental-Grants	-	496,406	496,406
Investment Earnings (Loss)	20,100	(7,923)	(28,023)
Total Revenues	<u>384,100</u>	<u>883,479</u>	<u>499,379</u>
Expenditures			
Culture and Recreation			
Capital Outlay:			
Libraries	447,650	275,941	171,709
Recreational	1,707,559	1,128,193	579,366
Debt Service:			
Interest	29,250	9,550	19,700
Total Expenditures	<u>(2,184,459)</u>	<u>(1,413,684)</u>	<u>770,775</u>
(Deficiency) of Revenues (Under)			
Expenditures	<u>(1,800,359)</u>	<u>(530,205)</u>	<u>1,270,154</u>
Other Financing Sources			
Debt Proceeds	165,000	-	(165,000)
Total Other Financing Sources	<u>165,000</u>	<u>-</u>	<u>(165,000)</u>
Net Change in Fund Balance	(1,635,359)	(530,205)	1,105,154
Fund Balance, Beginning of Year	<u>1,960,209</u>	<u>(462,536)</u>	<u>(2,422,745)</u>
Fund Balance, End of Year	<u>\$ 324,850</u>	<u>\$ (992,741)</u>	<u>\$ (1,317,591)</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENTS**

This page left intentionally blank



CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2013

	<u>Motorpool</u> <u>Fund</u>	<u>Vehicle</u> <u>Replacement</u> <u>Fund</u>	<u>Self</u> <u>Insurance</u> <u>Fund</u>	<u>Total</u>
Assets				
Current Assets				
Pooled Cash and Investments	\$ 54,873	\$ 1,175,292	\$ 747,340	\$ 1,977,505
Receivables (Net)	-	-	52,200	52,200
Accrued Interest Receivable	37	2,132	789	2,958
Inventory, at Cost	7,936	-	-	7,936
Prepaid Items	778	-	-	778
Total Current Assets	<u>63,624</u>	<u>1,177,424</u>	<u>800,329</u>	<u>2,041,377</u>
 Capital Assets				
Property, Plant and Equipment	131,913	1,802,356	38,331	1,972,600
(Accumulated Depreciation and Amortization)	(125,408)	(1,182,786)	(21,935)	(1,330,129)
Total Capital Assets - Cost Less Depreciation	<u>6,505</u>	<u>619,570</u>	<u>16,396</u>	<u>642,471</u>
Total Assets	<u>\$ 70,129</u>	<u>\$ 1,796,994</u>	<u>\$ 816,725</u>	<u>\$ 2,683,848</u>
 Liabilities and Net Position				
Current Liabilities				
Accounts Payable	\$ 146	\$ 5,520	\$ 391,794	\$ 397,460
Accrued Expenses	973	-	-	973
Compensated Absences	457	-	-	457
Total Current Liabilities	<u>1,576</u>	<u>5,520</u>	<u>391,794</u>	<u>398,890</u>
 Long-term Liabilities				
Compensated Absences	655	-	-	655
Total Long-term Liabilities	<u>655</u>	<u>-</u>	<u>-</u>	<u>655</u>
Total Liabilities	<u>2,231</u>	<u>5,520</u>	<u>391,794</u>	<u>399,545</u>
 Net Position				
Net Investment in Capital Assets	6,505	619,570	16,396	642,471
Unrestricted	61,393	1,171,904	408,535	1,641,832
Total Net Position	<u>67,898</u>	<u>1,791,474</u>	<u>424,931</u>	<u>2,284,303</u>
Total Liabilities and Net Position	<u>\$ 70,129</u>	<u>\$ 1,796,994</u>	<u>\$ 816,725</u>	<u>\$ 2,683,848</u>

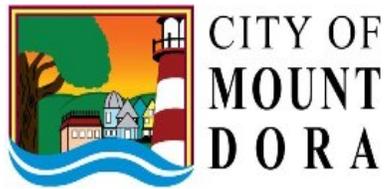
CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Motorpool Fund	Vehicle Replacement Fund	Self Insurance Fund	Total
Operating Revenues				
Charges for Services	\$ 154,700	\$ 181,050	\$ 2,467,792	\$ 2,803,542
Operating Expenses				
Administration and General	190,634	-	2,344,508	2,535,142
Depreciation and Amortization	2,451	193,896	8,774	205,121
Total Operating Expenses	<u>193,085</u>	<u>193,896</u>	<u>2,353,282</u>	<u>2,740,263</u>
Operating Income (Loss)	<u>(38,385)</u>	<u>(12,846)</u>	<u>114,510</u>	<u>63,279</u>
Non-operating Revenues (Expenses)				
Investment Earnings (Loss)	234	(4,735)	(1,369)	(5,870)
Other Income (Loss)	352	36,163	27,134	63,649
Total Non-operating Revenues (Expenses)	<u>586</u>	<u>31,428</u>	<u>25,765</u>	<u>57,779</u>
Change in Net Poisition	(37,799)	18,582	140,275	121,058
Net Position , Beginning of Year	<u>105,697</u>	<u>1,772,892</u>	<u>284,656</u>	<u>2,163,245</u>
Net Position , End of Year	<u>\$ 67,898</u>	<u>\$ 1,791,474</u>	<u>\$ 424,931</u>	<u>\$ 2,284,303</u>

CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

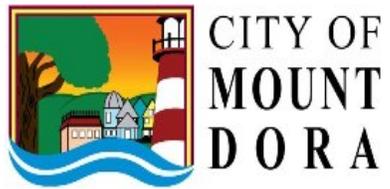
	Motorpool Fund	Vehicle Replacement Fund	Self Insurance Fund	Total
Cash Flows from Operating Activities				
Cash Received from Customers, Including Cash	\$ 154,700	\$ 181,050	\$ 2,473,561	\$ 2,809,311
Cash Paid to Suppliers	(77,626)	-	(2,337,961)	(2,415,587)
Cash Paid to Employees for Services	(56,888)	-	-	(56,888)
Net Cash Provided by (Used in) Oper. Activities	<u>20,186</u>	<u>181,050</u>	<u>135,600</u>	<u>336,836</u>
Cash Flows from Noncapital Financing Activities				
Subsidy from Others	108	-	27,134	27,242
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>108</u>	<u>-</u>	<u>27,134</u>	<u>27,242</u>
Cash Flows from Capital and Related Financing Activities				
Property, Plant and Equipment Acquisitions	-	(235,910)	-	(235,910)
Cash Received from Sale of Assets	-	36,163	-	36,163
Insurance Proceeds	244	-	-	244
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>244</u>	<u>(199,747)</u>	<u>-</u>	<u>(199,503)</u>
Cash Flows from Investing Activities				
Investment Earnings (Loss)	229	(5,894)	(1,803)	(7,468)
Total Cash Flows from Investing Activities	<u>229</u>	<u>(5,894)</u>	<u>(1,803)</u>	<u>(7,468)</u>
Net Inc. (Dec.) in Cash and Cash Equivalents	20,767	(24,591)	160,931	157,107
Cash and Cash Equivalents, Beginning of Year	34,106	1,199,883	586,409	1,820,398
Cash and Cash Equivalents, End of Year	<u>\$ 54,873</u>	<u>\$ 1,175,292</u>	<u>\$ 747,340</u>	<u>\$ 1,977,505</u>
<u>Shown in the Financial Statements as</u>				
Pooled Cash and Investments	<u>\$ 54,873</u>	<u>\$ 1,175,292</u>	<u>\$ 747,340</u>	<u>\$ 1,977,505</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income (Loss)	\$ (38,385)	\$ (12,846)	\$ 114,510	\$ 63,279
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	2,451	193,896	8,774	205,121
Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease):				
Accounts Receivable - Net	-	-	5,769	5,769
Inventories	79,086	-	-	79,086
Prepaid Expenses	(778)	-	-	(778)
Accounts Payable	(15,330)	-	6,547	(8,783)
Accrued Expenses	(158)	-	-	(158)
Compensated Absences	(6,700)	-	-	(6,700)
Total Adjustments	<u>58,571</u>	<u>193,896</u>	<u>21,090</u>	<u>273,557</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 20,186</u>	<u>\$ 181,050</u>	<u>\$ 135,600</u>	<u>\$ 336,836</u>

This page left intentionally blank



STATISTICAL SECTION

This page left intentionally blank



**CITY OF MOUNT DORA
STATISTICAL SECTION - UNAUDITED**

This part of the City of Mount Dora's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Table of Contents

A. Financial Trends

These tables contain trend information to help the reader understand how the City's financial performance has changed over time.

		<u>Page</u>
Table A - 1	Net Position by Component	81
Table A - 2	Changes in Net Position	82-85
Table A - 3	Fund Balances - Governmental Funds	86
Table A - 4	Changes in Fund Balances - Governmental Funds	87

B. Revenue Capacity

These tables contain information to help the reader assess the City's most significant local revenue sources - the property tax and electrical charges.

		<u>Page</u>
Table B - 1	Assessed Value and Actual Value of Taxable Property	88
Table B - 2	Direct and Overlapping Property Tax Rates	89
Table B - 3	Principal Property Taxpayers	90-91
Table B - 4	Property Tax Levies and Collections	92
Table B - 5	Principal Electric Customers	93-94
Table B - 6	Principal Water Customers	95-96

C. Debt Capacity

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue future debt

		<u>Page</u>
Table C - 1	Ratios of General Bonded Outstanding Debt by Type	98
Table C - 2	Direct and Overlapping Governmental Activities Debt	99
Table C - 3	Pledged Revenue Coverage - Utility Bonds	100
Table C - 4	Pledged Revenue Coverage - Capital Improvement Bonds	101

D. Demographic and Economic Information Financial Trends

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

		<u>Page</u>
Table D - 1	Demographic and Economic Statistics	102
Table D - 2	Principal Employers	103

E. Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

		<u>Page</u>
Table E - 1	Full Time Equivalent Employees by Function / Program	104-105
Table E - 2	Capital Asset Statistics by Function / Program	106
Table E - 3	Operating Indicators by Function / Program	107-108

**CITY OF MOUNT DORA
NET POSITION BY COMPONENT**

Table A - 1
(accrual basis of accounting)
Last Ten Fiscal Years

	Fiscal Year				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental Activities					
Net Investment in capital assets	\$ 37,977,455	\$ 37,109,503	\$ 35,388,167	\$ 35,188,792	\$ 31,183,837
Restricted	4,446,851	3,895,130	5,132,210	5,975,018	9,625,598
Unrestricted	3,082,453	3,924,583	4,517,329	3,988,383	3,239,296
Total governmental activities net Position	45,506,759	44,929,216	45,037,706	45,152,193	44,048,731
Business-type activities					
Net Investment in capital assets	36,021,284	32,242,768	30,431,980	30,364,657	28,898,204
Restricted	3,256,639	3,948,652	5,771,202	6,073,074	6,758,987
Unrestricted	7,359,662	9,360,418	8,664,640	7,633,663	7,800,422
Total business-type activities net position	46,637,585	45,551,838	44,867,822	44,071,394	43,457,613
Primary government					
Net Investment in capital assets	73,998,739	69,352,271	65,820,147	65,553,449	60,082,041
Restricted	7,703,490	7,843,782	10,903,412	12,048,092	16,384,585
Unrestricted	10,442,115	13,285,001	13,181,969	11,622,046	11,039,718
Total primary government net position	\$ 92,144,344	\$ 90,481,054	\$ 89,905,528	\$ 89,223,587	\$ 87,506,344

	Fiscal Year				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities					
Net Investment in capital assets	\$ 29,099,333	\$ 26,549,110	\$ 24,210,289	\$ 13,462,954	\$ 9,106,293
Restricted	9,730,361	8,608,058	7,756,454	10,269,822	5,851,746
Unrestricted	4,088,233	4,557,508	3,844,704	4,232,891	4,066,028
Total governmental activities net Position	42,917,927	39,714,676	35,811,447	27,965,667	19,024,067
Business-type activities					
Net Investment in capital assets	26,056,129	24,816,823	23,580,329	21,423,195	20,139,115
Restricted	9,482,277	7,830,118	7,020,378	5,596,231	3,720,515
Unrestricted	7,334,199	9,593,857	10,737,172	11,562,690	11,163,306
Total business-type activities net position	42,872,605	42,240,798	41,337,879	38,582,116	35,022,936
Primary government					
Net Investment in capital assets	55,155,462	51,365,933	47,790,618	34,886,149	29,245,408
Restricted	19,212,638	16,438,176	14,776,832	15,866,053	9,572,261
Unrestricted	11,422,432	14,151,365	14,581,876	15,795,581	15,229,334
Total primary government net position	\$ 85,790,532	\$ 81,955,474	\$ 77,149,326	\$ 66,547,783	\$ 54,047,003

**CITY OF MOUNT DORA
CHANGES IN NET POSITION**

Table A - 2, Part 1A
(accrual basis of accounting)
Last Five Fiscal Years*

	Fiscal Year				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Program Revenues					
Governmental activities					
Charges for Services					
General government	\$ 69,815	\$ 166,504	\$ 322,883	\$ 181,715	\$ 181,061
Public safety	852,862	594,772	630,286	807,850	918,845
Physical environment	3,129	2,300	4,709	4,704	4,030
Transportation	-	-	-	-	-
Culture and recreation	163,442	593,660	419,559	612,157	419,660
Operating Grants and Contributions					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Transportation	21,193	161,939	161,189	161,520	164,694
Culture and recreation	-	-	-	-	-
Grants and aid	-	-	-	-	29,413
Capital Grants and Contributions					
General government	-	-	-	-	-
Public safety	149,953	107,254	202,063	221,091	147,997
Physical environment	-	230,825	380,442	85,531	-
Transportation	-	-	-	-	-
Culture and recreation	813,826	245,459	186,680	341,138	368,135
Grants and aid	-	-	-	-	-
Total governmental activities program revenues	<u>2,074,220</u>	<u>2,102,713</u>	<u>2,307,811</u>	<u>2,415,706</u>	<u>2,233,835</u>
Business-type activities					
Charges for services					
Electric Utility	10,324,206	10,997,916	12,035,897	12,915,245	11,942,165
Water and Wastewater Utility	7,499,207	6,827,438	6,844,702	5,971,629	5,852,575
Sanitation	2,117,927	2,036,994	1,978,335	1,908,373	1,893,368
Stormwater Utility	851,139	842,054	845,683	814,734	701,161
Cemetery	29,391	57,378	47,866	61,305	55,528
Operating grants and contributions					
Electric Utility	-	-	-	-	5,184
Water and Wastewater Utility	3,025	2,000	2,250	2,000	6,161
Sanitation	-	-	-	-	1,625
Stormwater Utility	-	115,929	-	2,466	2,609
Capital Grants and Contributions					
Electric Utility	29,769	31,508	45,840	-	-
Water and Wastewater Utility	1,294,754	653,726	521,530	971,208	803,837
Sanitation	-	-	-	-	-
Stormwater Utility	202,331	-	44,485	-	588,984
Total business-type activities program revenues	<u>22,351,749</u>	<u>21,564,943</u>	<u>22,366,588</u>	<u>22,646,960</u>	<u>21,853,197</u>
Total primary government program revenues	<u>\$ 24,425,969</u>	<u>\$ 23,667,656</u>	<u>\$ 24,674,399</u>	<u>\$ 25,062,666</u>	<u>\$ 24,087,032</u>

**CITY OF MOUNT DORA
CHANGES IN NET POSITION**

Table A - 2, Part 1B
(accrual basis of accounting)
Prior Five Fiscal Years*

	<u>2008</u>	<u>2007</u>	<u>Fiscal Year</u> <u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenues					
Governmental activities					
Charges for Services					
General government	\$ 202,878	\$ 174,684	\$ 177,213	\$ 181,928	\$ 119,819
Public safety	1,379,273	1,497,998	1,393,277	1,008,786	888,523
Physical environment	-	40,575	55,620	53,310	41,390
Transportation	-	9,096	18,587	32,530	-
Culture and recreation	491,461	221,675	351,950	104,633	82,258
Operating Grants and Contributions					
General government	-	-	1,187	-	-
Public safety	31,893	18,990	17,529	29,762	130,581
Transportation	165,529	174,884	232,555	310,382	406,947
Culture and recreation	-	-	7,305	219,418	222,056
Grants and aid	-	-	-	-	219,494
Capital Grants and Contributions					
General government	-	-	2,275	2,000	22,170
Public safety	343,188	237,823	144,430	386,802	171,206
Physical environment	-	416,478	274,022	9,500	-
Transportation	-	-	-	-	-
Culture and recreation	1,647,294	925,701	803,800	554,159	454,849
Grants and aid	-	-	-	-	60,173
Total governmental activities program revenues	4,261,516	3,717,904	3,479,750	2,893,210	2,819,466
Business-type activities					
Charges for services					
Electric utility	11,293,738	10,606,134	10,115,125	8,503,788	7,813,649
Water and Wastewater utility	5,679,309	5,540,912	5,306,787	4,702,155	4,603,488
Sanitation	1,797,926	1,659,465	1,602,500	1,607,506	1,528,850
Stormwater utility	595,485	487,590	418,019	363,244	313,090
Cemetery	38,270	-	-	-	-
Operating grants and contributions					
Electric utility	-	-	-	90,108	49,997
Water and Wastewater utility	1,470	10,000	-	-	-
Sanitation	-	-	-	2,984	863
Stormwater utility	-	-	2,506	1,073,661	5,514
Capital Grants and Contributions					
Electric utility	-	750,000	778,789	-	-
Water and Wastewater utility	2,193,964	1,730,027	2,893,861	3,374,637	1,181,106
Sanitation	-	-	-	-	-
Stormwater utility	241,560	88,608	-	-	-
Total business-type activities program revenues	21,841,722	20,872,736	21,117,587	19,718,083	15,496,557
Total primary government program revenues	\$ 26,103,238	\$ 24,590,640	\$ 24,597,337	\$ 22,611,293	\$ 18,316,023

**CITY OF MOUNT DORA
CHANGES IN NET POSITION**

Table A - 2, Part 2A
(accrual basis of accounting)
Last Five Fiscal Years

	Fiscal Year				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses					
Governmental Activities					
General Government	\$ 2,432,163	\$ 2,130,728	\$ 2,287,971	\$ 2,256,811	\$ 2,242,323
Public Safety	7,567,046	7,603,665	7,803,814	7,477,581	7,612,660
Physical Environment	-	2,316	1,791	2,285	36,114
Transportation	1,664,660	1,681,721	1,505,870	1,598,941	1,629,318
Culture and Recreation	2,877,536	2,645,608	2,474,613	2,370,129	2,436,673
Interest on long-term debt	82,169	102,941	194,133	249,881	364,150
Total governmental activities expenses	14,623,574	14,166,979	14,268,192	13,955,628	14,321,238
Business-type activities					
Electric	9,079,195	9,602,536	10,290,807	11,469,781	11,028,955
Water / Wastewater	6,612,703	6,186,750	6,719,473	6,098,546	5,991,743
Sanitation	2,091,761	2,031,374	1,970,385	1,949,096	1,941,538
Stormwater	988,600	847,512	807,019	708,143	607,240
Cemetery	136,146	144,469	173,149	148,597	106,255
Total business-type activities expenses	18,908,405	18,812,641	19,960,833	20,374,163	19,675,731
Total primary government expenses	33,531,979	32,979,620	34,229,025	34,329,791	33,996,969
Net (Expense)/Revenue					
Governmental activities	(12,549,354)	(12,064,266)	(11,960,381)	(11,539,922)	(12,087,403)
Business-type activities	3,443,344	2,752,302	2,405,755	2,272,797	2,177,466
Total primary government net expense	(9,106,010)	(9,311,964)	(9,554,626)	(9,267,125)	(9,909,937)
General revenues and other changes in net position					
Governmental activities					
General revenues					
Property taxes	4,571,110	4,547,594	4,445,380	4,861,132	5,146,296
Public service taxes	1,867,561	1,820,926	1,857,841	1,873,661	1,721,599
Other taxes	1,351,654	910,268	954,811	1,075,927	1,140,903
Franchise fees	629,953	641,789	671,730	677,432	642,088
State-shared revenues	1,804,701	1,746,271	1,598,248	1,567,623	1,590,061
Investment earnings (losses)	(45,406)	70,285	118,506	257,595	450,508
Miscellaneous revenue	361,624	45,022	450,978	393,164	518,152
Transfers	2,691,300	2,173,621	1,748,400	1,936,850	2,008,600
Total governmental activities	13,232,497	11,955,776	11,845,894	12,643,384	13,218,207
Business-type activities					
Interest earnings (losses)	(49,812)	72,160	107,916	200,198	345,524
Miscellaneous revenue	38,387	33,175	31,157	77,636	70,618
Transfers	(2,691,300)	(2,173,621)	(1,748,400)	(1,936,850)	(2,008,600)
Total business-type activities	(2,702,725)	(2,068,286)	(1,609,327)	(1,659,016)	(1,592,458)
Total primary government	10,529,772	9,887,490	10,236,567	10,984,368	11,625,749
Change in Net Position					
Governmental activities	683,143	(108,490)	(114,487)	1,103,462	1,130,804
Business-type activities	740,619	684,016	796,428	613,781	585,008
Total primary government: change in net position	\$ 1,423,762	\$ 575,526	\$ 681,941	\$ 1,717,243	\$ 1,715,812

**CITY OF MOUNT DORA
CHANGES IN NET POSITION**

Table A - 2, Part 2
(*accrual basis of accounting*)
Prior Five Fiscal Years

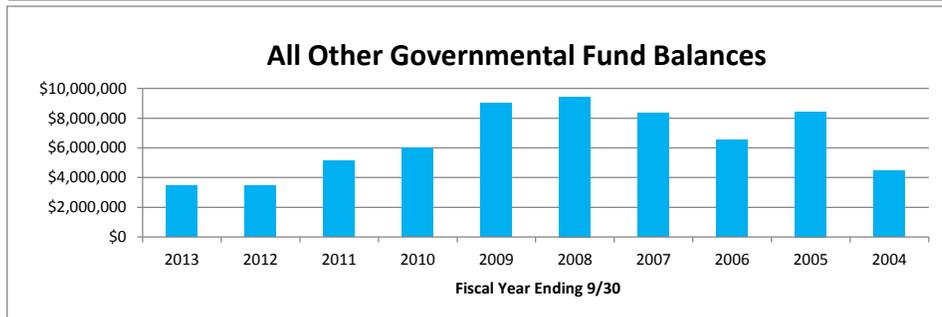
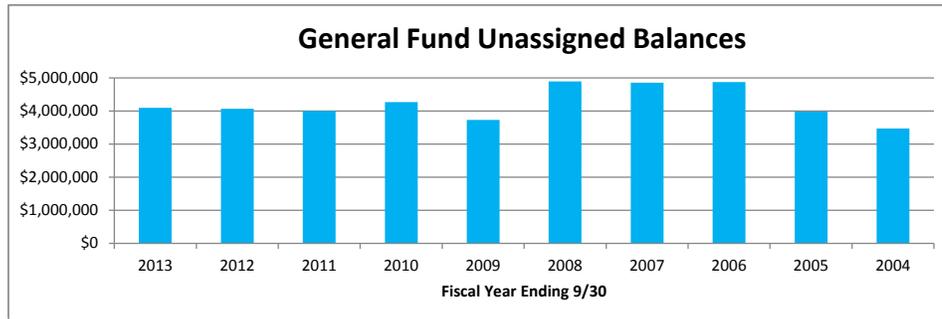
	<u>2008</u>	<u>2007</u>	<u>Fiscal Year 2006</u>	<u>2005</u>	<u>2004</u>
Expenses					
Governmental Activities					
General Government	\$ 2,506,635	\$ 1,990,873	\$ 2,340,300	\$ 2,013,388	\$ 2,482,791
Public Safety	7,720,632	7,260,150	6,174,389	5,154,776	4,708,107
Physical Environment	210,221	98,608	834,330	76,467	54,992
Transportation	1,700,728	2,438,644	1,414,961	1,231,113	1,241,178
Culture and Recreation	2,430,445	2,611,462	2,354,876	1,853,744	1,574,077
Interest on long-term debt	388,451	410,095	437,589	404,138	393,858
Total governmental activities expenses	<u>14,957,112</u>	<u>14,809,832</u>	<u>13,556,445</u>	<u>10,733,626</u>	<u>10,455,003</u>
Business-type activities					
Electric	11,286,466	10,188,842	9,494,720	8,848,203	7,461,904
Water / Wastewater	5,824,230	5,608,183	5,143,935	4,464,063	4,085,594
Sanitation	1,858,390	1,778,997	1,686,703	1,656,322	1,547,607
Stormwater	471,745	386,679	324,535	276,131	220,115
Cemetery	132,683	-	-	-	-
Total business-type activities expenses	<u>19,573,514</u>	<u>17,962,701</u>	<u>16,649,893</u>	<u>15,244,719</u>	<u>13,315,220</u>
Total primary government expenses	<u>34,530,626</u>	<u>32,772,533</u>	<u>30,206,338</u>	<u>25,978,345</u>	<u>23,770,223</u>
Net (Expense)/Revenue					
Governmental activities	(10,695,596)	(11,091,928)	(10,076,695)	(7,840,416)	(7,635,537)
Business-type activities	2,268,208	2,910,035	4,467,694	4,473,364	2,181,337
Total primary government net expense	<u>(8,427,388)</u>	<u>(8,181,893)</u>	<u>(5,609,001)</u>	<u>(3,367,052)</u>	<u>(5,454,200)</u>
General revenues and other changes in net position					
Governmental activities					
General revenues					
Property taxes	5,180,370	5,137,047	4,234,363	3,713,026	3,419,198
Public service taxes	1,653,353	1,602,720	1,541,387	1,532,318	1,457,250
Other taxes	1,140,262	1,255,322	1,119,623	1,042,584	989,762
Franchise fees	594,705	568,066	551,608	470,138	438,468
State-shared revenues	1,786,774	2,100,093	2,121,691	2,204,939	1,633,144
Investment income	578,423	800,926	564,765	240,317	153,296
Miscellaneous revenue	693,324	621,313	44,877	414,558	2,833,962
Transfers	2,271,636	2,909,670	2,641,739	1,339,450	1,271,605
Total governmental activities	<u>13,898,847</u>	<u>14,995,157</u>	<u>12,820,053</u>	<u>10,957,330</u>	<u>12,196,685</u>
Business-type activities					
Interest earnings	547,389	803,249	639,853	265,024	195,606
Miscellaneous revenue	87,846	99,305	289,955	160,242	139,603
Transfers	(2,271,636)	(2,909,670)	(2,641,739)	(1,339,450)	(1,271,605)
Total business-type activities	<u>(1,636,401)</u>	<u>(2,007,116)</u>	<u>(1,711,931)</u>	<u>(914,184)</u>	<u>(936,396)</u>
Total primary government	<u>12,262,446</u>	<u>12,988,041</u>	<u>11,108,122</u>	<u>10,043,146</u>	<u>11,260,289</u>
Change in Net Position					
Governmental activities	3,203,251	3,903,229	2,743,358	3,116,914	4,561,148
Business-type activities	631,807	902,919	2,755,763	3,559,180	1,244,941
Total primary government: change in net position	<u>\$ 3,835,058</u>	<u>\$ 4,806,148</u>	<u>\$ 5,499,121</u>	<u>\$ 6,676,094</u>	<u>\$ 5,806,089</u>

**CITY OF MOUNT DORA
FUND BALANCES - GOVERNMENTAL FUNDS**

Table A - 3
(modified accrual basis of accounting)
Last Ten Fiscal Years

	Fiscal Year				
	2013	2012	2011	2010	2009
General Fund					
Nonspendable- Inventory & Prepaids	\$ 36,561	\$ 344,001	\$ 331,602	\$ 55,119	\$ 548,494
Unassigned	4,098,436	4,064,399	4,000,305	4,266,521	3,729,009
Total General Fund	4,134,997	4,408,400	4,331,907	4,321,640	4,277,503
All Other Governmental Funds					
Nonspendable- Inventory & Prepaids	-	120	659		
Restricted for					
Capital Improvements	3,089,095	2,640,334	2,802,496	4,151,774	7,150,769
Debt Service	466,635	414,732	406,374	909,183	757,947
Building Inspections	386,484	283,917	336,403	897,318	1,081,696
Law Enforcement	5,548	2,194	13,266	12,812	11,047
Library Improvements	-	-	-	3,931	3,869
Assigned					
Capital Improvement	391,877	439,392	1,319,541	-	-
Building Inspections	107,212	-	184,600	-	-
Debt Service	-	113,653	68,871	-	-
Unassigned	(992,741)	(462,536)	-	-	-
Total all other governmental funds	3,454,110	3,431,806	5,132,210	5,975,018	9,005,328
Total Fund Balances	\$ 7,589,107	\$ 7,840,206	\$ 9,464,117	\$ 10,296,658	\$ 13,282,831

	Fiscal Year				
	2008	2007	2006	2005	2004
General Fund					
Nonspendable- Inventory & Prepaids	\$ 70,679	\$ 20,068	\$ 331,468	\$ 301,305	\$ 298,259
Unassigned	4,887,013	4,853,003	4,872,676	3,975,624	3,469,311
Total General Fund	4,957,692	4,873,071	5,204,144	4,276,929	3,767,570
All Other Governmental Funds					
Nonspendable- Inventory & Prepaids	-	-	-	-	-
Reserved					
Restricted for	7,453,650		6,183,867	7,753,278	3,988,961
Capital Improvements	775,137	6,432,444	679,130	680,167	480,010
Law Enforcement	3,766	16,343	7,406	6,353	14,527
Library Improvements	-	3,628	3,439	3,303	3,236
Unassigned	-	-	(348,705)	-	-
CDBG Capital Improvement	-	-	(12,699)	-	-
Special Assessment	-	-	-	-	-
Total all other governmental funds	9,461,952	8,326,132	6,512,438	8,443,101	4,486,734
Total Fund Balances	\$ 14,419,644	\$ 13,199,203	\$ 11,716,582	\$ 12,720,030	\$ 8,254,304



**CITY OF MOUNT DORA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

Table A - 4
(modified accrual basis of accounting)

Last Ten Fiscal Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>Fiscal Year</u> <u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenues										
Governmental Activities										
Taxes	\$ 7,790,325	\$ 7,651,220	\$ 7,534,701	\$ 7,959,401	\$ 8,071,971	\$ 8,708,795	\$ 8,716,742	\$ 7,883,617	\$ 7,263,969	\$ 6,589,218
Permits and Fees	1,181,697	939,458	1,038,659	1,183,824	1,213,811	830,852	1,188,733	914,518	681,228	626,964
Intergovernmental	2,394,677	2,361,634	2,305,642	2,027,997	2,066,687	2,891,971	2,798,384	3,175,273	2,550,067	2,148,104
Charges for service	446,413	447,480	391,044	421,637	498,186	629,516	581,859	600,413	494,288	361,542
Fines and forfeitures	91,093	56,546	71,420	107,353	77,635	195,450	116,783	122,989	103,865	109,777
Special assessments levied	-	-	-	-	-	-	40,667	50,821	288,275	373,163
Impact fees	394,996	183,886	222,067	491,211	464,973	1,229,735	940,277	648,843	534,003	623,204
Miscellaneous revenue	205,288	329,616	524,797	638,443	626,179	818,959	959,841	2,093,083	454,302	493,071
Total revenues	12,504,489	11,969,840	12,088,330	12,829,866	13,019,442	15,305,278	15,343,286	15,489,557	12,369,997	11,325,043
Program Expenditures										
Governmental activities										
General government	1,827,389	1,648,091	1,824,705	1,711,285	1,563,780	1,726,435	1,471,835	1,926,629	1,520,119	2,049,413
Public safety	7,348,666	7,050,015	7,359,005	6,964,266	7,054,045	7,125,110	6,738,074	5,683,156	4,790,096	4,293,757
Physical environment	-	-	-	-	-	-	90,367	51,851	61,194	42,427
Transportation	1,096,255	1,197,185	1,054,922	1,137,263	1,159,668	1,161,075	1,097,239	934,347	1,031,724	1,096,031
Culture and recreation	2,050,337	1,873,294	1,852,700	1,802,722	1,855,120	1,964,475	2,111,882	1,931,065	1,476,163	1,220,585
Grants and aid	119,344	93,207	59,941	44,899	57,859	60,931	82,657	-	-	-
Capital outlay	5,175,526	3,573,110	2,132,785	3,148,571	1,606,545	3,541,589	4,393,076	6,405,705	3,130,188	4,057,977
Debt service										
Principal payments	253,400	246,800	195,000	2,690,000	5,020,900	403,454	397,053	1,768,071	1,318,460	756,386
Interest	75,971	85,670	240,923	252,833	315,353	372,353	387,102	432,673	398,157	396,711
Other costs	-	-	34,690	1,050	31,585	1,050	1,050	1,247	17,620	1,050
Total expenditures	17,946,888	15,767,372	14,754,671	17,752,889	18,664,855	16,356,472	16,770,335	19,134,744	13,743,721	13,914,337
(Deficiency) Excess of Revenues (under) over expenditures	(5,442,399)	(3,797,532)	(2,666,341)	(4,923,023)	(5,645,413)	(1,051,194)	(1,427,049)	(3,645,187)	(1,373,724)	(2,589,294)
Other financing sources (uses)										
Transfers in	4,600,300	4,393,000	4,336,068	3,827,839	4,989,400	4,135,586	5,625,912	4,752,715	3,693,209	3,490,420
Transfer out	(1,909,000)	(2,219,379)	(2,587,668)	(1,890,989)	(2,980,800)	(1,863,950)	(2,716,242)	(2,110,976)	(2,353,759)	(2,218,816)
Issuance of debt/debt proceeds	2,500,000	-	3,635,400	-	2,500,000	-	-	-	4,500,000	122,294
Payment to Refund Bond Escrow	-	-	(3,550,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	5,191,300	2,173,621	1,833,800	1,936,850	4,508,600	2,271,636	2,909,670	2,641,739	5,839,450	1,393,898
Net change in fund balance	\$ (251,099)	\$ (1,623,911)	\$ (832,541)	\$ (2,986,173)	\$ (1,136,813)	\$ 1,220,442	\$ 1,482,621	\$ (1,003,448)	\$ 4,465,726	\$ (1,195,396)
Debt service as a percentage of non-capital expenditures	2.3%	2.4%	3.3%	17.9%	28.3%	5.3%	5.6%	15.7%	12.6%	8.3%

CITY OF MOUNT DORA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Table B - 1
 Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Gross Taxable Value	New Construction Taxable Value	Adjusted Taxable Value	Final Taxable Value	Millage Rate
2013	\$ 785,662,034	\$ 47,693,338	\$ 833,355,372	\$ 7,873,780	\$ 825,481,592	\$ 833,884,478	5.6667
2012	819,961,993	49,908,031	869,870,024	16,435,948	853,434,076	869,405,079	5.3891
2011	869,487,989	50,742,218	920,230,207	21,834,507	898,395,700	918,851,498	5.0190
2010	946,090,167	50,632,664	996,722,831	28,817,008	967,905,823	994,673,443	5.0190
2009	1,011,674,805	55,125,641	1,066,800,446	47,584,822	1,019,215,624	1,059,952,506	5.0190
2008	1,018,315,833	52,408,254	1,070,927,320	57,760,717	1,013,166,603	1,072,536,796	5.0190
2007	832,754,673	50,226,456	883,207,548	46,374,701	836,832,847	888,374,815	5.0190
2006	668,089,272	42,822,331	711,162,763	24,370,673	686,792,090	718,914,524	5.9750
2005	577,364,951	40,422,092	618,007,965	19,368,274	598,639,691	618,600,781	6.1050
2004	531,843,206	39,943,532	572,020,247	16,408,785	555,611,462	570,882,942	6.1810

Source: Lake County Property Appraiser (forms DR-420 and DR-422)

Notes: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value and a separate table for assessed and actual data is not presented. Tax rates are per \$1,000 of assessed value.

**CITY OF MOUNT DORA
DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Table B - 2
(rate per \$1,000 of assessed value)
Last Ten Fiscal Years

Fiscal Year	Direct Rate*	Overlapping Rates				Total
	Basic Rate *	Lake County	Lake County Schools	North Lake Hospital	Other**	
2013	5.6667	4.9209	7.3200	1.0000	0.9720	19.8796
2012	5.3891	4.8410	7.3940	1.0000	0.9571	19.5812
2011	5.0190	4.7309	7.5230	1.0000	1.0416	19.3145
2010	5.0190	4.6511	7.5320	1.0000	1.1517	19.3538
2009	5.0190	4.6511	7.5170	1.0000	1.0939	19.2810
2008	5.0190	4.7548	7.6980	1.0000	1.1480	19.6198
2007	5.9750	5.7470	7.6480	1.0000	1.2439	21.6139
2006	6.1050	5.7470	7.9810	1.0000	1.3280	21.8140
2005	6.1810	5.7970	7.9900	1.0000	1.3740	22.2110
2004	6.1810	5.8170	8.4400	1.0000	1.3990	22.3621

* The Basic Rate is the City's operating millage rate

Source: Lake County Property Appraiser, City CAFR.

Notes: Fiscal tax year coincides with prior calendar year, e.g., fiscal year 2010 uses 2009 tax millage rate.

Overlapping rates are those of City and County governments that apply to property owners within the the City of Mount Dora.

* The rate used in the calculation for property taxes. Property in the City is reassessed each year. Property is assessed at actual value; therefore the assessed values are equal to actual value.

** "Other" includes Lake County Water Authority, St. John's River Water Management, and Lake Co. Ambulance District.

CITY OF MOUNT DORA
PRINCIPAL PROPERTY TAXPAYERS
Table B - 3, Part 1
Last Five Calendar Years

Taxpayer	Calendar Year														
	2013			2012			2011			2010			2009		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Magnolia Place Apartments Assoc. LLC	\$ 10,931,214	1	1.31%	\$ 9,937,467	1	1.14%	\$ 9,764,303	1	1.06%	\$ 8,798,948	4	0.96%	\$ -	-	-
Waterman Healthcare Care Systems, Inc.	8,088,977	2	0.97%	6,502,937	7	0.75%	7,297,260	5	0.79%	7,753,013	6	0.84%	8,182,667	5	0.82%
HI-C Investments, Ltd.	7,854,333	3	0.94%	7,865,037	4	0.90%	7,896,864	4	0.86%	8,487,098	5	0.92%	9,284,797	3	0.93%
Wal-Mart Stores East, Inc.	7,718,086	4	0.93%	8,322,822	3	0.96%	8,954,157	2	0.97%	8,957,967	3	0.97%	10,073,416	2	1.01%
Main Street Leasing Co.	7,234,540	5	0.87%	5,112,767	10	0.59%	-	-	-	-	-	-	6,429,796	9	0.65%
Lowe's Home Centers, Inc.	6,487,762	6	0.78%	8,328,146	2	0.96%	8,377,981	3	0.91%	9,302,822	1	1.01%	11,294,470	1	1.14%
Target Corp.	6,267,198	7	0.75%	6,804,622	5	0.78%	6,830,759	6	0.74%	6,856,298	7	0.75%	8,175,594	6	0.82%
Pine Tree PME Loch Leven LLC	5,725,261	8	0.69%	5,742,459	8	0.66%	5,057,196	9	0.55%	6,300,474	8	0.68%	7,477,526	8	0.75%
Spring Harbor, Ltd.	5,404,365	9	0.65%	5,516,249	9	0.63%	5,523,099	8	0.60%	5,542,419	10	0.60%	5,748,468	10	0.58%
Veranda Mt Dora LLC	5,297,602	10	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Lake Care Systems, Inc.	-	-	-	6,531,643	6	0.75%	6,798,078	7	0.74%	9,118,483	2	0.99%	8,266,399	4	0.83%
Embarq-Florida Inc.	-	-	-	-	-	-	4,843,601	10	0.53%	6,197,095	9	0.67%	-	-	-
Sprint-Florida, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	7,810,875	7	0.79%
Lakes of Mount Dora Ventures, LP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park Square Enterprises, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PMR Properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cornerstone Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KIMCO Realty	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
First National Bank of Mount Dora	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gary Holmes Golf Co.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Albertson's Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 44,134,814		4.66%	\$ 46,358,708		5.33%	\$ 46,384,871		5.04%	\$ 52,275,558		5.67%	\$ 65,276,544		6.57%

Source: Lake County Tax Collectors Office, City CAFR.
Previous years' information are maintained by the City

**CITY OF MOUNT DORA
PRINCIPAL PROPERTY TAXPAYERS**

Table B - 3, Part 2
Previous Five Calendar Years

Taxpayer	Calendar Year														
	2008			2007			2006			2005			2004		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Magnolia Place Apartments Assoc. LLC	\$ -			\$ -			-			-			-		
Waterman Healthcare Care Systems, Inc.	9,176,308	5	0.86%	21,964,890	1	2.05%	8,991,981	4	1.01%	6,024,466	6	0.70%	4,702,244	7	0.76%
Hi-C Investments, Ltd.	9,305,693	4	0.87%	8,929,961	6	0.83%	8,788,505	5	0.99%	7,693,884	4	0.90%	7,705,869	3	1.25%
Wal-Mart, Inc.	10,246,562	3	0.96%	11,873,036	2	1.11%	\$ 9,379,343	3	1.06%	\$ 10,940,861	1	1.28%	\$ 8,936,245	1	1.45%
Main Street Leasing Co.	7,199,238	10	0.67%	7,731,731	8	0.72%	6,295,058	10	0.71%	5,736,507	7	0.67%	5,104,025	5	0.83%
Lowe's Home Centers, Inc.	11,513,625	2	1.07%	11,509,120	3	1.07%	11,762,619	1	1.32%	-			-		
Target Corp.	8,201,133	8	0.76%	9,975,878	5	0.93%	7,979,655	6	0.90%	-			-		
Pine Tree PME Loch Leven LLC	8,313,071	7	0.78%	8,672,226	7	0.81%	10,788,564	2	1.21%	-			-		
Spring Harbor, Ltd.	-			6,762,268	10	0.63%	6,773,581	9	0.76%	6,768,774	5	0.79%	6,797,099	4	1.10%
Veranda Mt Dora LLC	-			-			-			-			-		
Lake Care Systems, Inc.	7,978,105	9	0.74%	11,393,169	4	1.06%	7,499,938	7	0.84%	8,629,415	2	1.00%	-		
Embarq-Florida Inc.	-			-			-			-			-		
Sprint-Florida, Inc.	-			7,349,810	9	0.70%	7,499,807	8	0.84%	8,376,778	3	0.98%	8,376,778	2	1.35%
Lakes of Mount Dora Ventures, LP	11,846,142	1	1.10%	-			-			-			-		
Park Square Enterprises, Inc.	8,878,550	6	0.83%	-			-			-			-		
PMR Properties	-			-			-			5,152,341	8	0.60%	-		
Cornerstone Corp.	-			-			-			4,976,012	9	0.58%	-		
KIMCO Realty	-			-			-			4,887,924	10	0.57%	4,800,147	6	0.78%
First National Bank of Mount Dora	-			-			-			-			3,867,575	8	0.63%
Gary Holmes Golf Co.	-			-			-			-			3,802,954	9	0.61%
Albertson's Inc.	-			-			-			-			3,235,959	10	0.52%
Total	\$ 74,176,426		6.92%	\$ 75,267,238		7.03%	\$ 67,978,565		7.65%	\$ 55,468,612		6.47%	\$ 44,920,782		7.27%

Source: Lake County Tax Collectors Office, City CAFR.
Previous years' information are maintained by the City

**CITY OF MOUNT DORA
PROPERTY TAX LEVIES AND COLLECTIONS**

Table B - 4
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Tax Year	Total Tax Levy	Current Total Collections	Percent of Levy Currently Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2013	2012	\$ 4,725,022	\$ 4,425,305	93.66%	\$ 145,804	4,571,109	96.74%
2012	2011	4,684,953	4,369,807	93.27%	177,788	4,547,595	97.07%
2011	2010	4,611,716	4,268,836	92.57%	176,544	4,445,380	96.39%
2010	2009	4,992,266	4,566,013	91.46%	295,118	4,861,131	97.37%
2009	2008	5,319,902	4,857,478	91.31%	288,818	5,146,296	96.74%
2008	2007	5,383,062	4,932,864	91.64%	247,506	5,180,370	96.23%
2007	2006	5,304,514	4,999,790	94.26%	137,257	5,137,047	96.84%
2006	2005	4,387,444	4,160,393	94.82%	73,970	4,234,363	96.51%
2005	2004	3,823,571	3,617,101	94.60%	95,625	3,713,026	97.11%
2004	2003	3,528,627	3,403,045	96.44%	16,153	3,419,198	96.90%

Source: Lake County Property Appraiser Form DR-420, City Finance Department.

**CITY OF MOUNT DORA
PRINCIPAL ELECTRICAL CUSTOMERS**

Table B - 5 - Part 1
Last Five Fiscal Years

Electric Customer	Fiscal Year									
	2013		2012		2011		2010		2009	
	Kilowatt Hours	Rank								
Mount Dora High School	2,041,920	1	2,108,160	1	2,213,280	1	2,226,240	1	2,044,800	2
City of Mount Dora - Water Dept.	1,769,000	2	1,803,200	2	1,803,100	2	1,544,900	3	1,564,600	3
Triangle Elementary School	1,152,472	3	1,247,268	3	1,389,032	3	1,268,428	4	1,300,156	4
National Deaf Academy	1,149,240	4	1,171,960	4	1,179,360	4	1,209,360	5	1,213,119	5
Mount Dora Middle School	1,026,432	5	862,080	6	-	-	-	-	-	-
Hallmark Nameplate	998,520	6	901,200	5	890,760	5	899,640	6	868,440	7
Lakeside Corp of Mount Dora	826,600	7	839,000	7	670,400	9	862,800	7	919,400	6
Avante At Mount Dora	790,880	8	796,360	8	778,200	7	809,200	8	786,200	9
City of Mount Dora - Wastewater Plant	769,239	9	732,384	9	787,536	6	756,240	9	787,008	8
McDonalds	675,920	10	-	-	669,320	10	-	-	-	-
City of Mount Dora - Police/Fire Dept.	-	-	764,160	10	685,800	8	708,200	10	669,280	10
Publix Super Markets	-	-	-	-	-	-	1,971,480	2	2,750,400	1
Database Management	-	-	-	-	-	-	-	-	-	-
Rising Star Management	-	-	-	-	-	-	-	-	-	-
Christian Home and Bible School	-	-	-	-	-	-	-	-	-	-
Total	11,200,223		11,225,772		11,066,788		12,256,488		12,903,403	

Source: City Utility Records

**CITY OF MOUNT DORA
PRINCIPAL ELECTRICAL CUSTOMERS**

Table B - 5 - Part 2
Previous Five Fiscal Years

Electric Customer	Fiscal Year									
	2008		2007		2006		2005		2004	
	Kilowatt Hours	Rank								
Mount Dora High School	2,291,040	2	2,556,000	2	2,695,680	2	1,307,520	3	1,260,522	5
City of Mount Dora - Water Dept.	1,609,600	3	1,807,200	3	1,635,200	3	1,431,500	2	1,468,000	3
Triangle Elementary School	1,392,232	4	1,389,300	5	1,441,160	5	1,050,788	6	1,170,280	7
National Deaf Academy	1,159,693	6	1,143,469	6	1,152,874	7	1,104,956	5	794,764	10
Mount Dora Middle School	-		-		-		-		1,392,632	4
Hallmark Nameplate	1,039,080	8	998,400	8	1,004,760	8	-		951,000	9
Lakeside Corp of Mount Dora	1,070,800	7	1,101,600	7	1,220,600	6	1,172,000	4	1,192,600	6
Avante At Mount Dora	810,000	9	823,800	9	797,800	9	767,200	9	-	
City of Mount Dora - Wastewater Plant	-		-		-		787,800	8	960,000	8
McDonalds	-		-		-		-		-	
City of Mount Dora - Police/Fire Dept.	717,680	10	737,840	10	-		-		-	
Publix Super Markets	2,773,680	1	2,851,680	1	2,827,680	1	2,857,320	1	2,820,000	1
Database Management	1,363,560	5	1,425,640	4	1,480,840	4	1,019,040	7	-	
Rising Star Management	-		-		604,880	10	611,360	10	1,478,788	2
Christian Home and Bible School	-		-		-		-		1,392,632	4
Total	14,227,365		14,834,929		14,861,474		9,370,464		12,152,696	

Source: City Utility Records

**CITY OF MOUNT DORA
PRINCIPAL WATER CUSTOMERS**

Table B - 6 - Part 1
Last Five Fiscal Years

Water Customer	Fiscal Year									
	2013		2012		2011		2010		2009	
	Hundred Cubic Feet	Rank								
Spring Harbor, Ltd	23,985	1	23,419	1	19,372	1	21,392	1	21,265	1
Hammock Oaks	15,266	2	14,851	3	13,472	3	7,293	8	-	
Watermann Communities Inc.	14,073	3	15,766	2	13,185	2	13,923	2	15,236	2
Southernaire MHC, Inc.	9,600	4	8,605	5	9,161	5	8,427	6	7,448	7
Rath Harper & Assoc. (Veranda Apart.)	8,242	5	8,095	6	6,943	8	-		-	
National Deaf Academy	7,747	6	7,884	7	7,359	7	5,898	10	-	
Riley's Mobile Home Park	7,590	7	6,285	9	6,729	9	-		-	
Mount Dora High School	7,581	8	11,679	4	9,521	4	11,076	4	12,152	3
Mount Dora Commons	6,285	9	7,463	8	7,666	6	7,803	7	7,152	8
City Of Mount Dora Wastewater Plant	5,304	10	5,886	10	5,803	10	6,881	9	7,585	6
Lake Care Systems, Inc.	-		-		-		11,373	3	10,377	5
Lakeside Corp of Mount Dora	-		-		-		10,205	5	11,168	4
Avante At Mount Dora	-		-		-		-		6,206	9
Wal-Mart, Inc.	-		-		-		-		5,603	10
Oakwood Association	-		-		-		-		-	
Ajax Building Corp	-		-		-		-		-	
Bristol Lakes	-		-		-		-		-	
Hibiscus MHP Ltd. Partnership	-		-		-		-		-	
Total - Hundred Cubic Feet	105,673		109,933		99,211		104,271		104,192	

Source: City Utility Records

**CITY OF MOUNT DORA
PRINCIPAL WATER CUSTOMERS**

Table B - 6 Part 2
Previous Five Fiscal Years

Water Customer	Fiscal Year									
	2008		2007		2006		2005		2004	
	Hundred Cubic Feet	Rank								
Spring Harbor, Ltd	26,854	1	29,318	1	10,318	3	30,899	1	40,134	1
Hammock Oaks	-		-		-		-		-	
Watermann Communities Inc.	19,245	2	18,455	2	-		-		-	
Southernaire MHC, Inc.	7,537	6	9,033	6	8,752	5	8,949	6	5,617	10
Rath Harper & Assoc. (Veranda Apart.)	-		-		-		-		-	
National Deaf Academy	-		4,055	10	4,019	10	-		-	
Riley's Mobile Home Park	5,269	10	5,831	9	7,205	7	-		-	
Mount Dora High School	9,106	5	9,538	5	9,898	4	17,124	4	6,265	8
Mount Dora Commons	-		-		5,265	9	-		-	
City Of Mount Dora Wastewater Plant	6,319	8	-		-		-		-	
Lake Care Systems, Inc.	11,196	4	16,913	3	14,508	1	19,575	2	20,207	2
Lakeside Corp of Mount Dora	11,693	3	13,137	4	11,126	2	11,029	5	11,403	4
Avante At Mount Dora	5,496	9	6,203	8	5,505	8	8,651	7	7,587	7
Wal-Mart, Inc.	7,338	7	7,691	7	7,207	6	7,433	8	8,191	6
Oakwood Association	-		-		-		5,711	10	5,767	9
Ajax Building Corp	-		-		-		7,226	9	-	
Bristol Lakes	-		-		-		18,316	3	15,629	3
Hibiscus MHP Ltd. Partnership	-		-		-		-		10,432	5
Total - Hundred Cubic Feet	110,053		120,174		83,803		134,913		131,232	

Source: City Utility Records

CITY OF MOUNT DORA
RATIOS OF OUTSTANDING GENERAL DEBT BY TYPE

Table C - 1
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities								Business-Type Activities		Percent of Personal Income	Per Capita
	Capital Improvement Revenue Bonds (1)	Capital Improvement Refunding Bonds (1)	Capital Leases	General Notes	Special Assessment Note	Tax Increment Revenue Note	Bond Anticipation Note	Subtotal	Utility Revenue Bonds	Total Primary Government		
2013	\$ -	\$ 3,135,200	\$ -	\$ -	\$ -	\$ 2,500,000	\$ -	\$ 5,635,200	\$ 7,127,449	\$ 12,762,649	2.92%	\$ 1,005
2012	-	3,388,600	-	-	-	-	-	3,388,600	7,613,754	11,002,354	2.62%	876
2011	-	3,635,400	-	-	-	-	-	3,635,400	8,075,973	11,711,373	2.90%	947
2010	3,745,000	-	-	-	-	-	-	3,745,000	8,519,068	12,264,068	3.41%	1,049
2009	3,935,000	-	-	2,500,000	-	-	-	6,435,000	8,937,779	15,372,779	4.39%	1,385
2008	4,115,000	-	25,945	314,956	-	-	4,500,000	8,955,901	8,927,461	17,883,362	5.20%	1,584
2007	4,290,000	-	56,416	514,989	-	-	4,500,000	9,361,405	9,314,882	18,676,287	5.24%	1,564
2006	4,455,000	-	95,130	707,911	-	-	4,500,000	9,758,041	9,685,192	19,443,233	6.04%	1,748
2005	4,615,000	-	135,627	893,975	1,380,742	-	4,500,000	11,525,344	10,086,477	21,611,821	7.31%	1,983
2004	4,770,000	-	785,045	1,073,424	1,714,967	-	-	8,343,436	10,432,741	18,776,177	6.61%	1,745

(1) 2011 Capital Improvement Refunding Bonds were issued on September 22, 2011 to refund the 2001 Series.

Notes: There are no legal debt limits for Florida Municipalities.
 Details regarding the City's per capita personal income can be found on Table D - 1.
 All debt is shown gross of any premiums, discounts or other adjustments
 Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF MOUNT DORA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

Table C - 2
As of September 30, 2012

Taxing District	Debt Outstanding (1)	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Other Debt			
Lake County Board of County Commissioners	\$ 25,705,000	4.24%	\$ 1,088,751
School District of Lake County	37,545,000	4.24%	<u>\$ 1,590,241</u>
Subtotal - overlapping debt			2,678,992
City direct debt (3)			<u>5,635,200</u>
Total Direct and Overlapping Debt			<u><u>\$ 8,314,192</u></u>

(1) General Obligation only

(2) The estimated percentage is based on the city's population to total county population.

(3) The City has no general obligation debt. Utility revenue bonds are excluded.

Source: Lake County and Lake County School Board

**CITY OF MOUNT DORA
PLEDGED REVENUE COVERAGE - UTILITY BONDS**

Table C - 3
Utility (Water and Wastewater) Revenue Bonds
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Operating Revenue (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Available for Debt Service (3)</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
2013	\$ 7,494,617	\$ 4,846,636	\$ 2,647,981	\$ 530,000	\$ 288,585	3.23
2012	6,871,827	4,426,574	2,445,253	510,000	318,191	2.95
2011	6,917,067	4,929,089	1,987,978	495,000	327,664	2.42
2010	6,152,268	4,317,404	1,834,864	475,000	348,208	2.23
2009	6,149,370	4,251,962	1,897,408	50,000	353,449	4.70
2008	6,101,495	4,004,986	2,096,509	405,000	421,026	2.54
2007	6,120,793	3,852,805	2,267,988	450,000	464,087	2.48
2006	5,784,549	3,213,155	2,571,394	370,000	525,366	2.87
2005	4,903,970	2,798,287	2,105,683	355,000	535,703	2.36
2004	4,685,416	2,418,392	2,267,024	340,000	550,146	2.55

- (1) Operating Revenue includes investment earnings and other miscellaneous income.
- (2) Direct Operating Expenses exclude depreciation, amortization and interest expense.
- (3) A large portion of Water and Wastewater Impact Fees may be used to pay debt service. Impact fee funds are not included in the Net Available for Debt Service figure.

CITY OF MOUNT DORA
PLEGDED REVENUE COVERAGE - CAPITAL IMPROVEMENT BONDS
Table C - 4
Capital Improvement Revenue Bonds (1)
Last Ten Fiscal Years

Fiscal Year	Utility Taxes	Telecommunication Taxes	Investment Earnings (2)	Available for Debt Service	Debt Service (1)		Coverage
					Principal	Interest	
2013	\$ 1,237,566	\$ 629,995	\$ (1,658)	\$ 1,865,903	\$ 253,400	\$ 66,235	5.84
2012	1,233,933	586,993	432	1,821,358	246,800	72,859	5.70
2011	1,327,594	530,247	5,088	1,862,929	195,000	181,198	4.95
2010	1,334,238	539,424	8,591	1,882,253	190,000	189,035	4.97
2009	1,234,722	486,877	13,702	1,735,301	180,000	196,235	4.61
2008	1,069,299	584,053	21,296	1,674,648	175,000	203,060	4.43
2007	1,044,155	558,564	22,087	1,624,806	165,000	209,330	4.34
2006	1,012,878	528,509	12,170	1,553,557	160,000	215,330	4.14
2005	990,761	541,556	4,137	1,536,454	155,000	221,143	4.08
2004	975,034	482,216	1,898	1,459,148	150,000	226,768	3.87

- (1) The 2001 Capital Improvement Bonds were refunded on September 22, 2011 by the issuance of the Capital Improvement Revenue Refunding Bonds, Series 2011.
- (2) Investment Earnings (Losses) on funds in the Pledged Revenue Fund.

**CITY OF MOUNT DORA
DEMOGRAPHIC AND ECONOMIC STATISTICS**

Table D - 1
Last Ten Calendar Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Personal Income Inc. (Dec.)	Unemployment Rate (4)
2013	12,693	\$ 437,172,306	\$ 34,442	3.13%	6.9%
2012	12,557	419,378,686	33,398	2.41%	8.9%
2011	12,370	403,410,440	32,612	5.93%	11.2%
2010	11,687	359,784,295	30,785	-2.33%	12.3%
2009	11,100	349,872,000	31,520	3.48%	10.9%
2008	11,290	343,893,400	30,460	2.16%	7.1%
2007	11,961	356,617,215	29,815	3.02%	4.4%
2006	11,125	321,979,750	28,942	6.71%	3.0%
2005	10,899	295,602,678	27,122	2.78%	3.6%
2004	10,758	283,892,862	26,389	1.74%	4.1%

- (1) Bureau of Business and Economic Research, University of Florida.
- (2) The actual per capita personal income for the City is not known. The County's per capita figures are multiplied by the population to determine the total personal income for the City.
- (3) Per Metro Orlando EDC
- (4) Lake County, Florida.

**CITY OF MOUNT DORA
PRINCIPAL EMPLOYERS**

Table D - 2
Latest Year and Ten Years Ago

Employer	2012		
	Number of Employees	Rank	Percent of Total County Employment
Lake County Public Schools	4,353	1	3.64%
Leesburg Regional Medical Center	2,093	2	1.75%
Villages of Lake-Sumter, Inc.	2,022	3	1.69%
Lake County Government	1,817	4	1.52%
Florida Hospital / Waterman, Inc.	1,400	5	1.17%
Embarq	811	6	0.68%
Casmin Incorporated	800	7	0.67%
G & T Conveyor Company, Inc.	550	8	0.46%
Bailey Industries	509	9	0.43%
Accent	500	10	0.42%

Employer	2002		
	Number of Employees	Rank	Percent of Total County Employment
Lake County Public Schools	3,534	1	3.82%
Villages of Lake-Sumter, Inc.	1,900	2	1.68%
Leesburg Regional Medical Center	1,800	3	1.32%
Lake County Government	1,558	4	0.61%
Florida Hospital / Waterman, Inc.	1,100	5	1.53%
Sprint	719	6	1.21%
Lester Coggins Trucking	500	7	0.51%
Lake Port Square	400	8	1.02%
Dura-Stress, Inc.	384	9	0.66%
Cultrale Citrus Juice, Inc.	275	10	0.64%

Source: Metro Orlando Economic Development Commission.

2011 Lake County Schools, FL Comprehensive Annual Financial Report

2011 Lake County, FL Comprehensive Annual Financial Report

Note: Figures are for the entire Lake County and not just for the City.

CITY OF MOUNT DORA
FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION / PROGRAM
 Table E - 1, Part 1
 Last Five Fiscal Years

	Fiscal Year				
	2013	2012	2011	2010	2009
General Government					
Administration	9.10	7.50	7.50	7.50	7.50
Finance	16.80	16.60	16.60	16.80	17.00
Planning	3.26	3.26	3.26	3.26	4.26
Building Maintenance	8.30	7.70	7.20	9.20	8.20
Public Safety					
Police	40.46	41.46	42.46	42.46	43.46
Police Communications	8.63	8.63	8.63	8.63	8.10
Fire	25.25	25.00	25.00	25.00	25.00
Physical Environment					
Electric	11.05	11.05	11.05	11.05	12.45
Water / Wastewater	31.53	30.30	30.20	29.42	31.22
Sanitation	1.28	1.25	1.25	1.25	1.13
Stormwater	4.15	4.00	3.80	2.80	3.30
Cemetery	1.85	1.85	2.35	2.35	2.35
Transportation					
Roads and Streets	8.75	8.55	8.55	9.55	10.00
Engineering	0.85	0.85	1.15	1.15	1.12
Culture and Recreation					
Library Services	9.35	9.35	9.35	9.13	9.98
Recreation	6.56	5.36	6.26	6.51	6.11
Parks Maintenance	7.25	7.25	7.25	6.25	6.59
Other					
CRA	4.00	4.00	4.00	4.00	5.00
NECRA	1.50	1.50	1.50	1.50	1.50
Protective Inspections	5.24	5.24	7.24	7.24	8.24
Motorpool	1.56	1.56	1.56	1.56	1.00
Total	<u>206.72</u>	<u>202.26</u>	<u>206.16</u>	<u>206.61</u>	<u>213.51</u>

Source: City Finance Department - Annual Budget

Note: Police Officers and Firefighters shown as 1 FTE even though they work in excess of 2,080 hours per year.

CITY OF MOUNT DORA
FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION / PROGRAM
Table E - 1, Part 2
Previous Five Fiscal Years

	Fiscal Year				
	2008	2007	2006	2005	2004
General Government					
Administration	7.50	8.00	10.50	10.50	10.50
Finance	17.25	18.25	19.60	18.60	19.00
Planning	4.26	4.26	4.26	3.45	3.45
Building Maintenance	9.20	10.00	10.00	9.00	9.00
Public Safety					
Police	44.36	44.73	42.90	38.77	38.67
Police Communications	8.00	8.00	8.00	8.00	8.00
Fire	26.40	29.20	23.20	20.20	19.20
Physical Environment					
Electric	11.95	11.95	11.95	11.20	10.70
Water / Wastewater	30.72	28.35	28.25	23.60	21.50
Sanitation	1.10	1.10	1.10	1.10	1.10
Stormwater	2.70	2.95	1.95	1.70	1.70
Cemetery	2.35	2.00	2.00	0.50	0.50
Transportation					
Roads and Streets	11.40	12.40	11.40	11.30	11.49
Engineering	1.10	1.10	1.10	1.10	0.51
Culture and Recreation					
Library Services	10.98	11.95	11.90	10.80	10.74
Recreation	9.29	12.16	12.16	12.29	10.60
Parks Maintenance	7.49	4.84	4.50	6.50	7.50
Other					
CRA	5.00	5.00	4.00	4.00	3.00
NECRA	1.50	1.50	0.50	1.50	1.50
Protective Inspections	8.24	8.24	5.24	4.05	3.05
Motorpool	4.00	4.00	4.00	4.00	4.00
Total	<u>224.79</u>	<u>229.98</u>	<u>218.51</u>	<u>202.16</u>	<u>195.71</u>

Source: City Finance Department - Annual Budget

Note: Police Officers and Firefighters shown as 1 FTE even though they work in excess of 2,080 hours per year.

**CITY OF MOUNT DORA
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM**

Table E -2

	Fiscal year				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Schools **					
Elementary	2	2	2	2	2
Junior/Senior High	1	1	1	1	1
Fire					
Stations	2	2	2	2	2
Firefighters	21	21	21	21	21
Response Vehicles	4	4	4	5	5
Parks and Recreation					
Park Acreage	216	216	216	216	216
Sports Fields & Courts Operated	16	16	16	16	16
City Facilities Operated	40	40	40	40	40
Police					
Stations	1	1	1	1	1
Officers ***	32	32	33	33	34
Patrol Vehicles	34	34	35	35	36

	Fiscal year				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Schools **					
Elementary	2	2	2	2	2
Junior/Senior High	1	1	1	1	1
Fire					
Stations	1	1	1	1	1
Firefighters	21	21	22	22	21
Response Vehicles	5	5	5	5	5
Parks and Recreation					
Park Acreage	216	216	243	227	192
Sports Fields & Courts Operated	16	16	5	5	5
City Facilities Operated	40	40	20	20	19
Police					
Stations	1	1	1	1	1
Officers ***	35	36	34	32	31
Patrol Vehicles	38	36	37	31	19

* Public schools owned and operated by Lake County School Board

**2 Sworn officers
Information is from Lake County and City Budget

**CITY OF MOUNT DORA
OPERATING INDICATORS BY FUNCTION / PROGRAM**

Table E - 3

	For Fiscal Years Ending September 30,				
	2013	2012	2011	2010	2009
Water/Waterwater System					
Number of Water Accounts	8,369	8,142	8,019	7,935	7,766
Average Daily Consumption (in Hcf)	3,152	3,291	3,850	3,478	3,835
Wastewater System					
Number of Wastewater Accounts	5,901	5,709	5,537	5,441	5,231
Average Daily Consumption (in Hcf)	1,859	1,866	1,855	1,746	1,756
Number of Reclaimed Water Accounts	1,142	1,425	N/A	N/A	N/A
Average Daily Consumption (in Hcf)	1,527	1,022	N/A	N/A	N/A
Electric					
Energy Purchased (kWh)	88,435,395	88,072,494	94,304,554	98,575,322	93,739,396
Annual Peak Demand (kW)	21,783	20,712	22,987	24,859	22,997
Avg. Number of Accounts - Total	5,706	5,691	5,691	5,685	5,467
Energy Sales (kWh) - Total	84,496,597	84,364,970	89,857,216	94,648,835	90,001,944
Ave. Monthly Non-demand Consumption (kW)	2,650	2,963	2,845	3,000	2,743
Planning					
Total Building permits issued	956	861	786	951	881
Total Value of Construction (Thousands)	\$ 32,875	\$ 15,182	\$ 25,197	\$ 35,123	\$ 42,550
Number Planning Docket Items	28	29	30	29	40
Historic Preservation					
Number Historic properties reviewed	14	13	11	11	16
Cost of Improvements made to:					
Historic Commercial Properties	95,862	68,423	103,000	68,720	396,650
Historic Residential Properties	148,048	401,565	93,175	342,409	148,250
Police					
Physical Arrests (Excl. DUI / DWI)	521	546	554	605	660
DUI / DWI Arrests	54	56	61	51	64
Emergency Calls	5,470	4,251	7,478	5,336	5,956
Incident Reports	1,809	1,916	2,076	2,128	2,170
Traffic Stops	6,998	4,790	4,782	5,340	9,750
Traffic Tickets	3,720	2,944	2,930	2,911	2,681
Accident (Crash) Reports	743	510	495	505	523
Fire					
Fire/Rescue Calls	3,358	3,339	3,440	3,034	3,410
Total Number of Inspections	757	1,049	836	691	1,044
Total Number of Fire Building Calls	13	7	6	7	N/A
Parks and Recreation					
Recreation Programs	26	22	20	20	21
Program Attendance	14,787	8,807	8,508	8,531	8,813
Library					
Registered Borrowers	17,609	17,601	18,351	18,374	19,284
Volumes in Collection	85,360	83,839	84,907	81,025	77,456
Total Annual Circulation	250,597	225,068	286,672	318,903	311,012
Library Visits	251,080	227,246	286,413	327,774	289,602

Information is from Lake County plus City Utilities and Departments

**CITY OF MOUNT DORA
OPERATING INDICATORS BY FUNCTION / PROGRAM**

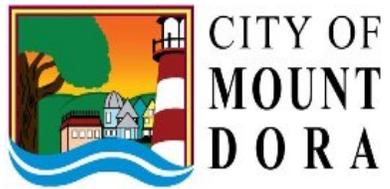
Table E - 3

	For Fiscal Years Ending September 30,				
	2008	2007	2006	2005	2004
Water/Waterwater System					
Number of Water Accounts	7,520	7,154	6,814	6,453	6,354
Average Daily Consumption (in Hcf)	3,264	3,513	3,399	2,978	3,093
Number of Wastewater Accounts	4,817	4,437	4,169	3,997	3,896
Average Daily Consumption (in Hcf)	1,730	1,769	1,700	1,619	1,600
Number of Reclaimed Water Accounts	N/A	N/A	N/A	N/A	N/A
Average Daily Consumption (in Hcf)	N/A	N/A	N/A	N/A	N/A
Electric					
Energy Purchased (kWh)	96,521,132	100,680,912	103,407,409	99,824,759	95,946,709
Annual Peak Demand (kW)	22,896	24,058	24,254	25,138	22,333
Avg. Number of Accounts - Total	5,394	5,416	5,410	5,806	5,287
Energy Sales (kWh) - Total	92,057,332	94,495,830	98,094,800	95,899,500	90,865,200
Average Monthly Consumption (kWh)	2,490	2,231	2,487	2,376	2,432
Planning					
Total Building permits issued	944	1,159	1,067	832	785
Total Value of Construction (Thousands) \$	76,448	99,844	90,157	50,998	73,057
Number Planning Docket Items	64	65	97	81	86
Historic Preservation					
Number Historic properties reviewed	33	31	28	13	21
Cost of Improvements made to:					
Historic Commercial Properties \$	31,400	40,625	-	165,050	176,980
Historic Residential Properties \$	474,625	878,921	347,685	192,450	89,059
Police					
Physical Arrests (Excl. DUI / DWI)	642	659	716	720	673
DUI / DWI Arrests	86	73	56	56	38
Emergency Calls	6,057	6,176	6,295	5,585	5,874
Incident Reports	2,265	2,185	2,292	2,062	2,048
Traffic Stops	6,001	6,621	8,026	5,415	4,258
Traffic Tickets	3,840	4,631	6,262	4,337	3,069
Accident Reports	502	570	628	642	604
Fire					
Fire/Rescue Calls	3,492	3,304	3,271	2,853	2,930
Total Number of Inspections	1,129	743	1,053	1,000	1,014
Total Number of Fire Building Calls	N/A	N/A	N/A	N/A	N/A
Parks and recreation					
Recreation Programs	28	31	29	7	7
Program Attendance	6,448	8,400	8,875	3,660	3,420
Library					
Registered Borrowers	18,145	16,402	16,097	15,764	16,349
Volumes in Collection	73,049	66,792	64,536	51,878	51,664
Total Annual Circulation	277,365	239,558	214,239	209,044	186,219
Library Visits	273,710	248,934	228,141	205,618	194,556

Information is from Lake County plus City Utilities and Departments

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH THE PROVISIONS OF
GOVERNMENT AUDITING STANDARDS AND THE
RULES OF THE AUDITOR GENERAL OF THE
STATE OF FLORIDA**

This page left intentionally blank



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and Members of the City Council
City of Mount Dora
Mount Dora, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Dora, Florida (the City) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that may not have been identified.

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Mayor and Members of the City Council
City of Mount Dora
Mount Dora, Florida

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(*Concluded*)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated March 5, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis, Gray and Company, LLP

March 5, 2014
Ocala, Florida

MANAGEMENT LETTER

The Honorable Mayor and Members of the City Council
City of Mount Dora
Mount Dora, Florida

We have audited the financial statements of the City of Mount Dora, Florida (the City) as of and for the year ended September 30, 2013, and have issued our report thereon dated March 5, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated March 5, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' report:

- Section 10.554(1)(i)1, *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. There were no findings or recommendations disclosed in the preceding audit report.
- Section 10.554(1)(i)2, *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3, *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management (see recommendations in the management letter).
- Section 10.554(1)(i)4, *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Mayor and Members of the City Council
City of Mount Dora
Mount Dora, Florida

MANAGEMENT LETTER
(Concluded)

- Section 10.554(1)(i)5, *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.
- Section 10.554(1)(i)6.a, *Rules of the Auditor General*, requires a statement to be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.b., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is an agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c and 10.556(7), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Our management letter is intended solely for the information and the use of Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties..

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis, Gray and Company, LLP

March 5, 2014
Ocala, Florida

MANAGEMENT LETTER COMMENTS

Honorable Mayor and Council Members
City of Mt. Dora
Mt. Dora, Florida

During the course of our audit, the following items came to our attention. These items involve primarily operational matters, which if improved, will result in more efficient and effective operations:

2013-1—Self-Insurance Monitoring

The City of Mount Dora (the City) maintains a self-insured health insurance program, as allowed under Section 112.08, Florida Statutes, for the employees of the City, whereby the City has purchased an aggregate stop loss and individual maximum claims reinsurance policies, under which the City remains responsible for claims not covered by those policies.

When a municipality establishes a plan under Section 112.08, Florida Statutes, they are required to file with the Office of Insurance Regulation various reports, including an actuarial report regarding the actuarial soundness of the Plan. Additionally, after implementation of an approved plan, a municipality must annually file an updated actuary's statement as to the actuarial soundness of the Plan. While the City is shown as active by the Florida Division of Insurance, indicating appropriate reports have been filed; management was not able to timely provide records of the original or annual filings. We recommend that procedures be developed for the ongoing oversight and retention of all records to ensure ongoing compliance with the requirements of the Plan.

2013-2—Prepaid Impact Fees

The City has at various times in the past received payments from residential property developers with the believed intention of prepaying for significant portions of a development's water and sewer impact fees and connection fees. During the current fiscal year, it was discovered that the City had received significant prepayments in fiscal year's 2005 and 2006, which were established without formal agreements with the developers and without internal control procedures in the City for receiving and tracking prepayments. As a result of the lack of formal agreement and lack of internal procedures, the City's corporate memory of the original transactions and ongoing prepaid balances eroded as a result of employee turnover, miscommunications, and the lapse of time.

The City, upon discovery of potential outstanding prepaid over and under payments, undertook procedures to determine the extent of the problem, and worked to resolve the matter with developers. Additionally, the City implemented new internal control procedures for the acceptance and ongoing tracking of prepayments received, including bringing the transactions under general ledger control by recording the prepayments as unearned revenue, to be recognized as revenue when water and sewer connections are made.

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Mayor and Council Members
City of Mt. Dora
Mt. Dora, Florida

MANAGEMENT LETTER COMMENTS
(Concluded)

2013-2—Prepaid Impact Fees (Concluded)

As of September 30, 2013, the City had a remaining prepaid balance from developers of \$1.5 million. We recommend the City continue its efforts to ensure appropriate internal control over prepayments, including the tracking of balances under general ledger control. Further, we encourage the City to continue its efforts at reconciling all outstanding balances with developers, expand inter-departmental communications, train employees on the policies and procedures for prepayments, and continually monitor existing policies for needed modifications and improvements.

Purvis, Gray and Company, LLP

March 5, 2014
Ocala, Florida



**CITY OF
MOUNT
DORA**

FINANCE DEPARTMENT

City Hall
510 N. Baker St.
Mount Dora, FL 32757

Office of the City Manager
352-735-7126
Fax: 352-383-4801

Customer Service
352-735-7105
Fax: 352-735-2892

Finance Department
352-735-7118
Fax: 352-735-1406

Human Resources
352-735-7106
Fax: 352-735-9457

Planning and Development
352-735-7112
Fax: 352-735-7191

City Hall Annex
900 N. Donnelly St.
Mount Dora, FL 32757

Parks and Recreation
352-735-7183
Fax: 352-735-3681

Public Safety Complex
1300 N. Donnelly St.
Mount Dora, FL 32757

Police Department
352-735-7130
Fax: 352-383-4623

Fire Department
352-735-7140
Fax: 352-383-0881

Public Works Complex
1250 N. Highland St.
Mount Dora, FL 32757
352-735-7151
Fax: 352-735-1539

W. T. Bland Public Library
1995 N. Donnelly St.
Mount Dora, FL 32757
352-735-7180
Fax: 352-735-0074

Website:
www.cityofmoundora.com

March 18, 2014

Mayor and City Council
City of Mount Dora
Mount Dora, FL 32757

This report contains our written comments to the auditor's Management Letter Comments, as required by Chapter 10-558(1) of the rules of the Auditor General of the State of Florida, relating to the last audit the City of Mount Dora, Florida, which was delivered March 5, 2014 for the year ended September 30, 2013.

Prior Year Recommendations:
None

Current Year Recommendations:

Self-Insurance Monitoring:

The City acknowledges and agrees that an annual actuarial report should be prepared and submitted each year for the Self-Insured Health Fund. The submittal will assist in the determination of proper funding from an outside source. The City is in the process of compliance with FS 112-08, which requires the submittal of an annual actuarial report to the State.

A letter of acceptance was issued by the State of Florida on October 27, 2009. A quote has been requested to determine the cost of annual actuarial services for future compliance.

Prepaid Impact Fees:

During the year the discovery of prepaid impact fees required an extensive study of the issue to determine the amount of the under and over payments from subdivisions. The amounts have been reconciled and solidified going forward.

Internal Control procedures were instituted along with the knowledge that no further prepayments would be accepted. A formal written policy has gone into effect and has been distributed to all departments involved in the process.

Sincerely:


Michael Quinn
City Manager


Mike Sheppard
Finance Director

Cc: Purvis Gray and Company, City Auditors
Auditor General, State of Florida

This page left intentionally blank

