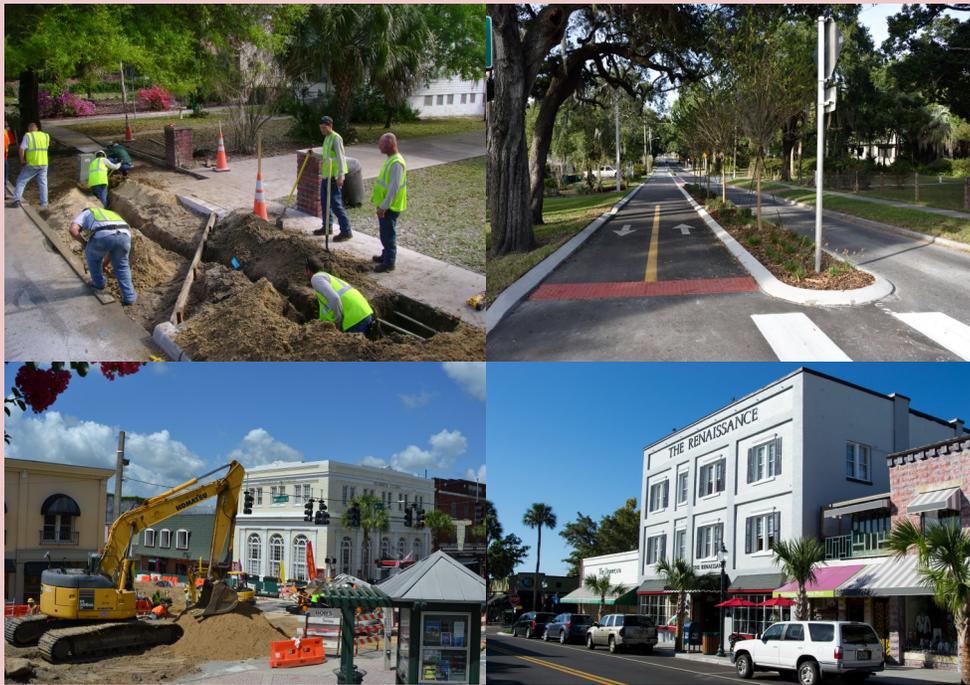


Mount Dora, Florida

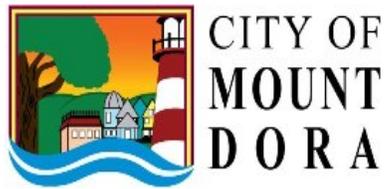
COMPREHENSIVE ANNUAL FINANCIAL REPORT 2014



*Preserve the quality and unique character of Mount Dora,
while providing outstanding municipal services to our citizens.*



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INTRODUCTORY SECTION

**CITY OF MOUNT DORA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2014**

MAYOR/CITY COUNCIL

MAYOR

Catherine T. Hoechst

COUNCIL MEMBERS

Ryan Donovan, Vice-Mayor

Marie Rich

Cal Rolfson

Ed Rowlett

Michael Tedder

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

Stephen Moss, 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



Marie Rich
Council Member
Member at Large



Carl Rolfson
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, 2014**

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 Reportingxiii
 Organization Chart.....xiv

II. FINANCIAL SECTION

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

Management’s Discussion and Analysis4-13

Basic Financial Statements

Statement of Net Position 14
 Statement of Activities..... 15
 Balance Sheet - All Governmental Funds 16
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position 17
 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 Position 19
 Statement of Net Position - Proprietary Funds20-21
 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 Funds 26
 Notes to Financial Statements27-62

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund
 Balance - Budget to Actual - Major Fund - General Fund.....63-66
 Schedule of Revenues, Expenditures, and Changes in Fund
 Balance - Budget to Actual - Major Fund - Community
 Redevelopment Agency Fund..... 67
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget to Actual - Major Fund - Northeast Redevelopment Fund 68
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget to Actual - Major Fund – Public Services Tax Fund 69
 Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios - General
 Employees’ Retirement Fund 70
 Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios - Police
 Officers’ Retirement Fund 71
 Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios –
 Firefighters’ Retirement Fund..... 72

**CITY OF MOUNT DORA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED SEPTEMBER 30, 2014**

**TABLE OF CONTENTS
 (Continued)**

Required Supplementary Information - (Concluded)

Schedules of Contributions from Employer and Others - General Employees' Retirement Fund	73
Schedules of Contributions from Employer and Others - Police Officers' Retirement Fund	74
Schedules of Contributions from Employer and Others - Firefighters' Retirement Fund	75
Schedule of Investment Returns – All Retirement Funds	76
Schedule of Funding Progress - General Employees' Retirement Fund, Police Officers' Retirement Fund, and Firefighters' Retirement Fund.....	77
OPEB Schedule of Funding Progress and Contributions from Employer.....	79
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, 2014**

**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**

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 <i>Government Auditing Standards</i>	118-119
Independent Auditors Report on Compliance for Each Major Program and on Internal Control over Compliance required by OMB Circular A-133	120-121
Schedule of Expenditures of Federal Awards	122
Schedule of Findings and Questioned Cost Federal Award Programs	123-124
Independent Auditor’s Report on Compliance with Section 218.415 Florida Statutes	125
Independent Auditor’s Management Letter.....	126-127
Independent Auditor’s Management Letter Comments.....	128-129
The City’s Response to Management Letter comments	130



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Mount Dora, FL 32757

Office of the City Manager
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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, 2014.

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, 2014. 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 Monthly* have recognized Mount Dora as Florida's "Friendliest Small Town" and *Southern Living* has proclaimed Mount

Dora as “Best Antique Shopping in the South”. In 2014, the Florida Planning Association selected Mount Dora as the first winner of the “Greatest Places in Florida People’s Choice Award”; and the *Smithsonian* designated Mount Dora as a “Top 20 Visit for 2014”. Along with our nationally acclaimed art and crafts festivals, Mount Dora is a vibrant community with much to offer residents and visitors to which we live up to our reputation as “Someplace Special”.

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 includes major chain retailers and restaurants that depend on larger populations for their success. The residential housing market

has started to rebound with several housing projects being recently approved. Specific economic conditions affecting the City's financial position are discussed in greater detail in the MD&A in this report.

For four of the last five years, Lake County's unemployment numbers have been slightly higher than the State of Florida and the United States, although it has decrease almost 5% since 2011. While foreclosures in the City have not been as high as some of the surrounding areas, 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 plus a small usage of reserves.

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 eighth straight year that a formal plan has been adopted. The proposed first year's capital projects in the program were included in the 2014-15 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 seventh year but only seven pieces of equipment will be replaced for a total of \$325,891. 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. All financial policies are reviewed annually for any necessary updates.

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 2014, is provided as a background to the financial results:

During 2013-14:

- With last year's completion of Phase I of the Downtown Streetscape Project, Phase II was near completion at year-end. Planning for Phase III is well under way; bring the total expected cost for this major downtown redevelopment to over \$10 million.
- The City, the business community and its residents worked together to develop a master plan and marketing material for the City's future employment center, which will be named "Wolf Branch Innovation District".
- Redevelopment, water and wastewater plus grant funds were used to complete \$1.4 million of utility improvements, and trail development on Lincoln Avenue and Tremain Street.
- The Water and Wastewater Department completed a multi-year construction of the new East Water Plant for \$5.2 million.
- In a continued effort to treat wastewater, the Utility Department installed dewatering boxes and started a Bio-solids Facility.
- A major stormwater system upgrade was started for \$1.5 million at the 7th Ave. Stormwater Facility.
- The City continued construction of a series of projects to enhance its various tourist attraction/recreation facilities. This year's project was construction of facilities at Evan Park, which will provide another venue for entertainment and festival events at a cost of almost \$170,000.

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, 2013. This was the twentieth 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 2013-14'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
February 26, 2015



Government Finance Officers Association

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

Presented to

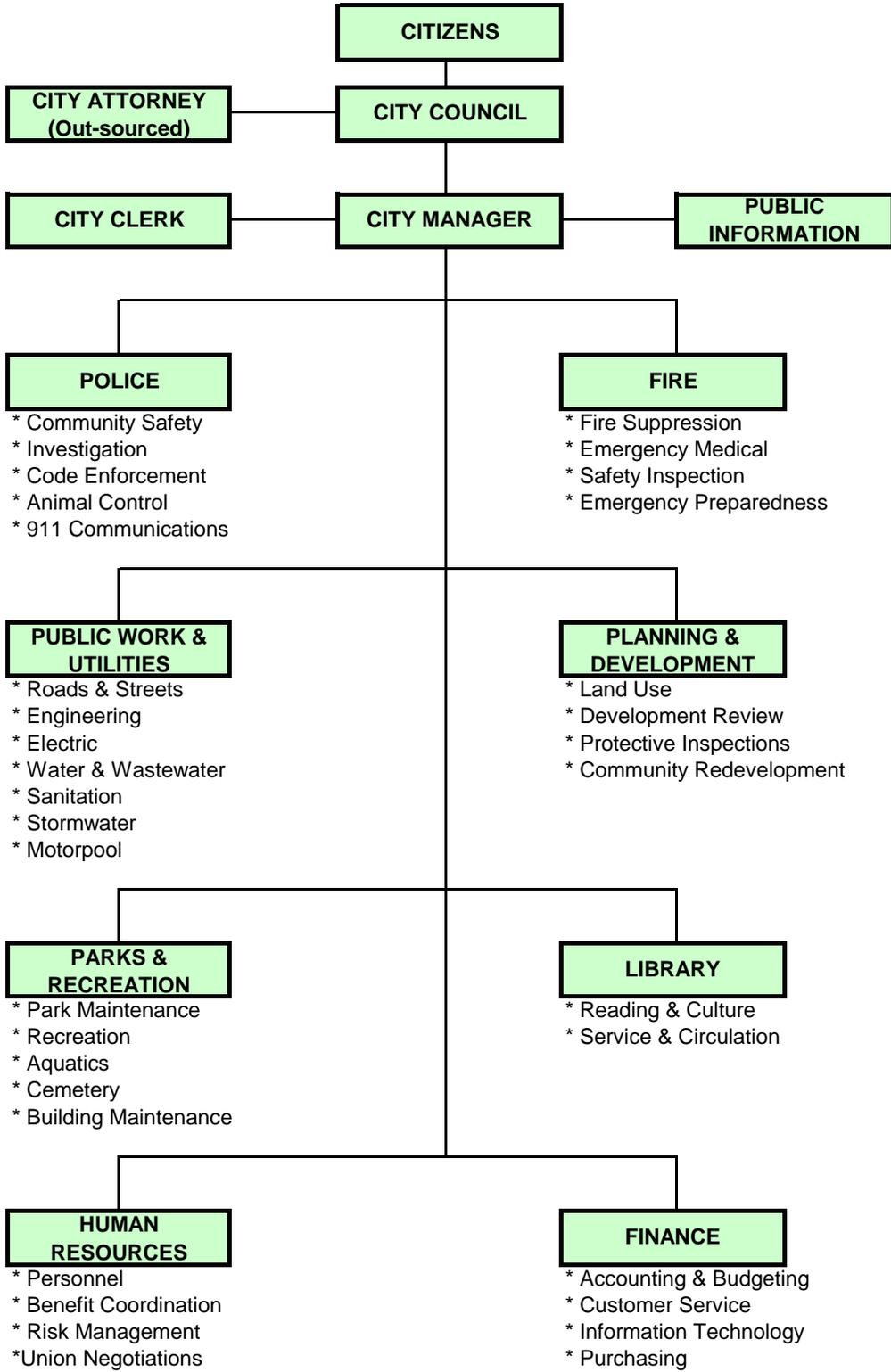
**City of Mount Dora
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

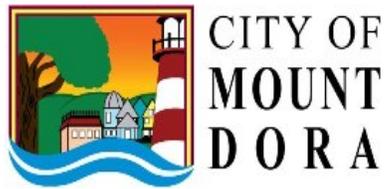
September 30, 2013

Executive Director/CEO

**CITY OF MOUNT DORA
ORGANIZATIONAL CHART
FY 2014-15**



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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**

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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, 2014, 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 includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2014, 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.

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 schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and 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 and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2015, 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

February 26, 2015
Ocala, Florida

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2014

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, 2014
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.

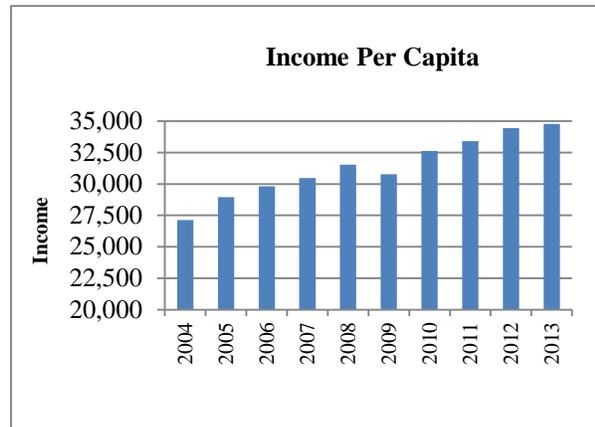
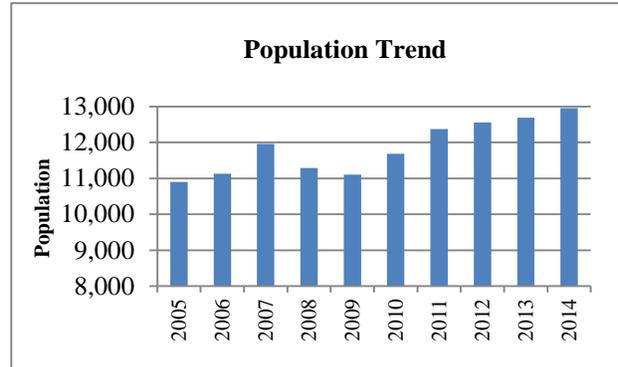
**Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2014
Management's Discussion and Analysis (Continued)**

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 12,949 in 2014, 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, 2014 unemployment rate of 6.3%, (which is 0.6% lower than last year), is slightly above the state rate of 6.1%.

The per capita personal income in Lake County for 2014 was \$34,782, compared to \$27,122 in 2004, and is slightly higher than last year's \$34,442. 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

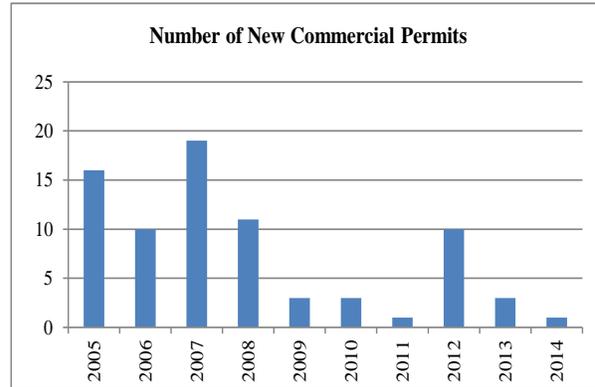
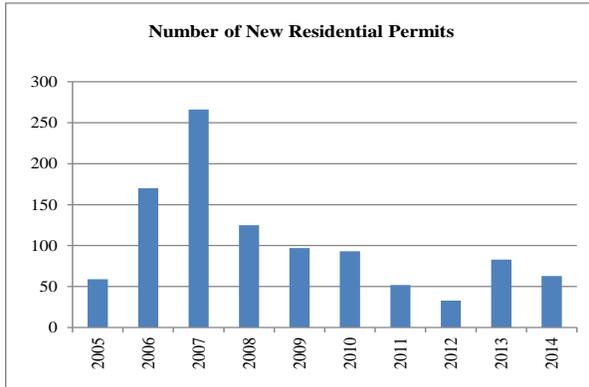
expressway between the I-4 corridor in northern Orange County, through the Wekiva area, to Mount Dora's doorstep at SR 46 and will make commuting from Mount Dora the understandable choice.

As citizens move to Lake County to avoid the high cost of home ownership in Orange County, while commuting 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 along with a new expressway extension of toll road 429.

Permit issuance for new residential development spiked in 2007 (see chart below), and has started to rebound from the lowest level during the housing downturn. The value of the residential permits issued is about 25.9% less 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 from the \$2,794,000 the previous year to \$186,504 this year, and is about one percent of the average value for the last five years. Several commercial development projects are planned, but none in the magnitude needed to significantly increase tax revenues .

**Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2014
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. Recently, funds dedicated to capital projects have not been sufficient to continue infrastructure improvements and upgrades without having to borrow. 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. 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 2014, but it is still below the 6.1810 mills levied 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	
	2014	2013	2014	2013	2014	2013
Assets						
Current and Other	\$ 11,277,374	\$ 11,048,527	\$ 19,519,834	\$ 17,204,400	\$ 30,797,208	\$ 28,252,927
Capital	44,177,710	43,612,655	49,864,688	43,148,733	94,042,398	86,761,388
Total Assets	55,455,084	54,661,182	69,384,522	60,353,133	124,839,606	115,014,315
Deferred Outflow on Interest Rate Swap						
	-	-	527,628	691,428	527,628	691,428
Liabilities						
Current and Other	1,646,820	1,538,377	6,238,856	6,700,204	7,885,676	8,238,581
Long Term Outstanding:						
Due within one year	699,719	1,158,917	639,964	626,654	1,339,683	1,785,571
Due in more than one year	6,706,163	6,457,129	14,152,780	7,080,118	20,858,943	13,537,247
Total Liabilities	9,052,702	9,154,423	21,031,600	14,406,976	30,084,302	23,561,399
Net Position						
Net Investment in						
Capital Assets	38,938,810	37,977,455	41,954,352	36,021,284	80,893,162	73,998,739
Restricted	4,386,032	4,446,851	3,163,254	3,256,639	7,549,286	7,703,490
Unrestricted	3,077,540	3,082,453	3,762,944	7,359,662	6,840,484	10,442,115
Total Net Position	\$ 46,402,382	\$ 45,506,759	\$ 48,880,550	\$ 46,637,585	\$ 95,282,932	\$ 92,144,344

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2014
Management's Discussion and Analysis (Continued)

Assets – For the third year in a row, the Government-wide Assets increased from the prior year to a total balance at year-end of almost \$125 million. This year's increase was \$9,825,291 versus a \$7,333,777 improvement for the prior year. The \$2,544,300 increase in Current and Other Assets was primarily due to more utility impact fees being collected and a debt issuance of \$7,560,000, with both of these being used for capital projects. Internal Balances increased because of a temporary loan of \$350,000 from the General Fund to Stormwater Fund. It will be repaid when grant funds are received for expenditures made on a major capital project. Gross Capital Assets increased by \$7.28 million as Business-type Activities increased by over \$6.7 million after depreciation. In addition to the regular capital projects, the East Water Plant and the Enterprise portion of the Downtown Streetscape II were almost completed plus several other utility projects. The Downtown Streetscape II project was the major contributor to the Governmental Activities Capital increase of \$565,000. Capital Assets (e.g., land, buildings, machinery, and equipment) continue to consist of approximately 75% of the Total Assets.

Liabilities - Total Business – type Liabilities increased by \$6.5 million dollars. This was due to the issuance of a \$7,560,000 Water & Wastewater note for current and future infrastructure projects. Also, Accounts Payable in the Enterprise Fund continued at a higher level because of large year-end payables and retainage on construction contracts plus the year-end timing of payment of the electric power costs. Two other components of the entity-wide Long-term Liabilities increased - the Net OPEB Obligations by \$150,841, and Compensated Absences by \$71,623.

Net Position - Entity-wide assets and deferred outflows of the City exceeded its liabilities as of September 30, 2014 to \$95.3 million. Total Net Position increased by \$3,138,588 from last year, which is the largest growth since 2008 and approximately five times the improvement in 2012. The increase was brought about by higher utility service charges and the receipts of capital grants and impact fees in excess of \$3 million. Business-type Unrestricted Net Position decreased as a consequence of an increase in capital projects spending. The total Business-type operating expenses modestly increased by \$121,124 during the period, but are still \$1.3 million less than three years ago. This is primarily attributable to lower electric power costs.

Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 6,465,363	\$ 6,464,555	\$ 5,463,234	\$ 5,414,407	\$ 11,928,597	\$ 11,878,962
Buildings	20,140,819	20,116,577	12,580,985	12,232,539	32,721,804	32,349,116
Infrastructure	32,257,557	28,691,966	55,309,823	51,822,405	87,567,380	80,514,371
Machinery, Equipment and Materials	8,854,668	8,654,423	3,476,190	3,500,387	12,330,858	12,154,810
Construction in Progress	1,546,223	2,757,181	9,139,519	4,465,150	10,685,742	7,222,331
Less: Accumulated Depreciation	(25,086,920)	(23,072,047)	(36,105,063)	(34,286,155)	(61,191,983)	(57,358,202)
Net Capital Assets	<u>\$ 44,177,710</u>	<u>\$ 43,612,655</u>	<u>\$ 49,864,688</u>	<u>\$ 43,148,733</u>	<u>\$ 94,042,398</u>	<u>\$ 86,761,388</u>

Net Capital Assets increased by almost \$7.3 million in 2014 as annual capital spending remained the same as the prior year by using reserves and loan construction funds. This net asset increase is after \$4.7 million was recorded as entity-wide depreciation. For Business-type activities, capital assets before depreciation grew by \$8.5 million as the City is still vigorously building its infrastructure for future economic growth. Infrastructure spending increased assets by \$3.5 million and Construction in Progress by \$8.7 million, while \$3.8 million of the CIP projects were completed. Machinery and Equipment remain about the same as the vehicle fleet was modernized and other purchases for small equipment were minimal. 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, 2014
Management's Discussion and Analysis (Continued)

Long-term Debt Activity

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue Bonds	\$ 5,238,900	\$ 5,635,200	\$ 14,177,093	\$ 7,127,449	\$ 19,415,993	\$ 12,762,649
Net OPEB Obligation	1,087,324	972,094	332,106	296,495	1,419,430	1,268,589
Compensated Absences	1,079,658	1,008,752	283,545	282,828	1,363,203	1,291,580
Total Debt	<u>\$ 7,405,882</u>	<u>\$ 7,616,046</u>	<u>\$ 14,792,744</u>	<u>\$ 7,706,772</u>	<u>\$ 22,198,626</u>	<u>\$ 15,322,818</u>

Due to a new note being issued for \$7,560,000, the Revenue Bonds payables grew by \$6,653,300, net of the regular debt payment of the existing outstanding bonds. Net OPEB Obligation increased by \$150,000 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 number of hours accumulated by 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	
	2014	2013	2014	2013	2014	2013
Revenues						
<i>Program Revenues</i>						
Charges for Services	\$ 1,198,724	\$ 1,089,248	\$ 21,837,444	\$ 20,821,870	\$ 23,036,168	\$ 21,911,118
Operating Grants and Contrib.	63,444	21,193	-	3,025	63,444	24,218
Capital Grants and Contrib.	1,189,924	963,779	2,018,882	1,526,854	3,208,806	2,490,633
<i>General Revenues</i>						
Property Taxes	4,644,345	4,571,110	-	-	4,644,345	4,571,110
Other Taxes	4,010,119	3,849,168	-	-	4,010,119	3,849,168
State Shared Revenues	2,013,460	1,804,701	-	-	2,013,460	1,804,701
Investment Earnings (Losses)	95,934	(45,406)	94,334	(49,812)	190,268	(95,218)
Other	261,675	361,624	73,884	38,387	335,559	400,011
Total Revenues	<u>13,477,625</u>	<u>12,615,417</u>	<u>24,024,544</u>	<u>22,340,324</u>	<u>37,502,169</u>	<u>34,955,741</u>
Expenses						
General Government	2,493,630	2,432,163	-	-	2,493,630	2,432,163
Public Safety	7,934,780	7,567,046	-	-	7,934,780	7,567,046
Physical Environment	-	-	19,029,529	18,908,405	19,029,529	18,908,405
Transportation	1,574,628	1,664,660	-	-	1,574,628	1,664,660
Culture and Recreation	3,214,825	2,877,536	-	-	3,214,825	2,877,536
Interest on Long-term Debt	116,189	82,169	-	-	116,189	82,169
Total Expenses	<u>15,334,052</u>	<u>14,623,574</u>	<u>19,029,529</u>	<u>18,908,405</u>	<u>34,363,581</u>	<u>33,531,979</u>
Excess (Deficit) Before Transfers	<u>(1,856,427)</u>	<u>(2,008,157)</u>	<u>4,995,015</u>	<u>3,431,919</u>	<u>3,138,588</u>	<u>1,423,762</u>
Net Transfers	2,752,050	2,691,300	(2,752,050)	(2,691,300)	-	-
Increase in Net Position	<u>895,623</u>	<u>683,143</u>	<u>2,242,965</u>	<u>740,619</u>	<u>3,138,588</u>	<u>1,423,762</u>
Net Position - October 1 st	45,506,759	44,823,616	46,637,585	45,896,966	92,144,344	90,720,582
Net Position - September 30 th	<u>\$ 46,402,382</u>	<u>\$ 45,506,759</u>	<u>\$ 48,880,550</u>	<u>\$ 46,637,585</u>	<u>\$ 95,282,932</u>	<u>\$ 92,144,344</u>

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2014 Management's Discussion and Analysis (Continued)

Revenues

The overall revenues Government-wide rose by \$2,546,400 after increasing by \$1,400,600 in 2013 and decreasing \$1,356,000 in 2012. This year's improvement was due to larger capital grants and impact fees of \$718,200, as well as charges for services of \$1,015,000, which largely consisted of higher electric charges of \$358,200 and water/wastewater charges of \$569,150. Higher investment earnings (\$285,500), Taxes and State Shared Revenues (\$443,000) help contribute to the over 6.5% higher revenues. Total Business-type revenues increased \$1,684,200, while Governmental Activities increased by \$862,200.

Expenses

After several years of holding operating costs in line, they rose this year by \$831,600 or 2.48% versus an increase of \$552,500 or 1.7% last year. Two benefit costs that had risen substantially in the past were actually reduced in 2014, which allowed the City to give raises from 2% to 3% to employees. Steps taken in 2013 to revise pension benefits and increase investment returns, actually allowed the City to reduce the Defined Benefit Plan contributions by \$10,250. In addition, the overall health insurance expenses were reduced by \$69,750. Because of the Water/Wastewater debt issuance, the City incurred an additional \$34,000 interest on debt, which brings it to the level of two years ago. All Business-type expenses grew slightly from 2013 by \$121,100 from the 2012 levels by \$216,900, 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 \$895,600 up from \$683,150 last year. A strong showing from the Water and Wastewater operations (\$1,951,500) led to a Net Position increase for Business-type activities. As the local economy starts to improve, 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 \$1,714,800, which is the most that it has improved in the last four years. This year and last year should be considered good financial years considering Florida's recent economic environment.

Significant Conditions Impacting Financial Position

In the 2014-15 Budget, the City has had to take into consideration that the economy has started to improve and that property values have started to slowly rise. The millage rate was modestly increased to 5.9970 mills from 5.6667 mills to help fund public safety and cultural and recreational activities. The work force will be augmented by only net 1.4 full-time equivalent positions citywide, although two police officers were added. The General Fund Budget was balanced using only \$158,250 of General Fund Reserves versus \$420,250 the year before. 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 and the master planning of a future business park. 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.

**Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2014
Management's Discussion and Analysis (Continued)**

Analysis of Financial Position and Results of Operations - Individual Funds

Governmental Activities

General Fund

The General Fund had a \$153,278 deficit, which was less than the projected \$420,250 budget deficit and the \$273,403 deficit the year before. This is only the second year that the General Fund had a deficit since 2009 when \$690,000 of reserve funds was used to reduce debt ahead of schedule. Revenues were slightly up from last year (\$392,000), after decreasing in 2013 and exceeded the Final Budget by \$209,000 due primarily to an increase in state revenue sharing over the projected amount and the gas tax distribution not being revised. Ad valorem taxes increased by \$71,000 as tax collections started to improve slightly this year.

The General Fund expenditures increased by \$367,500 or 3.2% from the prior year. Public Safety and Culture and Recreation categories increased by approximately \$230,000 each. Expenditures of \$11,857,448 were in-line with the revised budget and were only \$184,000 over the original budget. There were no major budget revisions during the year except for revisions due to raises for grant capital projects, and a carryover of a grant. The only area that was significantly under the revised budget was the Police Department by \$76,000. The net transfers were \$41,550 greater than the original budget due to an increase of \$84,550 in transfers from the Water/Wastewater Fund. The overall Transfers In were \$95,750 more than the prior year.

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. Reversing the last five years' trend, property taxes collected grew by just \$2,600, while Intergovernmental Revenues (Incremental Taxes) grew \$2,100 from the previous year due to slightly higher district property values. Operating Expenditures were down \$6,000 despite an \$111,000 budget overage in grants that were provided. In 2013, the CRA issued \$2,500,000 in notes to fund the long anticipated Downtown Streetscape project, which has cost over \$7 million for the first two phases and which used cash from various sources. Additional funds will be needed for the third phase of construction scheduled for 2015, which will probably use most of the remaining fund balance of this fund.

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 up approximately \$347,300 compared to a decrease of \$25,000 last year. The increase was due to an one-time capital grant of \$335,500 and ad valorem taxes and Intergovernmental Revenues (Incremental Taxes) stabilized. Operating expenditures increased by \$42,428, due mainly to salaries and fringe benefits for community policing and larger grants given. Capital outlays increased \$267,100 from the previous year, as a new trail was completed.

Public Services Tax Fund

This Fund accumulates the revenues that are pledged for the general debt repayment. Overall, revenues were up \$38,100 from last year due to a larger collection of Electric Utility Taxes. Telecommunication Services taxes were down \$25,050 due to the State revisions. The transfer to the General Fund was added to by \$35,000, while transfers to the Debt Service Fund were reduced by \$4,000.

Other Special Revenue Funds

As Construction rebounded slightly, the Building Inspection Fund continued to improve by increasing Net Position by \$221,850. Permit revenues were up \$36,700. In addition, for the second year, the fund reduced expenditures, this time by \$42,100 using further personnel cutbacks.

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, 2014
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 to fund an escrow to call the then outstanding 2001 Bonds. The transfer from the Public Services Tax Fund of \$310,000 was used to make scheduled annual debt payments; this transfer was reduced to lower the total fund balance, which is above the required amount.

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 to address the additional needs. The four impact fees that are tracked by this fund are police, fire, library and recreation. The recreation fee is the largest revenue with the library fee being the second largest. Neither of these latter fees is collected on commercial properties. Since the number of new homes construction decreased from 83 last year to 63 residential permits this year and commercial from 3 to 1, the total impact fees collected this year of \$319,400 is down from the previous year's \$395,000. Construction expenditures were limited to one park enhancement projects, and additions to the library collection and minor equipment. The Police Impact Fees repaid \$17,500 and the Library Impact fees repaid \$100,000 of the loans from the General Fund plus interest. The inter-fund loans are to be repaid by the future impact fee revenue stream.

Discretionary Sales Tax Capital Projects Fund

As the economy continued to recover, the discretionary sales tax revenues increased \$78,100 as compared to last year's improvement of \$75,000, bring the three year total increase to \$213,600. Capital expenditures were at a lower level (\$702,850) due to a delay in purchase of police vehicles until after the year-end. The fund spent \$596,600 on transportation related projects.

Other Capital Funds

The other Capital Funds had limited expenditures as funds are being phased out. Expenditures for the beginning of computer software upgrades were \$17,300 and for a master plan were \$112,000, which was partially funded by a grant. The fund balance was reduced to \$302,600 which will be used mostly for the computer software upgrades.

Business-Type Activities

Electric Fund

A major portion of the electric rates are structured to recover the wholesale power costs. The City uses a rate structure that adjusts a portion of the customer's bill in order to recover the power costs on a semi-annual basis. This last year, the overall electricity sales grew by \$358,200, but there has been a decrease in total charges of \$1,353,500 in last the three years, While the wholesale power costs increased by \$164,300 this year, compared to a decrease of the cost by \$1,086,800 in the past three years. Maintenance and administrative expenses decreased by only \$41,200 during the year. In 2013, 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 December 2017 contract. Applying this settlement and other adjustments of power cost collections resulted in a rate stabilization account reduction of \$241,363 to \$569,483 at year-end. The system reversed last year's results by posting a \$290,000 profit.

Water & Wastewater Fund

During the difficult economic times, the City kept the rate increases to a minimum to help customers. However, in anticipation of the new water plant operations and a debt issuance, the City raised rates 2.5% in September 2012, 5.0% in April 2013, 1.9% in September 2013 and finally 2.5% in April 2014. As a result of the increase and growth of the system, operating revenues increased \$1,240,900 or 18% in the last two years. Meanwhile expenses (excluding depreciation, amortization and interest) increased only \$535,300 during the two year period. In addition, impact fees from mainly new residential construction remained over \$1.2 million this year. In recent years, there has been a continuing trend of huge capital construction spending, which has reduced the cash and investments plus required debt issuance of over \$7.5 million. Without the funds from the new debt, the cash available for operation and capital expenditures would be down \$6.08 million for the last five years. In order to meet the future capital needs, an effort is being made to contain the future operating costs and rate increases are continued to be planned for

Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2014 Management's Discussion and Analysis (Continued)

both October 2014 (1.9%) and April 2015. However, there must be some slow-down in future capital expenditures or the system will be forced to continue to issue additional debt in the near future. The Fund had an improvement in its Net Position by \$1,952,573, due solely to impact fee collections and a capital grant.

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 \$6,545 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 \$1.9 million this year and \$1.0 million last year on two major projects, as well as several minor ones, thus, reducing the cash balance by almost \$2.1 million; in addition, to the annual cash flow from operations. Operating expenses decreased by \$123,300 despite the City having to continue to meet its additional obligations under the NPDES permit and having more facilities to maintain. The decrease in Net Position was only \$12,250, even though the Fund transferred \$126,750 to the General Fund. After three years of no increases, the system finally raised its monthly fees, to help 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 an increased the Net Position by \$6,053 due to increased sales by \$31,500 and a \$5,000 donation. Plans are being discussed as to how to augment revenues or reduce expenses for the future.

Original Budget vs. Final Budget

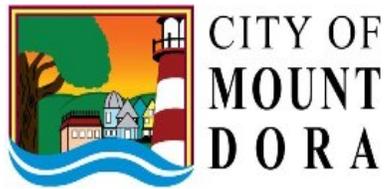
General Fund

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 \$409,200 or 5.8% of the Original Budget. These projections were in keeping with the expected slow growth of the general economy with only the amount of distribution from the State Revenue Sharing being about \$275,000 higher than original projections, primarily due to better sales tax collections and grants awarded. Due to the uncertainty of potential future revenue streams, the Administration continued to tightly control the operational budget. General Fund Expenditures were \$183,798 or 1.6% over the original appropriations, of which over \$100,000 was a grant carried over to 2014 from 2013. Transfers were increased \$95,750 to help offset projected revenues and increased expenditures. Thus the net increase in the projected deficit was only \$108,015 versus the expected \$420,250 in the Original 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.

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BASIC FINANCIAL STATEMENTS

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

Assets	Governmental Activities	Business- Type Activities	Total
Cash and Investments	\$ 9,843,678	\$ 16,647,043	\$ 26,490,721
Receivables, Net	109,709	2,523,869	2,633,578
Internal Balances	382,050	(382,050)	-
Due from Other Governments	395,515	87,500	483,015
Accrued Interest Receivable	21,123	20,460	41,583
Employee Advances	9,803	-	9,803
Net Pension Asset	471,348	-	471,348
Inventories and Prepaid Items	44,148	623,012	667,160
Capital Assets:			
Capital Assets Not Being Depreciated	8,011,586	14,602,753	22,614,339
Capital Assets Being Depreciated - Net	36,166,124	35,261,935	71,428,059
Total Assets	\$ 55,455,084	\$ 69,384,522	\$ 124,839,606
Deferred Outflow on Interest Rate Swap	\$ -	\$ 527,628	\$ 527,628
Liabilities			
Accounts Payable	1,311,253	2,462,387	3,773,640
Accrued Liabilities	238,714	258,912	497,626
Unearned Revenue and Deposits	96,853	2,989,929	3,086,782
Fair Market Value of Interest Rate Swap	-	527,628	527,628
Long-term Liabilities:			
Due Within One Year	719,110	715,964	1,435,074
Due in More Than One Year	6,686,772	14,076,780	20,763,552
Total Liabilities	\$ 9,052,702	\$ 21,031,600	\$ 30,084,302
Net Position			
Net Investment in Capital Assets	38,938,810	41,954,352	80,893,162
Restricted for:			
Capital Improvements	2,560,066	2,382,952	4,943,018
Debt Service	501,027	780,302	1,281,329
Building Inspections	608,353	-	608,353
Law Enforcement	6,092	-	6,092
Unrestricted	3,788,034	3,762,944	7,550,978
Total Net Position	\$ 46,402,382	\$ 48,880,550	\$ 95,282,932

See accompanying notes.

**CITY OF MOUNT DORA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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	\$ 2,493,630	\$ 71,126	\$ -	\$ -	\$ (2,422,504)	\$ -	\$ (2,422,504)
Public Safety	7,934,780	939,679	6,307	58,151	(6,930,643)	-	(6,930,643)
Physical Environment	-	3,974	37,500	-	41,474	-	41,474
Transportation	1,574,628	-	19,637	340,561	(1,214,430)	-	(1,214,430)
Culture and Recreation	3,214,825	183,945	-	791,212	(2,239,668)	-	(2,239,668)
Interest on Long-term debt	116,189	-	-	-	(116,189)	-	(116,189)
Total Governmental Activities	\$ 15,334,052	\$ 1,198,724	\$ 63,444	\$ 1,189,924	(12,881,960)	-	(12,881,960)
Business-type Activities							
Electric Utility	9,201,878	10,682,392	-	-	-	1,480,514	1,480,514
Water and Wastewater Utility	6,633,938	8,068,351	-	1,901,875	-	3,336,288	3,336,288
Sanitation	2,167,724	2,174,190	-	-	-	6,466	6,466
Stormwater Utility	878,731	852,208	-	117,007	-	90,484	90,484
Cemetery	147,258	60,303	-	-	-	(86,955)	(86,955)
Total Business-type Activities	\$ 19,029,529	\$ 21,837,444	\$ -	\$ 2,018,882	-	4,826,797	4,826,797
General Revenues							
Taxes:							
Property Taxes					4,644,345	-	4,644,345
Public Service Taxes					1,446,485	-	1,446,485
Other Taxes					1,902,317	-	1,902,317
Franchise Fees					661,317	-	661,317
State & County Shared Revenues - unrestricted					2,013,460	-	2,013,460
Investment Earnings (Losses)					95,934	94,334	190,268
Miscellaneous					261,675	73,884	335,559
Transfers					2,752,050	(2,752,050)	-
Total General Revenues and Transfers					13,777,583	(2,583,832)	11,193,751
Change in Net Position					895,623	2,242,965	3,138,588
Net Position, Beginning of Year					45,506,759	46,637,585	92,144,344
Net Position, End of Year					\$ 46,402,382	\$ 48,880,550	\$ 95,282,932

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	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	\$ 1,815,820	\$ 754,544	\$ 1,195,336	\$ 389,878	\$ 1,235,817	\$ 2,518,385	\$ 7,909,780
Receivables (Net)	55,237	-	-	54,472	-	-	109,709
Due from Other Funds	2,432,500	-	-	32,050	-	-	2,464,550
Due from Other Governments	144,929	-	-	48,836	92,678	109,072	395,515
Accrued Interest Receivable	6,818	2,009	2,387	391	2,631	3,734	17,970
Employee Advances	9,803	-	-	-	-	-	9,803
Inventory and Prepaid Items	31,073	-	-	-	-	-	31,073
Total Assets	\$ 4,496,180	\$ 756,553	\$ 1,197,723	\$ 525,627	\$ 1,331,126	\$ 2,631,191	\$ 10,938,400
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ 205,342	\$ 540,893	\$ 52,284	\$ -	\$ 39,130	\$ 118,849	\$ 956,498
Accrued Liabilities	212,266	4,239	2,493	-	-	6,304	225,302
Due to Other Funds	-	-	-	-	2,082,500	-	2,082,500
Unearned Revenue and Deposits	96,853	-	-	-	-	-	96,853
Total Liabilities	514,461	545,132	54,777	-	2,121,630	125,153	3,361,153
Fund Balances							
Nonspendable							
Inventory and Prepaid Items	31,073	-	-	-	-	-	31,073
Restricted for:							
Capital Improvements	-	211,421	717,396	-	-	1,631,249	2,560,066
Debt Service	-	-	-	501,027	-	-	501,027
Building Inspections	-	-	-	-	-	608,353	608,353
Law Enforcement	-	-	-	-	-	6,092	6,092
Assigned for future expenditures:							
Subsequent Year's Budget	158,250	-	-	-	-	-	158,250
Capital Improvements	-	-	425,550	-	-	160,400	585,950
Debt Service	-	-	-	24,600	-	99,944	124,544
Unassigned:							
General Fund	3,792,396	-	-	-	-	-	3,792,396
Special Revenue Funds	-	-	-	-	(790,504)	-	(790,504)
Total Fund Balances	3,981,719	211,421	1,142,946	525,627	(790,504)	2,506,038	7,577,247
Total Liabilities and Fund Balances	\$ 4,496,180	\$ 756,553	\$ 1,197,723	\$ 525,627	\$ 1,331,126	\$ 2,631,191	\$ 10,938,400

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

Total Fund Balances of Governmental Funds	\$ 7,577,247
 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 \$69,264,630 and the accumulated depreciation is \$25,086,920 (includes Internal Service Fund)	44,177,710
The internal service fund is used by management to charge the costs of fleet management, health insurance 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.	1,594,728
Net Pension Asset - The net pension asset is not an available resource and therefore, is not reported in the funds.	471,348
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	(5,238,900)
Accrued Interest Payable	(13,097)
Compensated Absences	(1,079,330)
Unfunded Actuarial Accrued Liability -OPEB	(1,087,324)
Total Net Position of Governmental Activities	\$ 46,402,382

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	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	\$ 4,435,419	\$ 396,150	\$ 169,907	\$ 1,902,317	\$ -	\$ 1,089,354	\$ 7,993,147
Permits and Fees	690,428	-	-	-	-	557,253	1,247,681
Intergovernmental	1,516,313	374,932	494,527	-	527,776	44,319	2,957,867
Charges for Service	464,341	-	-	-	-	81,930	546,271
Fines and Forfeitures	65,420	-	-	-	-	500	65,920
Impact Fees	-	-	-	-	308,960	-	308,960
Miscellaneous	245,199	12,481	9,674	1,675	10,407	20,315	299,751
Total Revenues	7,417,120	783,563	674,108	1,903,992	847,143	1,793,671	13,419,597
Expenditures							
Current:							
General Government	1,269,282	346,633	153,311	-	-	131,805	1,901,031
Public Safety	7,134,313	-	-	-	-	421,522	7,555,835
Transportation	968,879	1,575	-	-	-	27,377	997,831
Culture and Recreation	2,275,143	-	3,239	-	-	-	2,278,382
Grants and Aid	105,189	145,969	76,814	-	-	-	327,972
Capital Outlay	104,642	860,342	322,851	-	628,908	673,996	2,590,739
Debt Service:							
Principal Payments	-	138,000	-	-	-	258,300	396,300
Interest	-	58,324	-	-	15,998	61,095	135,417
Total Expenditures	(11,857,448)	(1,550,843)	(556,215)	-	(644,906)	(1,574,095)	(16,183,507)
(Deficiency) Excess of Revenues							
(Under) Over Expenditures	(4,440,328)	(767,280)	117,893	1,903,992	202,237	219,576	(2,763,910)
Other Financing Sources (Uses)							
Transfers in	4,374,550	-	-	-	-	310,000	4,684,550
Transfers out	(87,500)	-	-	(1,845,000)	-	-	(1,932,500)
Total Other Financing Sources (Uses)	4,287,050	-	-	(1,845,000)	-	310,000	2,752,050
Net Change in Fund Balances	(153,278)	(767,280)	117,893	58,992	202,237	529,576	(11,860)
Fund Balance, Beginning of Year	4,134,997	978,701	1,025,053	466,635	(992,741)	1,976,462	7,589,107
Fund Balances, End of Year	\$ 3,981,719	\$ 211,421	\$ 1,142,946	\$ 525,627	\$ (790,504)	\$ 2,506,038	\$ 7,577,247

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, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (11,860)

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 \$2,590,739 exceeded depreciation expense of \$2,146,814 443,925

Prepaid Net Pension Obligation used to provide for current-year contributions to retirement plans. 176,920

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:

Principal Repayments:
 Bonds 396,300

Estimated increase in Net OPEB Obligations (115,230)

Inter-fund Investment Earnings netted against Inter-fund Interest Expense of \$15,998 -

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 (71,688)
 Accrued Interest on Long-term Debt 3,230

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. 74,026

Change in Net Position of Governmental Activities \$ 895,623

See accompanying notes

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	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	\$ 4,711,752	\$ 1,362,901	\$ 27,879	\$ 24,157	\$ 7,180	\$ 6,133,869	\$ 1,933,898
Cash - Customer Deposits	674,557	341,545	67,061	-	-	1,083,163	-
Receivables:							
Customers (Net of Allowance for Uncollectible Accounts)	1,246,790	833,781	214,924	96,501	-	2,391,996	-
Due from Other Governments	-	-	-	87,500	-	87,500	-
Accrued Interest Receivable	9,331	9,479	11	1,635	4	20,460	3,153
Inventories, at Cost	503,068	105,986	-	-	-	609,054	13,075
Prepaid Items	13,770	188	-	-	-	13,958	-
Total Current Assets	<u>7,159,268</u>	<u>2,653,880</u>	<u>309,875</u>	<u>209,793</u>	<u>7,184</u>	<u>10,340,000</u>	<u>1,950,126</u>
Noncurrent Assets							
Restricted Assets							
Pooled Cash and Investments:							
Sinking	-	780,302	-	-	-	780,302	-
Note Construction Fund	-	6,266,757	-	-	-	6,266,757	-
Wastewater Impact Fees	-	2,382,952	-	-	-	2,382,952	-
Total Restricted Assets	<u>-</u>	<u>9,430,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,430,011</u>	<u>-</u>
Account Receivable - noncurrent	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,873</u>	<u>-</u>	<u>131,873</u>	<u>-</u>
Capital Assets							
Property, Plant and Equipment	15,912,290	52,728,615	54,132	8,091,563	43,632	76,830,232	2,300,004
(Accumulated Depreciation and Amortization)	(8,975,074)	(23,960,441)	(27,950)	(3,132,000)	(9,598)	(36,105,063)	(1,536,403)
Construction in Progress	461,001	6,870,053	-	1,808,465	-	9,139,519	-
Total Capital Assets - Cost Less Depreciation	<u>7,398,217</u>	<u>35,638,227</u>	<u>26,182</u>	<u>6,768,028</u>	<u>34,034</u>	<u>49,864,688</u>	<u>763,601</u>
Total Noncurrent Assets	<u>7,398,217</u>	<u>45,068,238</u>	<u>26,182</u>	<u>6,899,901</u>	<u>34,034</u>	<u>59,426,572</u>	<u>763,601</u>
Total Assets	<u>14,557,485</u>	<u>47,722,118</u>	<u>336,057</u>	<u>7,109,694</u>	<u>41,218</u>	<u>69,766,572</u>	<u>2,713,727</u>
Deferred Outflow on Interest Rate Swap	<u>-</u>	<u>527,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>527,628</u>	<u>-</u>

Continued

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014
(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	\$ 827,304	\$ 1,096,846	\$ 159,792	\$ 377,499	\$ 946	\$ 2,462,387	\$ 354,755
Accrued Expenses	17,741	231,585	1,299	6,531	1,756	258,912	315
Due to Other Funds	32,050	-	-	350,000	-	382,050	-
Unearned Revenue	569,483	1,336,992	-	-	-	1,906,475	-
Bond Payable	-	610,372	-	-	-	610,372	-
Compensated Absences	31,082	62,103	1,675	8,821	1,911	105,592	122
Customer Deposits	674,732	341,632	67,090	-	-	1,083,454	-
Total Current Liabilities	<u>2,152,392</u>	<u>3,679,530</u>	<u>229,856</u>	<u>742,851</u>	<u>4,613</u>	<u>6,809,242</u>	<u>355,192</u>
Long-term Liabilities							
Bond Payable	-	13,566,721	-	-	-	13,566,721	-
Fair Market Value of Interest Rate Swap	-	527,628	-	-	-	527,628	-
Compensated Absences	52,381	104,661	2,823	14,866	3,222	177,953	206
Net OPEB Obligation	98,248	189,623	6,441	28,557	9,237	332,106	-
Total Long-term Liabilities	<u>150,629</u>	<u>14,388,633</u>	<u>9,264</u>	<u>43,423</u>	<u>12,459</u>	<u>14,604,408</u>	<u>206</u>
Total Liabilities	<u>2,303,021</u>	<u>18,068,163</u>	<u>239,120</u>	<u>786,274</u>	<u>17,072</u>	<u>21,413,650</u>	<u>355,398</u>
Net Position							
Net Investment in Capital Assets	7,398,217	27,727,891	26,182	6,768,028	34,034	41,954,352	763,601
Restricted for Capital Improvements	-	2,382,952	-	-	-	2,382,952	-
Restricted for Debt Service	-	780,302	-	-	-	780,302	-
Unrestricted	4,856,247	(709,562)	70,755	(444,608)	(9,888)	3,762,944	1,594,728
Total Net Position	<u>12,254,464</u>	<u>30,181,583</u>	<u>96,937</u>	<u>6,323,420</u>	<u>24,146</u>	<u>48,880,550</u>	<u>2,358,329</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, 2014

	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	\$ 10,682,392	\$ 8,068,351	\$ 2,174,190	\$ 852,208	\$ 60,303	\$ 21,837,444	\$ 2,573,190
Operating Expenses							
Purchased Power	6,682,933	-	-	-	-	6,682,933	-
Plant Operations	-	2,264,112	-	-	-	2,264,112	-
Distribution and Collection	1,065,168	1,289,360	2,022,067	399,834	-	4,776,429	-
Administration and General	941,657	1,408,399	143,443	93,150	145,232	2,731,881	2,366,188
Depreciation and Amortization	512,120	1,482,855	2,214	385,747	2,026	2,384,962	206,274
Total Operating Expenses	<u>9,201,878</u>	<u>6,444,726</u>	<u>2,167,724</u>	<u>878,731</u>	<u>147,258</u>	<u>18,840,317</u>	<u>2,572,462</u>
Operating Income (Loss)	<u>1,480,514</u>	<u>1,623,625</u>	<u>6,466</u>	<u>(26,523)</u>	<u>(86,955)</u>	<u>2,997,127</u>	<u>728</u>
Non-operating Revenues (Expenses)							
Investment Earnings	37,244	32,781	79	23,722	508	94,334	14,110
Interest Expense	-	(189,212)	-	-	-	(189,212)	-
Other Income	31,280	37,304	-	300	5,000	73,884	59,188
Total Non-operating Revenues (Expenses)	<u>68,524</u>	<u>(119,127)</u>	<u>79</u>	<u>24,022</u>	<u>5,508</u>	<u>(20,994)</u>	<u>73,298</u>
Income (Loss) Before Capital Contributions and Transfers	1,549,038	1,504,498	6,545	(2,501)	(81,447)	2,976,133	74,026
Capital Contributions and Transfers							
Capital Contributions	-	1,202,263	-	-	-	1,202,263	-
Capital Grant	-	699,612	-	117,007	-	816,619	-
Transfers in	-	-	-	-	87,500	87,500	-
Transfers (out)	(1,259,000)	(1,453,800)	-	(126,750)	-	(2,839,550)	-
Net Capital Contributions and Transfers	<u>(1,259,000)</u>	<u>448,075</u>	<u>-</u>	<u>(9,743)</u>	<u>87,500</u>	<u>(733,168)</u>	<u>-</u>
Change in Net Position	290,038	1,952,573	6,545	(12,244)	6,053	2,242,965	74,026
Net Position, Beginning of Year, as restated	11,964,426	28,229,010	90,392	6,335,664	18,093	46,637,585	2,284,303
Net Position, End of Year	<u>\$ 12,254,464</u>	<u>\$ 30,181,583</u>	<u>\$ 96,937</u>	<u>\$ 6,323,420</u>	<u>\$ 24,146</u>	<u>\$ 48,880,550</u>	<u>\$ 2,358,329</u>

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	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	\$ 10,826,702	\$ 8,084,369	\$ 2,199,702	\$ 775,351	\$ 60,303	\$ 21,946,427	\$ 2,625,390
Cash Paid to Suppliers	(8,084,771)	(3,374,164)	(2,100,579)	(393,499)	(53,193)	(14,006,206)	(2,371,284)
Cash Paid to Employees for Services	(835,465)	(1,749,891)	(55,919)	(242,835)	(91,668)	(2,975,778)	(37,892)
Net Cash Provided by (Used in) Operating Activities	<u>1,906,466</u>	<u>2,960,314</u>	<u>43,204</u>	<u>139,017</u>	<u>(84,558)</u>	<u>4,964,443</u>	<u>216,214</u>
Cash Flows from Noncapital Financing Activities							
Transfers In	-	-	-	-	87,500	87,500	-
Transfers Out	(1,259,000)	(1,453,800)	-	(126,750)	-	(2,839,550)	-
Other operating receipts	-	-	-	300	5,000	5,300	36,138
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,259,000)</u>	<u>(1,453,800)</u>	<u>-</u>	<u>(126,450)</u>	<u>92,500</u>	<u>(2,746,750)</u>	<u>36,138</u>
Cash Flows from Capital and Related Financing Activities							
Capital Contributions	-	961,094	-	-	-	961,094	-
Property, Plant and Equipment Acquisitions	(921,767)	(5,845,472)	(27,762)	(1,242,521)	(5,015)	(8,042,537)	(332,924)
Subsidy from Grants	-	699,612	-	117,007	-	816,619	-
Cash Received from Sale of Assets	4,524	500	-	-	-	5,024	23,050
Property Rent	17,836	-	-	-	-	17,836	-
Insurance Proceeds	8,920	36,804	-	-	-	45,724	-
Debt Issuance	-	7,560,000	-	-	-	7,560,000	-
Principal Payments on Debt	-	(550,000)	-	-	-	(550,000)	-
Interest Paid	-	(361,541)	-	-	-	(361,541)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(890,487)</u>	<u>2,500,997</u>	<u>(27,762)</u>	<u>(1,125,514)</u>	<u>(5,015)</u>	<u>452,219</u>	<u>(309,874)</u>
Cash Flows from Investing Activities							
Net Investment Activity	36,454	34,302	98	24,605	508	95,967	13,915
Total Cash Flows from Investing Activities	<u>36,454</u>	<u>34,302</u>	<u>98</u>	<u>24,605</u>	<u>508</u>	<u>95,967</u>	<u>13,915</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(206,567)</u>	<u>4,041,813</u>	<u>15,540</u>	<u>(1,088,342)</u>	<u>3,435</u>	<u>2,765,879</u>	<u>(43,607)</u>
Cash and Cash Equivalents, Beginning 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>
Cash and Cash Equivalents, End of Year	<u>\$ 5,386,309</u>	<u>\$ 11,134,457</u>	<u>\$ 94,940</u>	<u>\$ 24,157</u>	<u>\$ 7,180</u>	<u>\$ 16,647,043</u>	<u>\$ 1,933,898</u>

Continued

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(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	\$ 4,711,752	\$ 1,362,901	\$ 27,879	\$ 24,157	\$ 7,180	\$ 6,133,869	\$ 1,933,898
Cash - Customer Deposits	674,557	341,545	67,061	-	-	1,083,163	-
Restricted Cash	-	9,430,011	-	-	-	9,430,011	-
Total	\$ 5,386,309	\$ 11,134,457	\$ 94,940	\$ 24,157	\$ 7,180	\$ 16,647,043	\$ 1,933,898
Reconciliation of Operating Income to Net Cash							
Provided by (Used in) Operating Activities							
Operating Income (Loss)	\$ 1,480,514	\$ 1,623,625	\$ 6,466	\$ (26,523)	\$ (86,955)	\$ 2,997,127	\$ 728
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Depreciation and Amortization	512,120	1,482,855	2,214	385,747	2,026	2,384,962	206,274
Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease):							
Accounts Receivable - Net	136,463	4,253	21,876	(76,857)	-	85,735	52,200
Inventories	28,048	479	-	-	-	28,527	(5,139)
Prepaid Items	(5,476)	13,768	-	9,655	-	17,947	778
Accounts Payable	(15,471)	(251,311)	22,346	(161,757)	(606)	(406,799)	(37,185)
Accrued Expenses	2,729	58,499	172	1,156	301	62,857	(658)
Due to Other Funds	(9,161)	-	(14,965)	-	-	(24,126)	-
Unearned Revenue	(241,363)	-	-	-	-	(241,363)	-
Compensated Absences	292	(4,574)	799	4,401	(201)	717	(784)
Net OPEB Obligation	9,924	20,955	660	3,195	877	35,611	-
Customer Deposits	7,847	11,765	3,636	-	-	23,248	-
Total Adjustments	425,952	1,336,689	36,738	165,540	2,397	1,967,316	215,486
Net Cash Provided by (Used in) Operating Activities	\$ 1,906,466	\$ 2,960,314	\$ 43,204	\$ 139,017	\$ (84,558)	\$ 4,964,443	\$ 216,214

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2014

	Pension Trust Funds
Assets	
Cash and Cash Equivalents	\$ 63,427
Receivables (Net)	10,924
Investments:	
Money Market Funds	309,660
Bonds	1,133,775
Stocks	8,700,885
Bond Mutual Fund	7,668,075
Stock Mutual Fund	11,538,547
Real Estate Investment Trust	1,123,551
Accrued Interest Receivable	14,566
Total Assets	30,563,410
Liabilities - Payables	436,185
Net Position	
Held in Trust for:	
Employees' Pension Benefits	\$ 30,127,225

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer	\$ 1,183,521
Employee	265,492
Employer from State	<u>169,055</u>
Total Contributions	<u>1,618,068</u>
Investment Earnings	3,060,446
Less: Investment Management Fees	<u>(137,015)</u>
Net Investment Income (Loss)	<u>2,923,431</u>
Total Additions	<u>4,541,499</u>
Deductions	
Pension Benefit Payments and Refunds	1,654,723
General and Administrative	<u>121,131</u>
(Total Deductions)	<u>(1,775,854)</u>
Net Increase	<u>2,765,645</u>
Net Position Reserved for Employees'	
Pension Benefits	
Beginning of Year	<u>27,361,580</u>
End of Year	<u>\$ 30,127,225</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.
 - **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.

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)*

- **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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. These non-operating revenues include investment earnings, grants, impact fees, insurance reimbursements, rental income plus the 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

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)*

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 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.

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)*

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 \$660 for the General Fund; \$87,457 for the Electric Fund; \$64,014 for the Water & Wastewater Fund; \$14,939 for the Sanitation Fund; and \$6,216 for the Stormwater Fund as of September 30, 2014. Uncollectible amounts shown as an expense were \$34,981 for the Electric Fund; \$20,450 for the Water & Wastewater Fund; \$14,872 for the Sanitation Fund; and \$2,746 for the Stormwater Fund for the year ended September 30, 2014.

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.

Prepaid Items

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

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)*

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 2014, \$172,329 of interest was capitalized in the Water and 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 government-wide financial statements, all governmental fund compensated absences are recorded and split between the current and noncurrent portions.

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)*

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.

- **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.

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)*

- **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, 2014 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.

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)

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

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

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 2013-14 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.

On-behalf Payments for Fringe Benefits

The City receives on-behalf payments from the State of Florida to be used for Police Officers' and Firefighters' Retirement Plan Contributions. For the fiscal year ended September 30, 2014, the On-behalf payments to the City totaled \$80,330 for the Police Officers' Retirement Plan and \$88,725 for the Firefighters' Retirement Plan. Such payments are recorded as intergovernmental revenue and public safety expenditures.

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, 2014, 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, 2014:

<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	\$14,811,287	\$ -	\$14,811,287	\$ -
Certificate of Deposits	1,000,000	750,000	250,000	-
Local Government Surplus Trust Fund	87,283			
Money market accounts	7,976,946			
Total Investments	23,875,516			
Demand deposits	2,612,260			
Petty cash	2,945			
Total Cash and Investments	\$ 26,490,721			

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, 2014:

	Fair Value	Maturities		
		1 Year or less	1-5 Years	5-10 Years
U.S. Treasuries	\$ 1,133,775	\$ 64,929	\$ 524,237	\$ 544,609
Money market accounts	309,660			
Domestic fixed income mutual funds	6,456,455			
International fixed income mutual funds	1,211,620			
Domestic stocks	7,574,198			
International Stocks	1,126,687			
Domestic stock mutual funds	8,055,386			
International stock mutual funds	3,483,161			
Real estate investment trust	1,123,551			
Total Investments	<u>30,474,493</u>			
Cash	<u>63,427</u>			
Total Cash and Investments	<u>\$ 30,537,920</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, 42.8% 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 had a weighted average maturity of 39 days as of September 30, 2014. FLSAFE has 40 days weighted average maturity. The Florida Municipal Investment Trust 0-2 Year High Quality Bond Fund has 0.75 year weighted average maturity and the 1-3 Year High Quality Bond Fund has 1.49 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 (\$362,505), Florida Municipal Investment Trust 0-2 Year High Quality Bond Fund (\$1,549,270) and the 1-3 Year High Quality Bond Fund (\$6,605,171), which are all AAA money market funds. The Local Government Surplus Trust (Florida Prime) Fund is an AAAM money market fund. 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 \$6,456,455 in Galliard Immediate Bond mutual fund, \$2,147,244 in Rockwood Capital commingled stock mutual fund and \$1,123,551 in ASB Allegiance Real Estate Fund, L.P..

Note 3 - Capital Assets

Capital asset activity for the year ended September 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 6,464,555	\$ 808	\$ -	\$ 6,465,363
Construction in Progress	2,757,181	2,316,576	(3,527,534)	1,546,223
Total Capital Assets Not Being Depreciated	<u>9,221,736</u>	<u>2,317,384</u>	<u>(3,527,534)</u>	<u>8,011,586</u>
Capital Assets Being Depreciated:				
Buildings	20,116,577	24,242	-	20,140,819
Infrastructure	28,691,966	3,565,591	-	32,257,557
Equipment	8,087,152	472,944	(283,700)	8,276,396
Media Collection	567,271	65,516	(54,515)	578,272
Total Capital Assets Being Depreciated	<u>57,462,966</u>	<u>4,128,293</u>	<u>(338,215)</u>	<u>61,253,044</u>
Less Accumulated Depreciation				
Buildings	(7,142,825)	(827,065)	-	(7,969,890)
Infrastructure	(9,555,910)	(961,151)	-	(10,517,061)
Equipment	(5,945,328)	(484,732)	283,700	(6,146,360)
Media Collection	(427,984)	(80,140)	54,515	(453,609)
Total Accumulated Depreciation	<u>(23,072,047)</u>	<u>(2,353,088)</u>	<u>338,215</u>	<u>(25,086,920)</u>
Total Capital Assets Being Depreciated, Net	<u>34,390,919</u>	<u>1,775,205</u>	<u>-</u>	<u>36,166,124</u>
Total Gov. Activities Capital Assets, Net	<u>\$ 43,612,655</u>	<u>\$ 4,092,589</u>	<u>\$ (3,527,534)</u>	<u>\$ 44,177,710</u>

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	\$ 284,912
Public Safety	359,770
Transportation	578,532
Culture and Recreation	923,600
Capital Assets held by the Internal Service	
Funds are charged to the various functions based upon their usage of the assets	206,274
Total Depreciation Expense - Governmental Activities	\$ 2,353,088

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 5,414,407	\$ 48,827	\$ -	\$ 5,463,234
Construction in Progress	4,465,150	8,471,346	(3,796,977)	9,139,519
Total Capital Assets Not Being Depreciated	9,879,557	8,520,173	(3,796,977)	14,602,753
Capital Assets Being Depreciated:				
Buildings	12,232,539	348,446	-	12,580,985
Infrastructure	51,822,405	3,982,776	(495,358)	55,309,823
Equipment	3,500,387	46,497	(70,694)	3,476,190
Total Capital Assets Being Depreciated	67,555,331	4,377,719	(566,052)	71,366,998
Less Accumulated Depreciation				
Buildings	(3,592,648)	(293,803)		(3,886,451)
Infrastructure	(28,061,595)	(1,941,197)	495,358	(29,507,434)
Equipment	(2,631,910)	(149,962)	70,694	(2,711,178)
Total Accumulated Depreciation	(34,286,153)	(2,384,962)	566,052	(36,105,063)
Total Capital Assets Being Depreciated, Net	33,269,178	1,992,757	-	35,261,935
Total Bus.-type Activities Capital Assets, Net	\$ 43,148,735	\$ 10,512,930	\$ (3,796,977)	\$ 49,864,688

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	\$ 512,120
Water and Wastewater Utility	1,482,855
Sanitation	2,214
Stormwater Utility	385,747
Cemetery	2,026
Total Depreciation Expense - Business-type	<u><u>\$ 2,384,962</u></u>

Note 4 - Long-term Liabilities

Long-term liability activity for the year ended September 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Revenue Bonds:					
Imp. Rev. Refunding Bonds, 2011	\$ 3,135,200	\$ -	\$ (258,300)	\$ 2,876,900	\$ 263,300
CRA Revenue Bond, 2013	2,500,000	-	(138,000)	2,362,000	147,000
Total Revenue Bonds	5,635,200	-	(396,300)	5,238,900	410,300
Other Liabilities:					
Compensated Absences	1,008,752	857,026	(786,120)	1,079,658	308,810
Net OPEB Obligations	972,094	115,230	-	1,087,324	-
Total Other Liabilities	1,980,846	972,256	(786,120)	2,166,982	308,810
Total Governmental Activities	<u>\$ 7,616,046</u>	<u>\$ 972,256</u>	<u>\$ (1,182,420)</u>	<u>\$ 7,405,882</u>	<u>\$ 719,110</u>
Business-type Activities					
Revenue Bonds:					
2006 Serial Bonds	\$ 7,345,000	\$ -	\$ (550,000)	\$ 6,795,000	\$ 570,000
Issuance Discount	(217,551)	-	39,644	(177,907)	(35,628)
2014 Serial Bonds	-	7,560,000	-	7,560,000	76,000
Total Revenue Bonds	7,127,449	7,560,000	(510,356)	14,177,093	610,372
Other Liabilities:					
Compensated Absences	282,828	230,911	(230,194)	283,545	105,592
Net OPEB Obligations	296,495	35,611	-	332,106	-
Total Other Liabilities	579,323	266,522	(230,194)	615,651	105,592
Total Business-type Activities	<u>\$ 7,706,772</u>	<u>\$ 7,826,522</u>	<u>\$ (740,550)</u>	<u>\$ 14,792,744</u>	<u>\$ 715,964</u>

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 16.8 percent of such tax revenue and are payable through 2024. Pledged revenues available for debt service totaled \$1,902,317 for the year. At year-end, pledged future revenues totaled \$3,194,378, 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 25.5 percent of such tax revenue and are payable through 2028. Pledged revenues available for debt service totaled \$771,082 for the year. At year-end, pledged future revenues totaled \$2,751,287, 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 28.5 percent of such revenue and are payable through 2023. Principal and interest for the current year was \$818,107. At year-end, pledged future revenues totaled \$8,145,864 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)

Utility Bonds (Continued)

The series 2014 Revenue Bonds were issued July 2014 in the amount of \$7,560,000 at a fixed rate of 2.95% for various water and wastewater projects. The Series 2014 Bonds are payable from and secured by a pledge of and lien on the revenues derived from operations of the water and wastewater system that is in parity with 2006 Bonds. Annual principal and interest on the bonds are expected to require approximately 21.3 percent of such revenue and are payable through 2029. There were no principal or interest for the current year. At year-end, pledged future revenues totaled \$10,158,832 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.

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, 2014, classified by type, and the change in fair value of the derivative instrument for the year then ended as reported in the 2014 financial statement is as follows; (amounts in thousands; debit (credit):

	<u>Changes in Fair Value</u>		<u>Fair Value at 9/30/14</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	\$164	Debt	\$(527)	\$6,795
	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.

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

Note 4 - Long-term Liabilities (Continued)

Derivative Instruments

The City's objective and terms of the hedging derivative instrument as of September 30, 2014 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: \$6,795,000
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 \$527,628 as of September 30, 2014. This is the maximum liability that the City would have if there was an early termination of the bond agreement.

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.

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

Note 4 - Long-term Liabilities (Concluded)

The following is a schedule of bonds and notes outstanding at September 30, 2014:

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	\$ 2,876,900	1.95%
CRA Revenue Note, Series 2013	Improvements	2,500,000	2,362,000	2.17%
Total Governmental Activities		<u>\$ 6,135,400</u>	<u>\$ 5,238,900</u>	
Business-type Activities				
Revenue Bonds:				
Utility Revenue Bonds, Series 2006	Refunding	\$ 9,495,000	\$ 6,795,000	3.74%
Utility Revenue Bonds, Series 2014	Improvements	7,560,000	7,560,000	2.95%
		<u>\$ 17,055,000</u>	<u>\$ 14,355,000</u>	

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

Year(s) Ending	Business-type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2015	\$ 570,000	\$ 402,334	\$ 410,300	\$ 106,563
2016	671,000	443,588	417,500	98,228
2017	740,000	417,996	426,700	89,737
2018	768,000	390,796	435,100	81,058
2019	796,000	362,591	443,500	72,220
2020-2024	4,435,000	1,352,318	2,357,800	221,982
2025-2029	5,234,000	563,243	748,000	36,977
2030	1,141,000	16,830	-	-
Total	<u>\$ 14,355,000</u>	<u>\$ 3,949,696</u>	<u>\$ 5,238,900</u>	<u>\$ 706,765</u>

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 \$2,629,287 outstanding as of September 30, 2014.

Capitalized Lease Obligations

As of September 30, 2014, the City had no outstanding capital lease agreements.

Defeased Debt

There is no outstanding defeased debt.

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

Note 5 - Inter-fund Balances and Transfers

Inter-fund balances at September 30, 2014, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Impact Fees Capital Projects Fund	\$2,082,500
General Fund	Stormwater Fund	350,000
Public Services Tax Fund	Electric Utility Fund	<u>32,050</u>
	Total	<u><u>\$2,464,550</u></u>

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 Stormwater Fund is a temporary advance to the fund due to a grant payment application being approved. 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 2013-14 were made as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 4,374,550	\$ 87,500
Public Service Fund	-	1,845,000
Electric Utility Fund	-	1,259,000
Water and Wastewater Utility Fund	-	1,453,800
Stormwater Utility Fund	-	126,750
Cemetery Fund	87,500	-
Non-major Fund:		
Debt Service Fund	310,000	-
Total	<u>\$ 4,772,050</u>	<u>\$ 4,772,050</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 fifty-eight retired employees and eighteen 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, 2014, was \$428,550. 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 2013 valuation (calculated as of October 1, 2013) 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 (Level Percent of Pay), including normal pension-related actuarial assumptions, health care inflation for Pre-Medicare and for post-Medicare of 7.5% grading down to 4.5% in 2017, plus a payroll growth assumption of 4% and inflation of 3%. 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	10/1/2013	10/1/2012	10/1/2011
Applicable for Fiscal Year ending	9/30/2014	9/30/2013	9/30/2012
Annual Required Contribution	763,999	732,476	745,422
Interest on Net OPEB Obligation	63,429	55,249	46,599
Adjustment in Annual Required Contribution	(60,538)	(52,031)	(35,568)
Annual OPEB Cost/(Expense)	766,890	735,694	756,453
Estimated Contribution Made	(616,048)	(572,083)	(583,450)
Anticipated Increase/(Decrease) in Net OPEB Obligation	150,842	163,611	173,003
Net OPEB Obligation - Beginning of the Year	1,268,588	1,104,977	931,974
Estimated Net Obligation - End of the Year	1,419,430	1,268,588	1,104,977
Percentage of Annual OPEB Cost Contributed	80.3%	77.8%	77.1%
Funded Status as of Fiscal Year Beginning		10/1/2013	
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, more 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 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 \$70,000, while aggregate covers total claims in excess of \$1,476,028.

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

Note 11 - Risk Management and Litigation (Continued)

Fiscal Year Ending	9/30/14	9/30/13
Unpaid Claims, Beginning of Fiscal Year	\$ 391,794	\$ 385,248
Incurred Claims (including IBNRs)	1,285,657	1,439,702
Claims Payments	(1,329,065)	(1,433,156)
Unpaid Claims, End of Fiscal Year	\$ 348,386	\$ 391,794

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, 2013, the date of the latest actuarial valuation:

	GERP	PORP	FRP
Retirees and Beneficiaries receiving benefits	74	15	12
Terminated Plan Members entitled to but not yet receiving benefits	12	6	1
Active Plan Members with frozen benefits	64	0	0
Active Plan Members with continuing benefit accruals	17	31	22
Total	167	52	35

- **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. The Plan is administered by five trustees. The Mayor or City Manager is one trustee, three are elected by the membership and the fifth trustee is selected by a majority of the other four trustees.

● **Contributions** - None are required for members hired prior to October 1, 1985; while 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.

● **Investments**

- *Investment policy.* The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the trustees by a majority vote of its members. It is the policy of the Plan to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of September 30, 2014:

Assets Class	Target Allocation
Domestic equity	45%
International Equity	15%
Broad Based Fixed Income	20%
Global Fixed Income	5%
TIPS Fixed Income	5%
Real Estate	10%
Total	100%

- *Concentrations.* See Note 2.
- *Rate of return.* For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.7% percent.

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

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

Plan Descriptions and Contribution Information *(Continued)*

- **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. The Plan is administered by five trustees. The City Council selects two trustees, two are elected by the membership and the fifth trustee is selected by a majority of the other four trustees.

- **Contributions** - Plan members are required to contribute 7.05% 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 \$ 80,330 for the FY 2014.

- **Investments**

- *Investment policy.* The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the trustees by a majority vote of its members. It is the policy of the Plan to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of September 30, 2014:

Assets Class	Target Allocation
Domestic equity	45%
International Equity	15%
Broad Based Fixed Income	20%
Global Fixed Income	5%
TIPS Fixed Income	5%
Real Estate	10%
Total	100%

- *Concentrations.* See Note 2.

- *Rate of return.* For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.3% percent.

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**

- **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. Ordinance 2014-02, adopted on March 18, 2014 increased the retirement options with social security plus lump sum options and allowed purchase of prior military and firefighter service at full calculated

- **Plan Description *(continued)*** - actuarial cost. There was no financial impact from these changes. The Plan is administered by five trustees. The City Council selects two trustees, two are elected by the membership and the fifth trustee is selected by a majority of the other four trustees.

- **Contributions** - Plan members are required to contribute 6.49% 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 \$ 88,725 for the FY 2014.

- **Investments**

- *Investment policy.* The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the trustees by a majority vote of its members. It is the policy of the Plan to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of September 30, 2014:

Assets Class	Target Allocation
Domestic equity	45%
International Equity	15%
Broad Based Fixed Income	20%
Global Fixed Income	5%
TIPS Fixed Income	5%
Real Estate	10%
Total	100%

- *Concentrations.* See Note 2.

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)**

- *Rate of return.* For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.1% percent.

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, 2014 were as follows:

	GERP	PORP	FRP
Annual Required Contribution (ARC)	400,004	457,045	303,608
Interest on Net Pension Obligation	(6,157)	(8,263)	(8,071)
Adjustment to ARC	12,683	12,221	12,586
Annual Pension Cost (APC)	406,530	461,003	308,123
Contributions Made	(585,400)	(459,586)	(307,590)
Net Pension Obligation Asset, Beginning of Year	(82,093)	(110,171)	(102,164)
Net Pension Obligation Asset, End of Year	\$ (260,963)	\$ (108,754)	\$ (101,631)

The aggregate net pension asset of \$471,348 is reflected on the statement of net position as a net pension asset.

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	10/1/13	\$ 13,960,711	\$ 16,427,813	\$ 2,467,102	85.0%	\$ 3,836,623	64.3%
PORP	10/1/13	6,820,205	8,463,332	1,643,127	80.6%	1,938,783	84.8%
FRP	10/1/13	5,627,944	6,261,624	633,680	89.9%	1,231,802	51.4%

(1) General Employees Retirement Fund uses Frozen Initial Liability

Deferred Retirement Option Program (DROP)

For all three plans, when a member reaches normal retirement age, they may elect in writing to participate in the DROP for a maximum of five years. Participants receive a credit equal to the monthly calculated pension amount plus quarterly interest on the average monthly balance. The balances of the participants' DROP accounts for the GERP are \$151,854 and for FRP are \$103,013 and are included as part of the Accounts Payable balance shown on Balance Sheet.

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

Note 12 - Defined-benefit Pension Plans (Continued)

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.

Actuarial Valuation, October 1	2013 GERP	2013 PORP	2013 FRP
Actuarial Valuation Method	Frozen Initial	Aggregate	Aggregate
Rate of Return	7.5%	7.5%	7.9%
Projected Salary Increase	6.0%	6.0% to 12.5%	5.5%
Inflation Rate	3.0%	3.0%	3.0%
Cost-of-living Adjustment	N/A	N/A	N/A
Remaining Amortization Period	16 Years	N/A	N/A
Mortality Table	RP-2000	RP-2000	RP-2000

The actuarial value of assets was determined using a five-year smoothed 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, 2013, is sixteen 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

<u>Three-Year Trend Information</u>				
	F/Y/E	Annual Pension	% of APC	Net Pension
	September 30th	Cost (APC)	Contributed	Obligation
GERP	2014	\$ 406,350	143.9%	\$ (260,963)
	2013	576,812	100.1%	(82,093)
	2012	504,942	98.0%	(81,504)
PORP	2014	461,003	99.7%	(108,754)
	2013	405,308	105.4%	(110,171)
	2012	395,359	99.1%	(88,428)
FRP	2014	308,123	99.8%	(101,631)
	2013	295,341	119.1%	(102,164)
	2012	292,659	99.4%	(45,642)

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

Note 12 - Defined-Benefit Pension Plans (Continued)

Other Pension Plan Information (Continued)

Net Pension Liability

	GERP	PORP	FRP
Plan's Pension Liability	\$ 16,990,692	\$ 9,169,781	\$ 6,983,104
Plan's fiduciary net position	(15,643,165)	(8,081,976)	(6,793,621)
City's net pension liability	<u>\$ 1,347,527</u>	<u>\$ 1,087,805</u>	<u>\$ 189,483</u>
Plan's fiduciary net position as percentage of the total pension liability	<u>92.07%</u>	<u>88.14%</u>	<u>97.29%</u>

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

10/1/13 UAAL	\$ 3,667,775
Last year's Employer Normal Costs	23,606
Last Year's Contribution	(577,401)
Interest at the Assumed Rate	250,642
This Year's UAAL prior to Revision	<u>3,364,622</u>
Change in UAAL Due to Plan Amendments and/or Changes in Actuarial Assumptions	384,988
9/30/14 Revised UAAL	<u>\$ 3,749,610</u>

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

Date Established	<u>Original UAAL</u>		Years Remaining	<u>Current UAAL</u>	
	<u>Amortization Period (Years)</u>	<u>Amount</u>		<u>Amount</u>	<u>Payment*</u>
10/1/2009	20	\$ 3,770,344	16	\$ 2,977,304	\$ 302,968
10/1/2010	19	157,488	16	138,199	14,063
10/1/2011	18	159,269	16	145,089	14,764
10/1/2011	18	(49,285)	16	(44,898)	(4,569)
10/1/2012	17	162,346	16	148,928	15,155
10/1/2013	16	384,988	16	384,988	39,176
		<u>\$ 4,585,150</u>		<u>\$ 3,749,610</u>	<u>\$ 381,557</u>

* Using an Interest Rate of 7.5%

Discount rate

A single discount rate was used to measure the total pension liability. This single discount rate was based upon the expected rate of return on the pension plan investments and applied to all periods to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that plan members' contributions will be made at the current rate and the employer contributions will be made equal to the difference between the actuarially determined contribution rates and the member rates, which required by State Statutes.. Based upon these assumptions, the

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

Note 12 - Defined-Benefit Pension Plans (Concluded)

Other Pension Plan Information (Continued)

Discount rate (Continued) - pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current members.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following table presents each plan's net pension liability, calculated using the stated discount rate for each plan, as well as what the net pension liability would be if it were calculated using a rate that is 1% percent higher or lower.

Sensitivity of the Net Pension Liability to changes in the Single Discount Rate Assumption

	Discount Rate	1% Decrease	Current Disc. Rate	1% Increase
General Employees Retirement Plan	7.75%	\$ 3,100,893	\$ 1,347,527	\$ (124,975)
Police Officers' Retirement Plan	7.50%	2,456,667	1,087,805	(41,638)
Firefighters' Retirement Plan	7.90%	1,078,648	189,483	(544,845)

The Total Pension Liability used in calculating the Net Pension Liability presented above is based upon the actuarial valuation dated October 1, 2014.

Schedule of the Change in Pension Plan Net Position as of September 30, 2014

	GERP	PORP	FRP	Total
Assets				
Cash	\$ 1,806	\$ 22,898	\$ 38,723	\$ 63,427
Receivable	10,924	-	-	10,924
Investments	15,648,386	8,065,677	6,760,430	30,474,493
Accrued Interest Receivable	7,037	4,226	3,303	14,566
Total Assets	15,668,153	8,092,801	6,802,456	30,563,410
Liabilities				
Accounts Payable	(176,842)	(10,825)	(248,518)	(436,185)
Total Liabilities	(176,842)	(10,825)	(248,518)	(436,185)
Net Position				
Restricted for Pension Benefits	\$ 15,491,311	\$ 8,081,976	\$ 6,553,938	\$ 30,127,225
Additions				
Contributions:				
Employer	\$ 585,400	\$ 379,256	\$ 218,865	\$ 1,183,521
Employee	53,903	133,710	77,879	265,492
Employer from State	-	80,330	88,725	169,055
Total Contributions	639,303	593,296	385,469	1,618,068

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, 2014

	GERP	PORP	FRP	Total
Additions				
Investment Earnings:				
Investment Earnings	1,602,668	785,441	672,337	3,060,446
Less: Invest. Management Fees	(60,418)	(42,560)	(34,037)	(137,015)
Net Investment Income	1,542,250	742,881	638,300	2,923,431
Total Additions	2,181,553	1,336,177	1,023,769	4,541,499
Deductions				
Pension Benefit Payments	961,727	339,482	309,091	1,610,300
Pension Contribution Refunds	33,252	10,572	599	44,423
General and Administrative	40,962	31,111	49,058	121,131
Total Deductions	(1,035,941)	(381,165)	(358,748)	(1,775,854)
Net increase	1,145,612	955,012	665,021	2,765,645
Net Position Restricted for Employees' Pension Benefits				
Beginning of the Year	14,345,699	7,126,964	5,888,917	27,361,580
End of the Year	\$ 15,491,311	\$ 8,081,976	\$ 6,553,938	\$ 30,127,225

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, 2014, 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, 2014, the City contributed \$366,825.

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

Note 14 - Construction Commitments

During 2013-14, 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	\$ 38,533	\$ 4,603
Community Redevelopment Fund	320,929	161,673
Electric Fund	45,601	-
Water & Wastewater Fund	917,143	182,829
Stormwater Fund	491,575	55,841

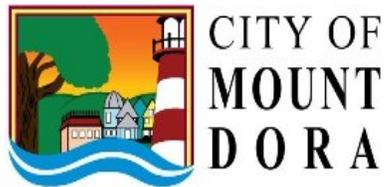
Note 15 - Other Commitments

On March, 2014, the City Council accepted a loan commitment from the First National Bank of Mount Dora for a three year loan of \$365,282 at 3.10% for the purchase of police vehicles. The loan will be closed upon the delivery of the vehicles which is expected sometime after September 30, 2014.

Note 16 - Subsequent Event

On June 17, 2014, the City Council passed Resolution 2014-16 accepting a proposed settlement between Duke Energy Florida and the City concerning a refund from the wholesale electricity contract in the amount of \$1,284,527. It is expected to take 12 to 18 months for the agreement to be finalized and the payment made.

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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.

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Taxes				
Ad Valorem	\$ 4,072,950	\$ 4,072,950	\$ 4,078,288	\$ 5,338
Local Option Gas Tax	247,900	247,900	335,117	87,217
Local Business Tax	29,500	29,500	22,014	(7,486)
Total Taxes	<u>4,350,350</u>	<u>4,350,350</u>	<u>4,435,419</u>	<u>85,069</u>
Permits and Fees				
Franchise Fee:				
Electric	408,500	408,500	437,502	29,002
Gas	40,500	40,500	44,333	3,833
Solid Waste	193,800	193,800	176,000	(17,800)
Other	4,500	4,500	3,482	(1,018)
Site Development Permits	15,000	15,000	5,341	(9,659)
Other Permits	17,750	17,750	23,770	6,020
Total Permits and Fees	<u>680,050</u>	<u>680,050</u>	<u>690,428</u>	<u>10,378</u>
Intergovernmental				
Grants	35,500	52,376	38,769	(13,607)
State Revenue Sharing	318,950	488,800	520,941	32,141
Local Option Sales Tax	595,050	594,300	669,070	74,770
County Revenue Sharing	11,500	11,500	12,348	848
County Voted One-cent Gas Tax	78,100	78,100	86,795	8,695
County Library Funding	232,900	232,900	188,390	(44,510)
Total Intergovernmental	<u>1,272,000</u>	<u>1,457,976</u>	<u>1,516,313</u>	<u>58,337</u>
Charges for Services				
Special Events Fees	58,750	58,750	42,052	(16,698)
Development Review & Service Fees	34,000	34,000	45,051	11,051
Public Safety Revenue	190,500	190,500	214,434	23,934
Recreation Fees	93,350	93,350	126,908	33,558
Finance Fees	47,500	47,500	35,896	(11,604)
Total Charges for Services	<u>424,100</u>	<u>424,100</u>	<u>464,341</u>	<u>40,241</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, 2014
(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	\$ 39,650	\$ 39,650	\$ 45,631	\$ 5,981
Library Fines	24,000	24,000	18,959	(5,041)
Code Enforcement Fines	500	500	830	330
Total Fines and Forfeitures	<u>64,150</u>	<u>64,150</u>	<u>65,420</u>	<u>1,270</u>
Miscellaneous				
Miscellaneous Billings	4,850	4,850	3,707	(1,143)
Investment Earnings (Losses)	52,300	52,300	46,037	(6,263)
Real Estate Rent	129,800	129,800	128,521	(1,279)
Sale of Surplus Property	3,500	3,500	4,432	932
Contributions	11,500	25,800	44,520	18,720
Other Revenues	15,300	15,300	17,982	2,682
Total Miscellaneous	<u>217,250</u>	<u>231,550</u>	<u>245,199</u>	<u>13,649</u>
Total Revenues	<u>7,007,900</u>	<u>7,208,176</u>	<u>7,417,120</u>	<u>208,944</u>
Expenditures				
General Government				
Legislative:				
Personal Services	50,550	50,550	50,251	299
Operating Expenses	35,450	35,450	34,802	648
Cost Allocations	(29,200)	(29,200)	(30,150)	950
Total Legislative	<u>56,800</u>	<u>56,800</u>	<u>54,903</u>	<u>1,897</u>
Executive:				
Personal Services	315,200	319,950	311,886	8,064
Operating Expenses	205,450	205,450	168,282	37,168
Cost Allocations	(285,100)	(285,100)	(271,900)	(13,200)
Total Executive	<u>235,550</u>	<u>240,300</u>	<u>208,268</u>	<u>32,032</u>
Finance and Administrative:				
Personal Services	1,207,770	1,223,520	1,262,857	(39,337)
Operating Expenses	724,105	724,105	713,257	10,848
Capital Outlay	13,675	13,675	-	13,675
Cost Allocations	(1,666,000)	(1,666,000)	(1,688,616)	22,616
Total Finance and Administrative	<u>279,550</u>	<u>295,300</u>	<u>287,498</u>	<u>7,802</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, 2014
(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	\$ 265,650	\$ 270,100	\$ 273,041	\$ (2,941)
Operating Expenses	79,250	79,250	61,638	17,612
Cost Allocations	23,800	23,800	24,250	(450)
Total Planning and Development	<u>368,700</u>	<u>373,150</u>	<u>358,929</u>	<u>14,221</u>
Other General Government:				
Personal Services	428,550	428,550	428,550	-
Operating Expenses	41,550	41,550	53,763	(12,213)
Grants and Aid	19,050	123,915	105,189	18,726
Cost Allocations	(128,000)	(128,000)	(122,629)	(5,371)
Contingency	186,500	25,000	-	25,000
Total Other General Government	<u>547,650</u>	<u>491,015</u>	<u>464,873</u>	<u>26,142</u>
Total General Government	<u>1,488,250</u>	<u>1,456,565</u>	<u>1,374,471</u>	<u>82,094</u>
Public Safety				
Law Enforcement:				
Personal Services	3,486,050	3,633,500	3,681,257	(47,757)
Operating Expenses	738,050	701,166	752,959	(51,793)
Capital Outlay	-	57,579	29,260	28,319
Cost Allocations	296,250	296,250	301,000	(4,750)
Total Law Enforcement	<u>4,520,350</u>	<u>4,688,495</u>	<u>4,764,476</u>	<u>(75,981)</u>
Fire Control:				
Personal Services	1,932,350	2,055,550	2,051,128	4,422
Operating Expenses	300,400	296,400	265,019	31,381
Capital Outlay	6,000	16,331	7,000	9,331
Cost Allocations	82,550	82,550	82,950	(400)
Total Fire Control	<u>2,321,300</u>	<u>2,450,831</u>	<u>2,406,097</u>	<u>44,734</u>
Total Public Safety	<u>6,841,650</u>	<u>7,139,326</u>	<u>7,170,573</u>	<u>(31,247)</u>
Transportation				
Roads and Streets:				
Personal Services	574,050	583,400	537,040	46,360
Operating Expenses	462,150	456,350	409,839	46,511
Capital Outlay	-	5,800	5,699	101
Cost Allocations	21,800	21,800	22,000	(200)
Total Transportation	<u>1,058,000</u>	<u>1,067,350</u>	<u>974,578</u>	<u>92,772</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, 2014
(Concluded)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures (Concluded)				
Culture and Recreation				
Libraries:				
Personal Services	\$ 462,550	\$ 470,500	\$ 492,799	\$ (22,299)
Operating Expenses	145,550	149,225	129,866	19,359
Capital Outlay	35,000	38,625	41,298	(2,673)
Cost Allocations	167,450	167,450	167,950	(500)
Total Libraries	<u>810,550</u>	<u>825,800</u>	<u>831,913</u>	<u>(6,113)</u>
Parks and Recreation:				
Personal Services	1,074,400	1,092,100	1,058,670	33,430
Operating Expenses	749,800	747,100	784,863	(37,763)
Capital Outlay	30,800	33,500	21,385	12,115
Cost Allocations	(379,800)	(379,800)	(359,005)	(20,795)
Total Parks and Recreation	<u>1,475,200</u>	<u>1,492,900</u>	<u>1,505,913</u>	<u>(13,013)</u>
Total Culture and Recreation	<u>2,285,750</u>	<u>2,318,700</u>	<u>2,337,826</u>	<u>(19,126)</u>
Total Expenditures	<u>(11,673,650)</u>	<u>(11,981,941)</u>	<u>(11,857,448)</u>	<u>124,493</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(4,665,750)</u>	<u>(4,773,765)</u>	<u>(4,440,328)</u>	<u>333,437</u>
Other Financing Sources (Uses)				
Transfers in:				
Public Services Tax	1,535,000	1,535,000	1,535,000	-
Electric	1,300,650	1,300,650	1,259,000	(41,650)
Water and Wastewater	1,369,250	1,369,250	1,453,800	84,550
Stormwater	128,100	128,100	126,750	(1,350)
Transfers out:				
Cemetery Fund	(87,500)	(87,500)	(87,500)	-
Total Other Financing Sources (Uses)	<u>4,245,500</u>	<u>4,245,500</u>	<u>4,287,050</u>	<u>41,550</u>
Net Change in Fund Balance	(420,250)	(528,265)	(153,278)	374,987
Fund Balance, Beginning of Year	<u>420,250</u>	<u>528,265</u>	<u>4,134,997</u>	<u>3,606,732</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,981,719</u>	<u>\$ 3,981,719</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 396,950	\$ 396,950	\$ 396,150	\$ (800)
Intergovernmental	964,250	964,250	374,932	(589,318)
Miscellaneous	3,150	3,150	12,481	9,331
Total Revenues	<u>1,364,350</u>	<u>1,364,350</u>	<u>783,563</u>	<u>(580,787)</u>
Expenditures				
General Government:				
Personal Services	207,000	210,150	210,303	(153)
Operating Expenses	147,100	143,660	136,330	7,330
Grants and Aid	35,000	35,000	145,969	(110,969)
Total General Government	<u>(389,100)</u>	<u>(388,810)</u>	<u>(492,602)</u>	<u>(103,792)</u>
Transportation				
Operating Expenses	-	-	1,575	(1,575)
Capital Outlay	1,098,000	1,231,938	860,342	371,596
Total Transportation	<u>(1,098,000)</u>	<u>(1,231,938)</u>	<u>(861,917)</u>	<u>370,021</u>
Debt Service				
Prinicpal	138,000	138,000	138,000	-
Interest	58,400	58,400	58,324	76
Total Debt Service	<u>(196,400)</u>	<u>(196,400)</u>	<u>(196,324)</u>	<u>76</u>
Total Expenditures	<u>(1,683,500)</u>	<u>(1,817,148)</u>	<u>(1,550,843)</u>	<u>266,305</u>
Net Change in Fund Balance	(319,150)	(452,798)	(767,280)	(314,482)
Fund Balance, Beginning of Year	<u>319,150</u>	<u>452,798</u>	<u>978,701</u>	<u>525,903</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,421</u>	<u>\$ 211,421</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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 171,000	\$ 171,000	\$ 169,907	\$ (1,093)
Intergovernmental	161,600	161,600	494,527	332,927
Miscellaneous	15,000	15,000	9,674	(5,326)
Total Revenues	<u>347,600</u>	<u>347,600</u>	<u>674,108</u>	<u>326,508</u>
Expenditures				
General Government:				
Personal Services	112,800	112,800	120,026	(7,226)
Operating Expenses	32,350	32,350	33,285	(935)
Grants and Aid	135,000	405,000	76,814	328,186
Cultural and Recreational				
Operating Expenses	-	-	3,239	(3,239)
Capital Outlay	100,000	442,690	322,851	119,839
Total Expenditures	<u>(380,150)</u>	<u>(992,840)</u>	<u>(556,215)</u>	<u>436,625</u>
Net Change in Fund Balance	(32,550)	(645,240)	117,893	763,133
Fund Balance, Beginning of Year	<u>32,550</u>	<u>645,240</u>	<u>1,025,053</u>	<u>379,813</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,142,946</u>	<u>\$ 1,142,946</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
Revenues				
Utility Taxes:				
Communications Services	\$ 635,000	\$ 635,000	\$ 604,939	\$ (30,061)
Electric	1,145,000	1,145,000	1,228,578	83,578
Gas	63,750	63,750	68,800	5,050
Investment Earnings	1,250	1,250	1,675	425
Total Revenues	<u>1,845,000</u>	<u>1,845,000</u>	<u>1,903,992</u>	<u>58,992</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>1,845,000</u>	<u>1,845,000</u>	<u>1,903,992</u>	<u>58,992</u>
Other Financing (Uses)				
Transfers Out:				
General Fund	1,535,000	1,535,000	1,535,000	-
Debt Service	310,000	310,000	310,000	-
Total Other Financing (Uses)	<u>1,845,000</u>	<u>1,845,000</u>	<u>1,845,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	58,992	58,992
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>466,635</u>	<u>466,635</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,627</u>	<u>\$ 525,627</u>

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYERS NET PENSION
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*
(UNAUDITED)**

GENERAL EMPLOYEES' RETIREMENT FUND

Fiscal year ending September 30,	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 193,644
Interest on the Total Pension Liability	1,219,220
Changes in Benefit Terms	
Difference between actual & expected experience	(6,859)
Change in Assumptions	
Benefit Payments	(922,619)
Refunds	<u>(33,252)</u>
Net Change in Total Pension Liability	450,134
Total Pension Liability - Beginning	16,540,558
Total Pension Liability - Ending (1)	<u><u>\$ 16,990,692</u></u>
Plan Fiduciary Net Position	
Contributions - Employer/State	\$ 585,400
Contribution - Employees	53,903
Net Investment Income	1,526,251
Benefit Payments	(922,619)
Refunds	(33,252)
Administrative Expense	<u>(24,962)</u>
Net Change in Plan Fiduciary Net Position	1,184,721
Plan Fiduciary Net Position - Beginning	14,458,444
Plan Fiduciary Net Position -Ending (b)	<u><u>\$ 15,643,165</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 1,347,527</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.07%
Covered Employee Payroll**	\$ 3,573,379
Net Pension Liability as a percentage Of Covered Employee Payroll	37.71%

* GASB No 67 was adopted for the 2014 Fiscal Year and the 10 year trend information will be developed from that date forward.

** Actual covered payroll for the fiscal year ending September 30, 2014

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYERS NET PENSION
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*
(UNAUDITED)**

POLICE OFFICERS' RETIREMENT FUND

Fiscal year ending September 30,	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 404,540
Interest on the Total Pension Liability	651,963
Changes in Benefit Terms	
Difference between actual & expected experience	
Change in Assumptions	
Benefit Payments	(350,054)
Refunds	
Net Change in Total Pension Liability	<u>706,449</u>
Total Pension Liability - Beginning	8,463,332
Total Pension Liability - Ending (1)	<u><u>\$ 9,169,781</u></u>
Plan Fiduciary Net Position	
Contributions - Employer/State	\$ 459,586
Contribution - Employees	133,710
Net Investment Income	742,881
Benefit Payments	(350,054)
Refunds	-
Administrative Expense	(31,111)
Net Change in Plan Fiduciary Net Position	<u>955,012</u>
Plan Fiduciary Net Position - Beginning	7,126,964
Plan Fiduciary Net Position -Ending (b)	<u><u>\$ 8,081,976</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 1,087,805</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.14%
Covered Employee Payroll**	\$ 1,896,604
Net Pension Liability as a percentage Of Covered Employee Payroll	57.36%

* GASB No 67 was adopted for the 2014 Fiscal Year and the 10 year trend information will be developed from that date forward.

** Actual covered payroll for the fiscal year ending September 30, 2014

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYERS NET PENSION
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*
(UNAUDITED)**

FIREFIGHTERS' RETIREMENT FUND

Fiscal year ending September 30,	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 263,464
Interest on the Total Pension Liability	520,739
Changes in Benefit Terms	
Difference between actual & expected experience	7,284
Change in Assumptions	
Benefit Payments	(272,510)
Refunds	(599)
Net Change in Total Pension Liability	<u>518,378</u>
Total Pension Liability - Beginning	6,464,726
Total Pension Liability - Ending (1)	<u><u>\$ 6,983,104</u></u>
Plan Fiduciary Net Position	
Contributions - Employer/State	\$ 307,590
Contribution - Employees	77,879
Net Investment Income	618,300
Benefit Payments	(272,510)
Refunds	(599)
Administrative Expense	(29,058)
Net Change in Plan Fiduciary Net Position	<u>701,602</u>
Plan Fiduciary Net Position - Beginning	6,092,019
Plan Fiduciary Net Position -Ending (b)	<u><u>\$ 6,793,621</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 189,483</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.29%
Covered Employee Payroll**	\$ 1,199,985
Net Pension Liability as a percentage Of Covered Employee Payroll	15.79%

* GASB No 67 was adopted for the 2014 Fiscal Year and the 10 year trend information will be developed from that date forward.

** Actual covered payroll for the fiscal year ending September 30, 2014

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

General Employees' Retirement Plan (GERP)

Description	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 400,004	\$ 570,759	\$ 494,966	\$ 526,757	\$ 797,760	\$ 693,738	\$ 652,201	\$ 587,751	\$ 528,266	\$ 512,705
Actual Contributions	585,400	577,401	494,966	526,757	797,760	693,738	652,201	587,751	528,266	512,705
Contribution deficiency (excess)	\$ (185,396)	\$ (6,642)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 3,573,379	\$ 3,836,623	\$ 4,387,563	\$ 4,181,877	\$ 5,256,191	\$ 5,456,477	\$ 5,686,670	\$ 5,471,423	\$ 5,169,021	\$ 4,528,827
Actual Contributions as a percentage of covered employee payroll	16.38%	15.05%	11.28%	12.60%	15.18%	12.71%	11.47%	10.74%	10.22%	11.32%

NOTE TO SCHEDULE

Valuation Date: October 1, 2014
Notes: Actuarially determined contribution rates are calculated as of October 1, which is one year prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:
Actuarial Cost Method: Frozen Initial Liability (FIFO)
Amortization Method: Level dollar amortization, closed
Remaining Amortization Period: 15 years
Assets Valuation Method: 5-year smoothed market
Inflation: 3.00%
Salary Increases: 6.00%, including inflation
Investment Rate of Return: 7.50%
Retirement Age: 100% when first eligible for Normal Retirement
Mortality: RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA

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

Police Officers' Retirement Plan (PORP)

Description	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 457,045	\$ 402,409	\$ 391,607	\$ 328,092	\$ 348,521	\$ 300,381	\$ 265,984	\$ 251,320	\$ 250,839	\$ 220,039
Actual Contributions	459,586	427,051	391,607	328,092	348,521	300,381	265,984	251,320	253,813	220,039
Contribution deficiency (excess)	\$ (2,541)	\$ (24,642)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,974)	\$ -
Covered employee payroll	\$ 2,060,571	\$ 1,938,783	\$ 1,861,356	\$ 1,898,583	\$ 1,961,175	\$ 1,937,468	\$ 1,978,254	\$ 1,788,405	\$ 1,458,952	\$ 1,429,903
Actual Contributions as a percentage of covered employee payroll	22.30%	22.03%	21.04%	17.28%	17.77%	15.50%	13.45%	14.05%	17.40%	15.39%

NOTE TO SCHEDULE

Valuation Date: October 1, 2014
Notes: Actuarially determined contribution rates are calculated as of October 1, which is one year prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Aggregate
Amortization Method N/A
Remaining Amortization Period N/A
Assets Valuation Method 5-year smoothed market
Inflation 3.00%
Salary Increases 6.00% - 12.5%, including inflation
Investment Rate of Return 7.50%
Retirement Age Experience-based table of rates that are specific to the type of eligibility condition
Mortality RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA

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

Firefighters' Retirement Plan (FRP)

Description	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 303,608	\$ 293,565	\$ 290,906	\$ 247,933	\$ 226,573	\$ 209,865	\$ 182,344	\$ 181,996	\$ 180,803	\$ 163,809
Actual Contributions	307,590	351,863	290,906	247,933	226,573	209,865	182,344	181,996	182,563	167,616
Contribution deficiency (excess)	\$ (3,982)	\$ (58,298)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,760)	\$ (3,807)
Covered employee payroll	\$ 1,265,986	\$ 1,231,802	\$ 1,335,455	\$ 1,246,793	\$ 1,318,797	\$ 1,159,985	\$ 1,116,078	\$ 1,106,320	\$ 940,112	\$ 786,501
Actual Contributions as a percentage of covered employee payroll	24.30%	28.56%	21.78%	19.89%	17.18%	18.09%	16.34%	16.45%	19.42%	21.31%

NOTE TO SCHEDULE

Valuation Date: October 1, 2014
Notes: Actuarially determined contribution rates are calculated as of October 1, which is one year prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Aggregate
Amortization Method N/A
Remaining Amortization Period N/A
Assets Valuation Method 5-year smoothed market
Inflation 3.00%
Salary Increases 5.5%, including inflation
Investment Rate of Return 7.90%
Retirement Age Experience-based table of rates that are specific to the type of eligibility condition
Mortality RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA

**CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF INVESTMENT RETURNS - ALL RETIREMENT FUNDS
(UNAUDITED)**

General Employees' Retirement Plan (GERP)

Description	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Annual money -weighted rate of return, net of investment expense	10.7%	11.2%	18.3%	0.4%	11.2%	-1.6%	-12.6%	11.4%	7.0%	8.2%

Police Officers' Retirement Plan (PORP)

Description	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Annual money -weighted rate of return, net of investment expense	10.3%	11.3%	17.1%	-0.4%	10.5%	-0.3%	-12.2%	12.6%	5.6%	8.7%

Firefighters' Retirement Plan (FRP)

Description	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Annual money -weighted rate of return, net of investment expense	10.1%	12.0%	16.9%	-0.2%	11.0%	-1.9%	-12.8%	11.0%	6.2%	7.0%

REQUIRED SUPPLEMENTARY INFORMATION

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

GENERAL EMPLOYEES' RETIREMENT FUND

Actuarial Valuation date	(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
<u>10/1</u>	<u>Assets</u>	<u>Level Dollar, Closed</u>	<u>(UAAL)</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Payroll</u>
2014	\$ 14,815,731	\$ 16,869,030	\$ 2,053,299	87.8%	\$ 3,511,421	58.5%
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%

POLICE OFFICERS' RETIREMENT FUND

Actuarial Valuation date	(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
<u>10/1</u>	<u>Assets</u>	<u>Entry Age</u>	<u>(UAAL)</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Payroll</u>
2014	\$ 7,662,802	\$ 9,285,801	\$ 1,622,999	82.5%	\$ 2,060,571	78.8%
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%

FIREFIGHTERS' RETIREMENT FUND

Actuarial Valuation date	(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
<u>10/1</u>	<u>Assets</u>	<u>Entry Age</u>	<u>(UAAL)</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Payroll</u>
2014	\$ 6,228,942	\$ 6,816,518	\$ 587,576	91.4%	\$ 1,265,986	46.4%
2013	5,627,944	6,261,624	633,680	89.9%	1,231,802	51.4%
2012	5,044,876	5,716,184	671,308	88.2%	1,335,455	50.3%
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%

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)
10/1/13	\$ -	\$ 10,870,948	\$ 10,870,948	0.00%	\$ 8,816,228	123.3%
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%

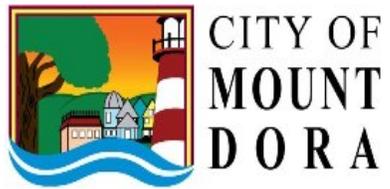
CITY OF MOUNT DORA, FLORIDA
CONTRIBUTIONS FROM EMPLOYER

Year Ended September 30,	Annual Required Contribution	% of ARC Contributed	Net OPEB Obligation
2014	\$ 766,890	80.3%	\$ 1,419,430
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

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**CITY OF MOUNT DORA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	<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>	
Assets						
Pooled Cash and Investments	\$ 621,388	\$ 6,071	\$ 99,584	\$ 1,471,930	\$ 319,412	\$ 2,518,385
Due from Other Governments	-	-	-	109,072	-	109,072
Accrued Interest Receivable	611	21	360	2,252	490	3,734
Total Assets	<u>\$ 621,999</u>	<u>\$ 6,092</u>	<u>\$ 99,944</u>	<u>\$ 1,583,254</u>	<u>\$ 319,902</u>	<u>\$ 2,631,191</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$ 7,342	\$ -	\$ -	\$ 94,225	\$ 17,282	\$ 118,849
Accrued Liabilities	6,304	-	-	-	-	6,304
Total Liabilities	<u>13,646</u>	<u>-</u>	<u>-</u>	<u>94,225</u>	<u>17,282</u>	<u>125,153</u>
Fund Balance						
Restricted for:						
Capital Improvements	-	-	-	1,394,529	236,720	1,631,249
Building Inspections	608,353	-	-	-	-	608,353
Law Enforcement	-	6,092	-	-	-	6,092
Assigned for:						
Capital Improvements	-	-	-	94,500	65,900	160,400
Debt Service Funds	-	-	99,944	-	-	99,944
Total Fund Balances	<u>608,353</u>	<u>6,092</u>	<u>99,944</u>	<u>1,489,029</u>	<u>302,620</u>	<u>2,506,038</u>
Total Liabilities and Fund Balances	<u>\$ 621,999</u>	<u>\$ 6,092</u>	<u>\$ 99,944</u>	<u>\$ 1,583,254</u>	<u>\$ 319,902</u>	<u>\$ 2,631,191</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, 2014

	<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	\$ -	\$ -	\$ -	\$ 1,089,354	\$ -	\$ 1,089,354
Intergovernmental	-	-	-	6,819	37,500	44,319
Permits and Fees	557,253	-	-	-	-	557,253
Charges For Services	81,930	-	-	-	-	81,930
Fines and Forfeitures	-	500	-	-	-	500
Miscellaneous	4,208	44	2,127	11,377	2,559	20,315
Total Revenues	<u>643,391</u>	<u>544</u>	<u>2,127</u>	<u>1,107,550</u>	<u>40,059</u>	<u>1,793,671</u>
Expenditures						
General Government	-	-	-	2,489	129,316	131,805
Public Safety	421,522	-	-	-	-	421,522
Transportation	-	-	-	27,377	-	27,377
Capital Outlay	-	-	-	673,996	-	673,996
Debt Service:						
Principal	-	-	258,300	-	-	258,300
Interest	-	-	61,095	-	-	61,095
Total Expenditures	<u>(421,522)</u>	<u>-</u>	<u>(319,395)</u>	<u>(703,862)</u>	<u>(129,316)</u>	<u>(1,574,095)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>221,869</u>	<u>544</u>	<u>(317,268)</u>	<u>403,688</u>	<u>(89,257)</u>	<u>219,576</u>
Other Financing Sources (Uses)						
Transfers in	-	-	310,000	-	-	310,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>310,000</u>	<u>-</u>	<u>-</u>	<u>310,000</u>
Net Change in Fund Balance	221,869	544	(7,268)	403,688	(89,257)	529,576
Fund Balances, Beginning 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>
Fund Balances, End of Year	<u>\$ 608,353</u>	<u>\$ 6,092</u>	<u>\$ 99,944</u>	<u>\$ 1,489,029</u>	<u>\$ 302,620</u>	<u>\$ 2,506,038</u>

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND
BUILDING INSPECTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Permits and Fees	\$ 395,000	\$ 557,253	\$ 162,253
Charges For Services	35,000	81,930	46,930
Investment Earnings	1,000	4,208	3,208
Total Revenues	<u>431,000</u>	<u>643,391</u>	<u>212,391</u>
Expenditures			
Public Safety:			
Operating	482,800	421,522	61,278
Capital Outlay	5,500	-	5,500
Total Expenditures	<u>(488,300)</u>	<u>(421,522)</u>	<u>66,778</u>
Net Change in Fund Balance	(57,300)	221,869	279,169
Fund Balance, Beginning of Year	<u>57,300</u>	<u>386,484</u>	<u>329,184</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 608,353</u>	<u>\$ 608,353</u>

**CITY OF MOUNT DORA, FLORIDA
 BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND
 LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ -	\$ 500	\$ 500
Investment Earnings	-	44	44
Total Revenues	<u>-</u>	<u>544</u>	<u>544</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	544	544
Fund Balance, Beginning of Year	<u>-</u>	<u>5,548</u>	<u>5,548</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 6,092</u>	<u>\$ 6,092</u>

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Investment Earnings	\$ 1,900	2,127	\$ 227
Total Revenues	<u>1,900</u>	<u>2,127</u>	<u>227</u>
Expenditures			
Debt Service:			
Principal	258,300	258,300	-
Interest	61,150	61,095	55
Total Expenditures	<u>(319,450)</u>	<u>(319,395)</u>	<u>55</u>
(Deficiency) of Revenues Over Expenditures	<u>(317,550)</u>	<u>(317,268)</u>	<u>282</u>
Other Financing Sources (Uses)			
Transfers in			
Public Services Tax	310,000	310,000	-
Total Financing Sources	<u>310,000</u>	<u>310,000</u>	<u>-</u>
Net Change in Fund Balance	(7,550)	(7,268)	282
Fund Balance, Beginning of Year	<u>7,550</u>	<u>107,212</u>	<u>99,662</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 99,944</u>	<u>\$ 99,944</u>

**CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND
DISCRETIONARY SALES TAX CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 975,500	\$ 1,089,354	\$ 113,854
Intergovernmental-Grants	-	6,819	6,819
Investment Earnings (Losses)	3,450	11,377	7,927
Total Revenues	<u>978,950</u>	<u>1,107,550</u>	<u>128,600</u>
Expenditures			
Operating:			
General Government	-	2,489	(2,489)
Transportation	-	27,377	(27,377)
Capital Outlay:			
General Government	200,930	70,401	130,529
Public Safety	157,129	7,000	150,129
Transportation	845,878	596,595	249,283
Inter-fund Interest	1,500	-	1,500
Total Expenditures	<u>(1,205,437)</u>	<u>(703,862)</u>	<u>501,575</u>
Net Change in Fund Balance	<u>(226,487)</u>	<u>403,688</u>	<u>630,175</u>
Fund Balance, Beginning of Year	<u>366,937</u>	<u>1,085,341</u>	<u>718,404</u>
Fund Balance, End of Year	<u>\$ 140,450</u>	<u>\$ 1,489,029</u>	<u>\$ 1,348,579</u>

**CITY OF MOUNT DORA, FLORIDA
 BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND
 OTHER CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Grants	\$ 37,500	\$ 37,500	\$ -
Investment Earnings	1,600	2,559	959
Total Revenues	<u>39,100</u>	<u>40,059</u>	<u>959</u>
Expenditures			
General Government:			
Operating	310,495	129,316	181,179
Total Expenditures	<u>(310,495)</u>	<u>(129,316)</u>	<u>181,179</u>
(Deficiency) of Revenues Over Expenditures	<u>(271,395)</u>	<u>(89,257)</u>	<u>182,138</u>
Fund Balance, Beginning of Year	<u>198,070</u>	<u>391,877</u>	<u>193,807</u>
Fund Balance, End of Year	<u>\$ (73,325)</u>	<u>\$ 302,620</u>	<u>\$ 375,945</u>

**CITY OF MOUNT DORA, FLORIDA
 BUDGET TO ACTUAL COMPARISON - MAJOR FUND
 IMPACT FEES CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Impact Fees:			
Fire	\$ 17,500	\$ 26,956	\$ 9,456
Police	19,500	18,568	(932)
Libraries	41,500	93,763	52,263
Recreation	77,500	169,673	92,173
Intergovernmental-Grants	373,600	527,776	154,176
Investment Earnings	19,500	10,407	(9,093)
Total Revenues	<u>549,100</u>	<u>847,143</u>	<u>298,043</u>
Expenditures			
Cullture and Recreation			
Capital Outlay:			
Libraries	60,000	40,413	19,587
Recreational	553,626	588,495	(34,869)
Debt Service:			
Interest	44,450	15,998	28,452
Total Expenditures	<u>(658,076)</u>	<u>(644,906)</u>	<u>13,170</u>
(Deficiency) of Revenues (Under)			
Expenditures	<u>(108,976)</u>	<u>202,237</u>	<u>311,213</u>
Net Change in Fund Balance	(108,976)	202,237	311,213
Fund Balance, Beginning of Year	<u>115,026</u>	<u>(992,741)</u>	<u>(1,107,767)</u>
Fund Balance, End of Year	<u>\$ 6,050</u>	<u>\$ (790,504)</u>	<u>\$ (796,554)</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENTS**

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CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2014

	<u>Motorpool Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Self Insurance Fund</u>	<u>Total</u>
Assets				
Current Assets				
Pooled Cash and Investments	\$ 76,052	\$ 1,061,987	\$ 795,859	\$ 1,933,898
Accrued Interest Receivable	25	2,453	675	3,153
Inventory, at Cost	13,075	-	-	13,075
Total Current Assets	<u>89,152</u>	<u>1,064,440</u>	<u>796,534</u>	<u>1,950,126</u>
Capital Assets				
Property, Plant and Equipment	133,426	2,128,247	38,331	2,300,004
(Accumulated Depreciation and Amortization)	(127,468)	(1,379,611)	(29,324)	(1,536,403)
Total Capital Assets - Cost Less Depreciation	<u>5,958</u>	<u>748,636</u>	<u>9,007</u>	<u>763,601</u>
Total Assets	<u>\$ 95,110</u>	<u>\$ 1,813,076</u>	<u>\$ 805,541</u>	<u>\$ 2,713,727</u>
Liabilities and Net Position				
Current Liabilities				
Accounts Payable	\$ 9,370	\$ -	\$ 345,385	\$ 354,755
Accrued Expenses	315	-	-	315
Compensated Absences	122	-	-	122
Total Current Liabilities	<u>9,807</u>	<u>-</u>	<u>345,385</u>	<u>355,192</u>
Long-term Liabilities				
Compensated Absences	206	-	-	206
Total Long-term Liabilities	<u>206</u>	<u>-</u>	<u>-</u>	<u>206</u>
Total Liabilities	<u>10,013</u>	<u>-</u>	<u>345,385</u>	<u>355,398</u>
Net Position				
Net Investment in Capital Assets	5,958	748,636	9,007	763,601
Unrestricted	79,139	1,064,440	451,149	1,594,728
Total Net Position	<u>85,097</u>	<u>1,813,076</u>	<u>460,156</u>	<u>2,358,329</u>
Total Liabilities and Net Position	<u>\$ 95,110</u>	<u>\$ 1,813,076</u>	<u>\$ 805,541</u>	<u>\$ 2,713,727</u>

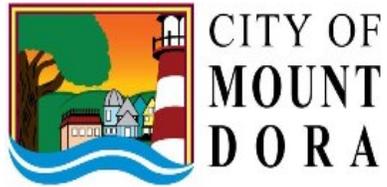
CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Motorpool Fund	Vehicle Replacement Fund	Self Insurance Fund	Total
Operating Revenues				
Charges for Services	\$ 117,500	\$ 186,000	\$ 2,269,690	\$ 2,573,190
Operating Expenses				
Administration and General	98,802	-	2,267,386	2,366,188
Depreciation and Amortization	2,060	196,825	7,389	206,274
Total Operating Expenses	<u>100,862</u>	<u>196,825</u>	<u>2,274,775</u>	<u>2,572,462</u>
Operating Income (Loss)	<u>16,638</u>	<u>(10,825)</u>	<u>(5,085)</u>	<u>728</u>
Non-operating Revenues (Expenses)				
Investment Earnings	561	9,377	4,172	14,110
Other Income (Loss)	-	23,050	36,138	59,188
Total Non-operating Revenues (Expenses)	<u>561</u>	<u>32,427</u>	<u>40,310</u>	<u>73,298</u>
Change in Net Poisition	17,199	21,602	35,225	74,026
Net Position , Beginning of Year	<u>67,898</u>	<u>1,791,474</u>	<u>424,931</u>	<u>2,284,303</u>
Net Position , End of Year	<u>\$ 85,097</u>	<u>\$ 1,813,076</u>	<u>\$ 460,156</u>	<u>\$ 2,358,329</u>

CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Motorpool Fund	Vehicle Replacement Fund	Self Insurance Fund	Total
Cash Flows from Operating Activities				
Cash Received from Customers, Including Cash	\$ 117,500	\$ 186,000	\$ 2,321,890	\$ 2,625,390
Cash Paid to Suppliers	(57,489)	-	(2,313,795)	(2,371,284)
Cash Paid to Employees for Services	(37,892)	-	-	(37,892)
Net Cash Provided by (Used in) Oper. Activities	<u>22,119</u>	<u>186,000</u>	<u>8,095</u>	<u>216,214</u>
Cash Flows from Noncapital Financing Activities				
Subsidy from Others	-	-	36,138	36,138
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>36,138</u>	<u>36,138</u>
Cash Flows from Capital and Related Financing Activities				
Property, Plant and Equipment Acquisitions	(1,513)	(331,411)	-	(332,924)
Cash Received from Sale of Assets	-	23,050	-	23,050
Insurance Proceeds	-	-	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,513)</u>	<u>(308,361)</u>	<u>-</u>	<u>(309,874)</u>
Cash Flows from Investing Activities				
Investment Earnings (Loss)	573	9,056	4,286	13,915
Total Cash Flows from Investing Activities	<u>573</u>	<u>9,056</u>	<u>4,286</u>	<u>13,915</u>
Net Inc. (Dec.) in Cash and Cash Equivalents	21,179	(113,305)	48,519	(43,607)
Cash and Cash Equivalents, Beginning of Year	<u>54,873</u>	<u>1,175,292</u>	<u>747,340</u>	<u>1,977,505</u>
Cash and Cash Equivalents, End of Year	<u>\$ 76,052</u>	<u>\$ 1,061,987</u>	<u>\$ 795,859</u>	<u>\$ 1,933,898</u>
<u>Shown in the Financial Statements as</u>				
Pooled Cash and Investments	<u>\$ 76,052</u>	<u>\$ 1,061,987</u>	<u>\$ 795,859</u>	<u>\$ 1,933,898</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income (Loss)	\$ 16,638	\$ (10,825)	\$ (5,085)	\$ 728
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	2,060	196,825	7,389	206,274
Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease):				
Accounts Receivable - Net	-	-	52,200	52,200
Inventories	(5,139)	-	-	(5,139)
Prepaid Expenses	778	-	-	778
Accounts Payable	9,224	-	(46,409)	(37,185)
Accrued Expenses	(658)	-	-	(658)
Compensated Absences	(784)	-	-	(784)
Total Adjustments	<u>5,481</u>	<u>196,825</u>	<u>13,180</u>	<u>215,486</u>
Net Cash Provided by (Used in) Operating Activities:	<u>\$ 22,119</u>	<u>\$ 186,000</u>	<u>\$ 8,095</u>	<u>\$ 216,214</u>

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STATISTICAL SECTION

**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 Assets by Component	91
Table A - 2	Changes in Net Assets	92-95
Table A - 3	Fund Balances - Governmental Funds	96
Table A - 4	Changes in Fund Balances - Governmental Funds	97

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	98
Table B - 2	Direct and Overlapping Property Tax Rates	99
Table B - 3	Principal Property Taxpayers	100-101
Table B - 4	Property Tax Levies and Collections	102
Table B - 5	Principal Electric Customers	103-104
Table B - 6	Principal Water Customers	105-106

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	107
Table C - 2	Direct and Overlapping Governmental Activities Debt	108
Table C - 3	Pledged Revenue Coverage - Utility Bonds	109
Table C - 4	Pledged Revenue Coverage - Capital Improvement Bonds	110

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	111
Table D - 2	Principal Employers	112

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	113-114
Table E - 2	Capital Asset Statistics by Function / Program	115
Table E - 3	Operating Indicators by Function / Program	116-117

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

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

	Fiscal Year				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 38,938,810	\$ 37,977,455	\$ 37,109,503	\$ 35,388,167	\$ 35,188,792
Restricted	3,675,538	4,446,851	3,895,130	5,132,210	5,975,018
Unrestricted	3,788,034	3,082,453	3,924,583	4,517,329	3,988,383
Total governmental activities net assets	46,402,382	45,506,759	44,929,216	45,037,706	45,152,193
Business-type activities					
Invested in capital assets, net of related debt	41,954,352	36,021,284	32,242,768	30,431,980	30,364,657
Restricted	3,163,254	3,256,639	3,948,652	5,771,202	6,073,074
Unrestricted	3,762,944	7,359,662	9,360,418	8,664,640	7,633,663
Total business-type activities net assets	48,880,550	46,637,585	45,551,838	44,867,822	44,071,394
Primary government					
Invested in capital assets, net of related debt	80,893,162	73,998,739	69,352,271	65,820,147	65,553,449
Restricted	6,838,792	7,703,490	7,843,782	10,903,412	12,048,092
Unrestricted	7,550,978	10,442,115	13,285,001	13,181,969	11,622,046
Total primary government net assets	\$ 95,282,932	\$ 92,144,344	\$ 90,481,054	\$ 89,905,528	\$ 89,223,587

	Fiscal Year				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 31,183,837	\$ 29,099,333	\$ 26,549,110	\$ 24,210,289	\$ 13,462,954
Restricted	9,625,598	9,730,361	8,608,058	7,756,454	10,269,822
Unrestricted	3,239,296	4,088,233	4,557,508	3,844,704	4,232,891
Total governmental activities net assets	44,048,731	42,917,927	39,714,676	35,811,447	27,965,667
Business-type activities					
Invested in capital assets, net of related debt	28,898,204	26,056,129	24,816,823	23,580,329	21,423,195
Restricted	6,758,987	9,482,277	7,830,118	7,020,378	5,596,231
Unrestricted	7,800,422	7,334,199	9,593,857	10,737,172	11,562,690
Total business-type activities net assets	43,457,613	42,872,605	42,240,798	41,337,879	38,582,116
Primary government					
Invested in capital assets, net of related debt	60,082,041	55,155,462	51,365,933	47,790,618	34,886,149
Restricted	16,384,585	19,212,638	16,438,176	14,776,832	15,866,053
Unrestricted	11,039,718	11,422,432	14,151,365	14,581,876	15,795,581
Total primary government net assets	\$ 87,506,344	\$ 85,790,532	\$ 81,955,474	\$ 77,149,326	\$ 66,547,783

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

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

	Fiscal Year				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Program Revenues					
Governmental activities					
Charges for Services					
General government	\$ 71,126	\$ 69,815	\$ 166,504	\$ 322,883	\$ 181,715
Public safety	939,679	852,862	594,772	630,286	807,850
Physical environment	3,974	3,129	2,300	4,709	4,704
Transportation	-	-	-	-	-
Culture and recreation	183,945	163,442	593,660	419,559	612,157
Operating Grants and Contributions					
General government	-	-	-	-	-
Public safety	6,307	-	-	-	-
Physical environment	37,500	-	-	-	-
Transportation	19,637	21,193	161,939	161,189	161,520
Culture and recreation	-	-	-	-	-
Grants and aid	-	-	-	-	-
Capital Grants and Contributions					
General government	-	-	-	-	-
Public safety	58,151	149,953	107,254	202,063	221,091
Physical environment	-	-	230,825	380,442	85,531
Transportation	340,561	-	-	-	-
Culture and recreation	791,212	813,826	245,459	186,680	341,138
Grants and aid	-	-	-	-	-
Total governmental activities program revenues	<u>2,452,092</u>	<u>2,074,220</u>	<u>2,102,713</u>	<u>2,307,811</u>	<u>2,415,706</u>
Business-type activities					
Charges for services					
Electric Utility	10,682,392	10,324,206	10,997,916	12,035,897	12,915,245
Water and Wastewater Utility	8,068,351	7,499,207	6,827,438	6,844,702	5,971,629
Sanitation	2,174,190	2,117,927	2,036,994	1,978,335	1,908,373
Stormwater Utility	852,208	851,139	842,054	845,683	814,734
Cemetery	60,303	29,391	57,378	47,866	61,305
Operating grants and contributions					
Electric Utility	-	-	-	-	-
Water and Wastewater Utility	-	3,025	2,000	2,250	2,000
Sanitation	-	-	-	-	-
Stormwater Utility	-	-	115,929	-	2,466
Capital Grants and Contributions					
Electric Utility	-	29,769	31,508	45,840	-
Water and Wastewater Utility	1,901,875	1,294,754	653,726	521,530	971,208
Stormwater Utility	117,007	202,331	-	44,485	-
Total business-type activities program revenues	<u>23,856,326</u>	<u>22,351,749</u>	<u>21,564,943</u>	<u>22,366,588</u>	<u>22,646,960</u>
Total primary government program revenues	<u>\$ 26,308,418</u>	<u>\$ 24,425,969</u>	<u>\$ 23,667,656</u>	<u>\$ 24,674,399</u>	<u>\$ 25,062,666</u>

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

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

	Fiscal Year				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program Revenues					
Governmental activities					
Charges for Services					
General government	\$ 181,061	\$ 202,878	\$ 174,684	\$ 177,213	\$ 181,928
Public safety	918,845	1,379,273	1,497,998	1,393,277	1,008,786
Physical environment	4,030	-	40,575	55,620	53,310
Transportation	-	-	9,096	18,587	32,530
Culture and recreation	419,660	491,461	221,675	351,950	104,633
Operating Grants and Contributions					
General government	-	-	-	1,187	-
Public safety	-	31,893	18,990	17,529	29,762
Physical environment	-	-	-	-	-
Transportation	164,694	165,529	174,884	232,555	310,382
Culture and recreation	-	-	-	7,305	219,418
Grants and aid	29,413	-	-	-	-
Capital Grants and Contributions					
General government	-	-	-	2,275	2,000
Public safety	147,997	343,188	237,823	144,430	386,802
Physical environment	-	-	416,478	274,022	9,500
Transportation	-	-	-	-	-
Culture and recreation	368,135	1,647,294	925,701	803,800	554,159
Grants and aid	-	-	-	-	-
Total governmental activities program revenues	<u>2,233,835</u>	<u>4,261,516</u>	<u>3,717,904</u>	<u>3,479,750</u>	<u>2,893,210</u>
Business-type activities					
Charges for services					
Electric utility	11,942,165	11,293,738	10,606,134	10,115,125	8,503,788
Water and Wastewater utility	5,852,575	5,679,309	5,540,912	5,306,787	4,702,155
Sanitation	1,893,368	1,797,926	1,659,465	1,602,500	1,607,506
Stormwater utility	701,161	595,485	487,590	418,019	363,244
Cemetery	55,528	38,270	-	-	-
Operating grants and contributions					
Electric utility	5,184	-	-	-	90,108
Water and Wastewater utility	6,161	1,470	10,000	-	-
Sanitation	1,625	-	-	-	2,984
Stormwater utility	2,609	-	-	2,506	1,073,661
Capital Grants and Contributions					
Electric utility	-	-	750,000	778,789	-
Water and Wastewater utility	803,837	2,193,964	1,730,027	2,893,861	3,374,637
Stormwater utility	588,984	241,560	88,608	-	-
Total business-type activities program revenues	<u>21,853,197</u>	<u>21,841,722</u>	<u>20,872,736</u>	<u>21,117,587</u>	<u>19,718,083</u>
Total primary government program revenues	<u>\$ 24,087,032</u>	<u>\$ 26,103,238</u>	<u>\$ 24,590,640</u>	<u>\$ 24,597,337</u>	<u>\$ 22,611,293</u>

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

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

	Fiscal Year				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
Governmental Activities					
General Government	\$ 2,493,630	\$ 2,432,163	\$ 2,130,728	\$ 2,287,971	\$ 2,256,811
Public Safety	7,934,780	7,567,046	7,603,665	7,803,814	7,477,581
Physical Environment	-	-	2,316	1,791	2,285
Transportation	1,574,628	1,664,660	1,681,721	1,505,870	1,598,941
Culture and Recreation	3,214,825	2,877,536	2,645,608	2,474,613	2,370,129
Interest on long-term debt	116,189	82,169	102,941	194,133	249,881
Total governmental activities expenses	<u>15,334,052</u>	<u>14,623,574</u>	<u>14,166,979</u>	<u>14,268,192</u>	<u>13,955,628</u>
Business-type activities					
Electric	9,201,878	9,079,195	9,602,536	10,290,807	11,469,781
Water / Wastewater	6,633,938	6,612,703	6,186,750	6,719,473	6,098,546
Sanitation	2,167,724	2,091,761	2,031,374	1,970,385	1,949,096
Stormwater	878,731	988,600	847,512	807,019	708,143
Cemetery	147,258	136,146	144,469	173,149	148,597
Total business-type activities expenses	<u>19,029,529</u>	<u>18,908,405</u>	<u>18,812,641</u>	<u>19,960,833</u>	<u>20,374,163</u>
Total primary government expenses	<u>34,363,581</u>	<u>33,531,979</u>	<u>32,979,620</u>	<u>34,229,025</u>	<u>34,329,791</u>
Net (Expense)/Revenue					
Governmental activities	(12,881,960)	(12,549,354)	(12,064,266)	(11,960,381)	(11,539,922)
Business-type activities	4,826,797	3,443,344	2,752,302	2,405,755	2,272,797
Total primary government net expense	<u>(8,055,163)</u>	<u>(9,106,010)</u>	<u>(9,311,964)</u>	<u>(9,554,626)</u>	<u>(9,267,125)</u>
General revenues and other changes in net assets					
Governmental activities					
General revenues					
Property taxes	4,644,345	4,571,110	4,547,594	4,445,380	4,861,132
Public service taxes	1,446,485	1,867,561	1,820,926	1,857,841	1,873,661
Other taxes	1,902,317	1,351,654	910,268	954,811	1,075,927
Franchise fees	661,317	629,953	641,789	671,730	677,432
State and County shared rev. - unrestricted	2,013,460	1,804,701	1,746,271	1,598,248	1,567,623
Investment earnings (losses)	95,934	(45,406)	70,285	118,506	257,595
Miscellaneous revenue	261,675	361,624	45,022	450,978	393,164
Transfers	2,752,050	2,691,300	2,173,621	1,748,400	1,936,850
Total governmental activities	<u>13,777,583</u>	<u>13,232,497</u>	<u>11,955,776</u>	<u>11,845,894</u>	<u>12,643,384</u>
Business-type activities					
Interest earnings (losses)	94,334	(49,812)	72,160	107,916	200,198
Miscellaneous revenue	73,884	38,387	33,175	31,157	77,636
Transfers	(2,752,050)	(2,691,300)	(2,173,621)	(1,748,400)	(1,936,850)
Total business-type activities	<u>(2,583,832)</u>	<u>(2,702,725)</u>	<u>(2,068,286)</u>	<u>(1,609,327)</u>	<u>(1,659,016)</u>
Total primary government	<u>11,193,751</u>	<u>10,529,772</u>	<u>9,887,490</u>	<u>10,236,567</u>	<u>10,984,368</u>
Change in Net Assets					
Governmental activities	895,623	683,143	(108,490)	(114,487)	1,103,462
Business-type activities	2,242,965	740,619	684,016	796,428	613,781
Total primary government: change in net assets	<u>\$ 3,138,588</u>	<u>\$ 1,423,762</u>	<u>\$ 575,526</u>	<u>\$ 681,941</u>	<u>\$ 1,717,243</u>

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

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

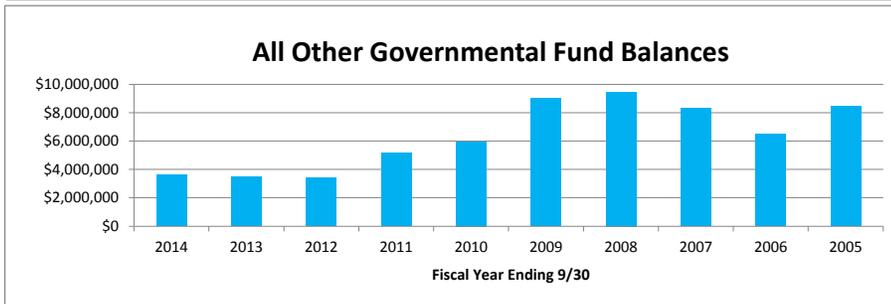
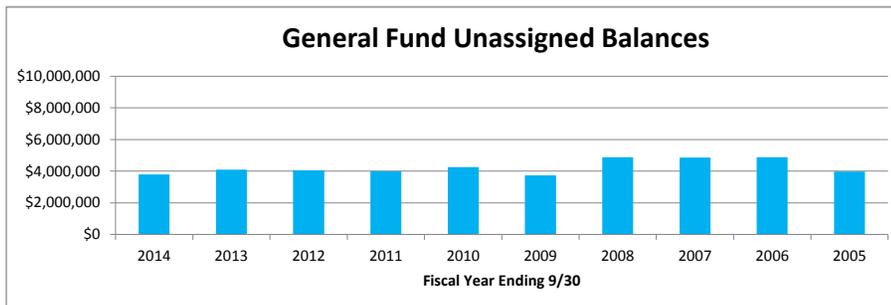
	<u>2009</u>	<u>2008</u>	<u>Fiscal Year 2007</u>	<u>2006</u>	<u>2005</u>
Expenses					
Governmental Activities					
General Government	\$ 2,242,323	\$ 2,506,635	\$ 1,990,873	\$ 2,340,300	\$ 2,013,388
Public Safety	7,612,660	7,720,632	7,260,150	6,174,389	5,154,776
Physical Environment	36,114	210,221	98,608	834,330	76,467
Transportation	1,629,318	1,700,728	2,438,644	1,414,961	1,231,113
Culture and Recreation	2,436,673	2,430,445	2,611,462	2,354,876	1,853,744
Interest on long-term debt	364,150	388,451	410,095	437,589	404,138
Total governmental activities expenses	<u>14,321,238</u>	<u>14,957,112</u>	<u>14,809,832</u>	<u>13,556,445</u>	<u>10,733,626</u>
Business-type activities					
Electric	11,028,955	11,286,466	10,188,842	9,494,720	8,848,203
Water / Wastewater	5,991,743	5,824,230	5,608,183	5,143,935	4,464,063
Sanitation	1,941,538	1,858,390	1,778,997	1,686,703	1,656,322
Stormwater	607,240	471,745	386,679	324,535	276,131
Cemetery	106,255	132,683	-	-	-
Total business-type activities expenses	<u>19,675,731</u>	<u>19,573,514</u>	<u>17,962,701</u>	<u>16,649,893</u>	<u>15,244,719</u>
Total primary government expenses	<u>33,996,969</u>	<u>34,530,626</u>	<u>32,772,533</u>	<u>30,206,338</u>	<u>25,978,345</u>
Net (Expense)/Revenue					
Governmental activities	(12,087,403)	(10,695,596)	(11,091,928)	(10,076,695)	(7,840,416)
Business-type activities	2,177,466	2,268,208	2,910,035	4,467,694	4,473,364
Total primary government net expense	<u>(9,909,937)</u>	<u>(8,427,388)</u>	<u>(8,181,893)</u>	<u>(5,609,001)</u>	<u>(3,367,052)</u>
General revenues and other changes in net assets					
Governmental activities					
General revenues					
Property taxes	5,146,296	5,180,370	5,137,047	4,234,363	3,713,026
Public service taxes	1,721,599	1,653,353	1,602,720	1,541,387	1,532,318
Other taxes	1,140,903	1,140,262	1,255,322	1,119,623	1,042,584
Franchise fees	642,088	594,705	568,066	551,608	470,138
State and County shared rev. - unrestricted	1,590,061	1,786,774	2,100,093	2,121,691	2,204,939
Investment income	450,508	578,423	800,926	564,765	240,317
Miscellaneous revenue	518,152	693,324	621,313	44,877	414,558
Transfers	2,008,600	2,271,636	2,909,670	2,641,739	1,339,450
Total governmental activities	<u>13,218,207</u>	<u>13,898,847</u>	<u>14,995,157</u>	<u>12,820,053</u>	<u>10,957,330</u>
Business-type activities					
Interest earnings	345,524	547,389	803,249	639,853	265,024
Miscellaneous revenue	70,618	87,846	99,305	289,955	160,242
Transfers	(2,008,600)	(2,271,636)	(2,909,670)	(2,641,739)	(1,339,450)
Total business-type activities	<u>(1,592,458)</u>	<u>(1,636,401)</u>	<u>(2,007,116)</u>	<u>(1,711,931)</u>	<u>(914,184)</u>
Total primary government	<u>11,625,749</u>	<u>12,262,446</u>	<u>12,988,041</u>	<u>11,108,122</u>	<u>10,043,146</u>
Change in Net Assets					
Governmental activities	1,130,804	3,203,251	3,903,229	2,743,358	3,116,914
Business-type activities	585,008	631,807	902,919	2,755,763	3,559,180
Total primary government: change in net assets	<u>\$ 1,715,812</u>	<u>\$ 3,835,058</u>	<u>\$ 4,806,148</u>	<u>\$ 5,499,121</u>	<u>\$ 6,676,094</u>

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

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

	Fiscal Year				
	2014	2013	2012	2011	2010
General Fund					
Nonspendable- Inventory & Prepaids	\$ 31,073	\$ 36,561	\$ 344,001	\$ 331,602	\$ 55,119
Assigned for Future Expenditures	158,250	-	-	-	-
Unassigned	3,792,396	4,098,436	4,064,399	4,000,305	4,266,521
Total General Fund	3,981,719	4,134,997	4,408,400	4,331,907	4,321,640
All Other Governmental Funds					
Nonspendable- Inventory & Prepaids	-	-	120	659	-
Restricted for					
Capital Improvements	2,592,716	3,089,095	2,640,334	2,802,496	4,151,774
Debt Service	501,027	466,635	414,732	406,374	909,183
Building Inspections	608,353	386,484	283,917	336,403	897,318
Law Enforcement	6,092	5,548	2,194	13,266	12,812
Library Improvements	-	-	-	-	3,931
Assigned					
Capital Improvement	553,300	391,877	439,392	1,319,541	-
Building Inspections	-	107,212	-	184,600	-
Debt Service	124,544	-	113,653	68,871	-
Unassigned	(790,504)	(992,741)	(462,536)	-	-
Total all other governmental funds	3,595,528	3,454,110	3,431,806	5,132,210	5,975,018
Total Fund Balances	\$ 7,577,247	\$ 7,589,107	\$ 7,840,206	\$ 9,464,117	\$ 10,296,658

	Fiscal Year				
	2009	2008	2007	2006	2005
General Fund					
Nonspendable- Inventory & Prepaids	\$ 548,494	\$ 70,679	\$ 20,068	\$ 331,468	\$ 301,305
Assigned for Future Expenditures	-	-	-	-	-
Unassigned	3,729,009	4,887,013	4,853,003	4,872,676	3,975,624
Total General Fund	4,277,503	4,957,692	4,873,071	5,204,144	4,276,929
All Other Governmental Funds					
Nonspendable- Inventory & Prepaids	-	-	-	-	-
Restricted for					
Capital Improvements	7,150,769	7,453,650	-	6,183,867	7,753,278
Debt Service	757,947	775,137	6,432,444	679,130	680,167
Library Improvements	3,869	3,766	16,343	7,406	6,353
Assigned					
Capital Improvement	-	-	3,628	3,439	3,303
Building Inspections	-	-	-	(348,705)	-
Debt Service	-	-	-	(12,699)	-
Total all other governmental funds	9,005,328	9,461,952	8,326,132	6,512,438	8,443,101
Total Fund Balances	\$ 13,282,831	\$ 14,419,644	\$ 13,199,203	\$ 11,716,582	\$ 12,720,030



CITY OF MOUNT DORA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Table A - 4
(modified accrual basis of accounting)
Last Ten Fiscal Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>Fiscal Year</u> <u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program Revenues										
Governmental Activities										
Taxes	\$ 7,993,147	\$ 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
Permits and Fees	1,247,681	1,181,697	939,458	1,038,659	1,183,824	1,213,811	830,852	1,188,733	914,518	681,228
Intergovernmental	2,957,867	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
Charges for service	546,271	446,413	447,480	391,044	421,637	498,186	629,516	581,859	600,413	494,288
Fines and forfeitures	65,920	91,093	56,546	71,420	107,353	77,635	195,450	116,783	122,989	103,865
Special assessments levied	-	-	-	-	-	-	-	40,667	50,821	288,275
Impact fees	308,960	394,996	183,886	222,067	491,211	464,973	1,229,735	940,277	648,843	534,003
Miscellaneous revenue	299,751	205,288	329,616	524,797	638,443	626,179	818,959	959,841	2,093,083	454,302
Total revenues	13,419,597	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
Program Expenditures										
Governmental activities										
General government	1,901,031	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
Public safety	7,555,835	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
Physical environment	-	-	-	-	-	-	-	90,367	51,851	61,194
Transportation	997,831	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
Culture and recreation	2,278,382	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
Grants and aid	327,972	119,344	93,207	59,941	44,899	57,859	60,931	82,657	-	-
Capital outlay	2,590,739	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
Debt service										
Principal payments	396,300	253,400	246,800	195,000	2,690,000	5,020,900	403,454	397,053	1,768,071	1,318,460
Interest	135,417	75,971	85,670	240,923	252,833	315,353	372,353	387,102	432,673	398,157
Other costs	-	-	-	34,690	1,050	31,585	1,050	1,050	1,247	17,620
Total expenditures	16,183,507	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
(Deficiency) Excess of Revenues (under) over expenditures	(2,763,910)	(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)
Other financing sources (uses)										
Transfers in	4,684,550	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
Transfer out	(1,932,500)	(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)
Issuance of debt/debt proceeds	-	2,500,000	-	3,635,400	-	2,500,000	-	-	-	4,500,000
Payment to Refund Bond Escrow	-	-	-	(3,550,000)	-	-	-	-	-	-
Total other financing sources (uses)	2,752,050	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
Net change in fund balance	\$ (11,860)	\$ (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
Debt service as a percentage of non-capital expenditures	3.4%	2.2%	2.4%	3.3%	17.9%	28.3%	5.3%	5.6%	15.7%	12.6%

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
2014	\$ 798,786,195	\$ 46,102,058	\$ 844,888,253	\$ 7,433,558	\$ 837,454,695	\$ 846,434,428	5.6667
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

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**	
2014	5.6667	4.9209	7.1700	1.0000	0.9690	19.7266
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

* 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														
	2014			2013			2012			2011			2010		
	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	\$ 15,270,799	1	1.80%	\$ 10,931,214	1	1.31%	\$ 9,937,467	1	1.14%	\$ 9,764,303	1	1.06%	\$ 8,798,948	4	0.96%
Wal-Mart Stores East, Inc.	8,412,634	2	0.99%	7,718,086	4	0.93%	8,322,822	3	0.96%	8,954,157	2	0.97%	8,957,967	3	0.97%
Waterman Healthcare Care Systems, Inc.	7,989,704	3	0.94%	8,088,977	2	0.97%	6,502,937	7	0.75%	7,297,260	5	0.79%	7,753,013	6	0.84%
HI-C Investments, Ltd.	7,853,270	4	0.93%	7,854,333	3	0.94%	7,865,037	4	0.90%	7,896,864	4	0.86%	8,487,098	5	0.92%
Lowe's Home Centers, Inc.	6,454,847	5	0.76%	6,487,762	6	0.78%	8,328,146	2	0.96%	8,377,981	3	0.91%	9,302,822	1	1.01%
Target Corp.	6,241,062	6	0.74%	6,267,198	7	0.75%	6,804,622	5	0.78%	6,830,759	6	0.74%	6,856,298	7	0.75%
Main Street Leasing Co.	5,729,344	7	0.68%	7,234,540	5	0.87%	5,112,767	10	0.59%	-	-	-	-	-	-
Pine Tree PME Loch Leven LLC	5,708,553	8	0.67%	5,725,261	8	0.69%	5,742,459	8	0.66%	5,057,196	9	0.55%	6,300,474	8	0.68%
Veranda Mt Dora LLC	6,065,285	9	0.72%	5,297,602	10	0.00%	-	-	-	-	-	-	-	-	-
Lake Care Systems, Inc.	5,825,282	10	0.69%	-	-	-	6,531,643	6	0.75%	6,798,078	7	0.74%	9,118,483	2	0.99%
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%
Embarq-Florida Inc.	-	-	-	-	-	-	-	-	-	4,843,601	10	0.53%	6,197,095	9	0.67%
Sprint-Florida, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lakes of Mount Dora Ventures, LP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park Square Enterprises, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PMR Properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cornerstone Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KIMCO Realty	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 75,550,780		8.93%	\$ 71,009,338		7.88%	\$ 70,664,149		8.13%	\$ 71,343,298		7.76%	\$ 77,314,617		8.39%

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														
	2009			2008			2007			2006			2005		
	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.	8,182,667	5	1.01%	9,176,308	5	0.86%	21,964,890	1	2.05%	8,991,981	4	1.01%	6,024,466	6	0.70%
HI-C Investments, Ltd.	9,284,797	3	0.82%	9,305,693	4	0.87%	8,929,961	6	0.83%	8,788,505	5	0.99%	7,693,884	4	0.90%
Wal-Mart, Inc.	10,073,416	2	0.93%	10,246,562	3	0.96%	11,873,036	2	1.11%	\$ 9,379,343	3	1.06%	\$ 10,940,861	1	1.28%
Main Street Leasing Co.	6,429,796	9	1.14%	7,199,238	10	0.67%	7,731,731	8	0.72%	6,295,058	10	0.71%	5,736,507	7	0.67%
Lowe's Home Centers, Inc.	11,294,470	1	0.82%	11,513,625	2	1.07%	11,509,120	3	1.07%	11,762,619	1	1.32%	-		
Target Corp.	8,175,594	6	0.65%	8,201,133	8	0.76%	9,975,878	5	0.93%	7,979,655	6	0.90%	-		
Pine Tree PME Loch Leven LLC	7,477,526	8	0.75%	8,313,071	7	0.78%	8,672,226	7	0.81%	10,788,564	2	1.21%	-		
Spring Harbor, Ltd.	5,748,468	10	0.58%	-			6,762,268	10	0.63%	6,773,581	9	0.76%	6,768,774	5	0.79%
Veranda Mt Dora LLC	-			-			-			-			-		
Lake Care Systems, Inc.	8,266,399	4	0.83%	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.	7,810,875	7	0.79%	-			7,349,810	9	0.70%	7,499,807	8	0.84%	8,376,778	3	0.98%
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%
Total	\$ 82,744,008		8.32%	\$ 92,658,427		8.64%	\$ 106,162,089		9.91%	\$ 85,759,051		9.65%	\$ 69,186,962		8.07%

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
2014	2013	\$ 4,796,490	\$ 4,539,109	94.63%	\$ -	4,539,109	94.63%
2013	2012	4,725,022	4,425,305	93.66%	105,158	4,530,463	95.88%
2012	2011	4,684,953	4,369,807	93.27%	145,804	4,515,611	96.39%
2011	2010	4,611,716	4,268,836	92.57%	177,788	4,446,624	96.42%
2010	2009	4,992,266	4,566,013	91.46%	176,544	4,742,557	95.00%
2009	2008	5,319,902	4,857,478	91.31%	295,118	5,152,596	96.86%
2008	2007	5,383,062	4,932,864	91.64%	288,818	5,221,682	97.00%
2007	2006	5,304,514	4,999,790	94.26%	247,506	5,137,047	96.84%
2006	2005	4,387,444	4,160,393	94.82%	137,257	4,234,363	96.51%
2005	2004	3,823,571	3,617,101	94.60%	73,970	3,713,026	97.11%

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									
	2014		2013		2012		2011		2010	
	Kilowatt Hours	Rank								
Mount Dora High School	2,063,520	1	2,041,920	1	2,108,160	1	2,213,280	1	2,226,240	1
Mount Dora Middle School	1,651,376	2	1,026,432	5	862,080	7	-	-	-	-
City of Mount Dora - Water Dept.	1,437,600	3	1,769,000	2	1,803,200	2	1,803,100	2	1,544,900	3
National Deaf Academy	1,184,200	4	1,149,240	4	1,171,960	4	1,179,360	4	1,209,360	5
Triangle Elementary School	1,179,896	5	1,152,472	3	1,247,268	3	1,389,032	3	1,268,428	4
Christian Home & Bible School	1,038,360	6	883,880	7	893,280	6	927,800	5	-	-
Hallmark Nameplate	936,600	7	998,520	6	901,200	5	890,760	6	899,640	6
Lakeside Corp of Mount Dora	834,800	8	826,600	8	839,000	10	670,400	10	862,800	7
City of Mount Dora - Perc Ponds	834,480	9	784,992	10	764,160	-	685,800	9	708,200	10
City of Mount Dora - Wastewater Plant	782,352	10	-	-	-	-	787,536	7	756,240	9
Avante At Mount Dora	-	-	790,880	9	796,360	9	778,200	8	809,200	8
Publix Super Markets	-	-	-	-	-	-	-	-	1,971,480	2
Database Management	-	-	-	-	-	-	-	-	-	-
Rising Star Management	-	-	-	-	-	-	-	-	-	-
Total	11,943,184		11,423,936		11,386,668		11,325,268		12,256,488	

Source: City Utility Records

**CITY OF MOUNT DORA
PRINCIPAL ELECTRICAL CUSTOMERS**

Table B - 5 - Part 2
Previous Five Fiscal Years

Electric Customer	2009		2008		2007		2006		2005	
	Kilowatt Hours	Rank								
Mount Dora High School	2,044,800	2	2,291,040	2	2,556,000	2	2,695,680	2	1,307,520	3
Mount Dora Middle School	-		-		-		-		-	
City of Mount Dora - Water Dept.	1,564,600	3	1,609,600	3	1,807,200	3	1,635,200	3	1,431,500	2
National Deaf Academy	1,213,119	5	1,159,693	6	1,143,469	6	1,152,874	7	1,104,956	5
Triangle Elementary School	1,300,156	4	1,392,232	4	1,389,300	5	1,441,160	5	1,050,788	6
Christian Home & Bible School	-		-		-		-		-	
Hallmark Nameplate	868,440	7	1,039,080	8	998,400	8	1,004,760	8	-	
Lakeside Corp of Mount Dora	919,400	6	1,070,800	7	1,101,600	7	1,220,600	6	1,172,000	4
City of Mount Dora - Perc Ponds	669,280	10	717,680	10	737,840	10	-		-	
City of Mount Dora - Wastewater Plant	787,008	8	-		-		-		787,800	8
Avante At Mount Dora	786,200	9	810,000	9	823,800	9	797,800	9	767,200	9
Publix Super Markets	2,750,400	1	2,773,680	1	2,851,680	1	2,827,680	1	2,857,320	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
Total	12,903,403		14,227,365		14,834,929		14,861,474		8,265,508	

Source: City Utility Records

**CITY OF MOUNT DORA
PRINCIPAL WATER CUSTOMERS**

Table B - 6 - Part 1
Last Five Fiscal Years

Water Customer	Fiscal Year									
	2014		2013		2012		2011		2010	
	Hundred Cubic Feet	Rank								
Spring Harbor, Ltd	29,852	1	23,985	1	23,419	1	19,372	1	21,392	1
Watermann Communities Inc.	17,344	2	14,073	3	15,766	2	13,185	2	13,923	2
Hammock Oaks	14,836	3	15,266	2	14,851	3	13,472	3	7,293	8
National Deaf Academy	9,536	4	7,747	6	7,884	7	7,359	7	5,898	10
Southernaire MHC, Inc.	9,381	5	9,600	4	8,605	5	9,161	5	8,427	6
Rath Harper & Assoc. (Veranda Apart.)	8,065	6	8,242	5	8,095	6	6,943	8	-	-
Mount Dora Commons	7,730	7	6,285	9	7,463	8	7,666	6	7,803	7
Mount Dora High School	7,189	8	7,581	8	11,679	4	9,521	4	11,076	4
Riley's Mobile Home Park	6,314	9	7,590	7	6,285	9	6,729	9	-	-
City Of Mount Dora Wastewater Plant	5,201	10	5,304	10	5,886	10	5,803	10	6,881	9
Lake Care Systems, Inc.	-	-	-	-	-	-	-	-	11,373	3
Lakeside Corp of Mount Dora	-	-	-	-	-	-	-	-	10,205	5
Avante At Mount Dora	-	-	-	-	-	-	-	-	-	-
Wal-Mart, Inc.	-	-	-	-	-	-	-	-	-	-
Ajax Building Corp	-	-	-	-	-	-	-	-	-	-
Bristol Lakes	-	-	-	-	-	-	-	-	-	-
Oakwood Association	-	-	-	-	-	-	-	-	-	-
Total - Hundred Cubic Feet	115,448		105,673		109,933		99,211		104,271	

Source: City Utility Records

**CITY OF MOUNT DORA
PRINCIPAL WATER CUSTOMERS**

Table B - 6 Part 2
Previous Five Fiscal Years

Water Customer	Fiscal Year									
	2009		2008		2007		2006		2005	
	Hundred Cubic Feet	Rank								
Spring Harbor, Ltd	21,265	1	26,854	1	29,318	1	10,318	3	30,899	1
Watermann Communities Inc.	15,236	2	19,245	2	18,455	2	-	-	-	-
Hammock Oaks	-	-	-	-	-	-	-	-	-	-
National Deaf Academy	-	-	-	-	4,055	10	4,019	10	-	-
Southernaire MHC, Inc.	7,448	7	7,537	6	9,033	6	8,752	5	8,949	6
Rath Harper & Assoc. (Veranda Apart.)	-	-	-	-	-	-	-	-	-	-
Mount Dora Commons	7,152	8	-	-	-	-	5,265	9	-	-
Mount Dora High School	12,152	3	9,106	5	9,538	5	9,898	4	17,124	4
Riley's Mobile Home Park	-	-	5,269	10	5,831	9	7,205	7	-	-
City Of Mount Dora Wastewater Plant	7,585	6	6,319	8	-	-	-	-	-	-
Lake Care Systems, Inc.	10,377	5	11,196	4	16,913	3	14,508	1	19,575	2
Lakeside Corp of Mount Dora	11,168	4	11,693	3	13,137	4	11,126	2	11,029	5
Avante At Mount Dora	6,206	9	5,496	9	6,203	8	5,505	8	8,651	7
Wal-Mart, Inc.	5,603	10	7,338	7	7,691	7	7,207	6	7,433	8
Bristol Lakes	-	-	-	-	-	-	-	-	18,316	3
Ajax Building Corp	-	-	-	-	-	-	-	-	7,226	9
Oakwood Association	-	-	-	-	-	-	-	-	5,711	10
Total - Hundred Cubic Feet	104,192		110,053		120,174		83,803		134,913	

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		
2014	\$ -	\$ 2,876,900	\$ -	\$ -	\$ -	\$ 2,362,000	\$ -	\$ 5,238,900	\$ 14,355,000	\$ 19,593,900	4.38%	\$ 1,522
2013	-	3,135,200	-	-	-	2,500,000	-	5,635,200	7,345,000	12,980,200	2.97%	\$ 1,023
2012	-	3,388,600	-	-	-	-	-	3,388,600	7,875,000	11,263,600	2.69%	897
2011	-	3,635,400	-	-	-	-	-	3,635,400	8,385,000	12,020,400	2.98%	972
2010	3,745,000	-	-	-	-	-	-	3,745,000	8,880,000	12,625,000	3.51%	1,080
2009	3,935,000	-	-	2,500,000	-	-	-	6,435,000	9,355,000	15,790,000	4.51%	1,423
2008	4,115,000	-	25,945	314,956	-	-	4,500,000	8,955,901	9,405,000	18,360,901	5.34%	1,626
2007	4,290,000	-	56,416	514,989	-	-	4,500,000	9,361,405	9,855,000	19,216,405	5.40%	1,609
2006	4,455,000	-	95,130	707,911	-	-	4,500,000	9,758,041	10,290,000	20,048,041	6.23%	1,802
2005	4,615,000	-	135,627	893,975	1,380,742	-	4,500,000	11,525,344	10,235,000	21,760,344	7.36%	1,997

(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, 2014

Taxing District	Debt Outstanding (1)	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Other Debt			
Lake County Board of County Commissioners	\$ 24,220,000	4.18%	\$ 1,012,555
School District of Lake County	31,580,000	4.18%	<u>\$ 1,320,252</u>
Subtotal - overlapping debt			2,332,807
City direct debt (3)			<u>5,238,900</u>
Total Direct and Overlapping Debt			<u><u>\$ 7,571,707</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>	
2014	\$ 8,138,436	\$ 4,955,871	\$ 3,182,565	\$ 550,000	\$ 266,705	3.90
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

- (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	
2014	\$ 1,297,378	\$ 604,939	\$ 1,675	\$ 1,903,992	\$ 258,300	\$ 61,136	5.96
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

- (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)
2014	12,949	\$ 450,392,118	\$ 34,782	0.99%	6.3%
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%

- (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	2013		
	Number of Employees	Rank	Percent of Total County Employment
Lake County Public Schools	6,796	1	5.51%
Leesburg Regional Medical Center	2,299	2	1.86%
Florida Hospital / Waterman, Inc.	1,500	3	1.22%
South Lake Hospital	1,500	3	1.22%
Lake County Government	1,410	4	1.14%
Villages of Lake-Sumter, Inc.	1,120	5	0.91%
Lake Medical Imaging	500	6	0.41%
Dura-Stress, Inc.	425	7	0.34%
Lake Port Square	400	8	0.32%
Raney Components	400	8	0.32%
Vista Clinicals	300	9	0.24%
Senninger Irrigation, Inc.	295	10	0.24%

Employer	2003		
	Number of Employees	Rank	Percent of Total County Employment
Lake County Public Schools	4,737	1	4.46%
Villages of Lake-Sumter, Inc.	1,900	2	1.79%
Leesburg Regional Medical Center	1,800	2	1.70%
Lake County Government	1,564	3	1.47%
Florida Hospital / Waterman, Inc.	1,500	5	1.41%
Sprint	719	6	0.68%
G&T Conveyor Company, Inc	533	7	0.50%
Lester Coggings Trucking, Inc.	500	8	0.47%
Lake Port Square	400	9	0.38%
Dura-Stress, Inc.	384	10	0.36%

Source: Metro Orlando Economic Development Commission.
 2012 Lake County Schools, FL Comprehensive Annual Financial Report
 2012 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				
	2014	2013	2012	2011	2010
General Government					
Administration	9.10	9.10	7.50	7.50	7.50
Finance	16.80	16.80	16.60	16.60	16.80
Planning	3.26	3.26	3.26	3.26	3.26
Building Maintenance	8.30	8.30	7.70	7.20	9.20
Public Safety					
Police	40.46	40.46	41.46	42.46	42.46
Police Communications	8.63	8.63	8.63	8.63	8.63
Fire	25.25	25.25	25.00	25.00	25.00
Physical Environment					
Electric	11.00	11.05	11.05	11.05	11.05
Water / Wastewater	32.20	31.53	30.30	30.20	29.42
Sanitation	1.23	1.28	1.25	1.25	1.25
Stormwater	4.15	4.15	4.00	3.80	2.80
Cemetery	1.85	1.85	1.85	2.35	2.35
Transportation					
Roads and Streets	8.20	8.75	8.55	8.55	9.55
Engineering	0.85	0.85	0.85	1.15	1.15
Culture and Recreation					
Library Services	9.35	9.35	9.35	9.35	9.13
Recreation	6.36	6.56	5.36	6.26	6.51
Parks Maintenance	7.25	7.25	7.25	7.25	6.25
Other					
CRA	4.00	4.00	4.00	4.00	4.00
NECRA	1.50	1.50	1.50	1.50	1.50
Protective Inspections	4.84	5.24	5.24	7.24	7.24
Motorpool	0.85	1.56	1.56	1.56	1.56
Total	<u>205.42</u>	<u>206.72</u>	<u>202.26</u>	<u>206.16</u>	<u>206.61</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				
	2009	2008	2007	2006	2005
General Government					
Administration	7.50	7.50	8.00	10.50	10.50
Finance	17.00	17.25	18.25	19.60	18.60
Planning	4.26	4.26	4.26	4.26	3.45
Building Maintenance	8.20	9.20	10.00	10.00	9.00
Public Safety					
Police	43.46	44.36	44.73	42.90	38.77
Police Communications	8.10	8.00	8.00	8.00	8.00
Fire	25.00	26.40	29.20	23.20	20.20
Physical Environment					
Electric	12.45	11.95	11.95	11.95	11.20
Water / Wastewater	31.22	30.72	28.35	28.25	23.60
Sanitation	1.13	1.10	1.10	1.10	1.10
Stormwater	3.30	2.70	2.95	1.95	1.70
Cemetery	2.35	2.35	2.00	2.00	0.50
Transportation					
Roads and Streets	10.00	11.40	12.40	11.40	11.30
Engineering	1.12	1.10	1.10	1.10	1.10
Culture and Recreation					
Library Services	9.98	10.98	11.95	11.90	10.80
Recreation	6.11	9.29	12.16	12.16	12.29
Parks Maintenance	6.59	7.49	4.84	4.50	6.50
Other					
CRA	5.00	5.00	5.00	4.00	4.00
NECRA	1.50	1.50	1.50	0.50	1.50
Protective Inspections	8.24	8.24	8.24	5.24	4.05
Motorpool	1.00	4.00	4.00	4.00	4.00
Total	<u>213.51</u>	<u>224.79</u>	<u>229.98</u>	<u>218.51</u>	<u>202.16</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</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	4	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	32	33	33
Patrol Vehicles	33	34	34	35	35

	Fiscal year				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Schools **					
Elementary	2	2	2	2	2
Junior/Senior High	1	1	1	1	1
Fire					
Stations	2	1	1	1	1
Firefighters	21	21	21	22	22
Response Vehicles	5	5	5	5	5
Parks and Recreation					
Park Acreage	216	216	216	243	227
Sports Fields & Courts Operated	16	16	16	5	5
City Facilities Operated	40	40	40	20	20
Police					
Stations	1	1	1	1	1
Officers ***	34	35	36	34	32
Patrol Vehicles	36	38	36	37	31

* 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,				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Water/Waterwater System					
Number of Water Accounts	8,652	8,369	8,142	8,019	7,935
Average Daily Consumption (in Hcf)	3,242	3,152	3,291	3,850	3,478
Number of Wastewater Accounts	6,154	5,901	5,709	5,537	5,441
Average Daily Consumption (in Hcf)	1,919	1,859	1,866	1,855	1,746
Number of Reclaimed Water Accounts	1,274	1,142	1,425	N/A	N/A
Average Daily Consumption (in Hcf)	1,625	1,527	1,022	N/A	N/A
Electric					
Energy Purchased (kWh)	90,977,383	88,435,395	88,072,494	94,304,554	98,575,322
Annual Peak Demand (kW)	21,765	21,783	20,712	22,987	24,859
Avg. Number of Accounts - Total	5,721	5,706	5,691	5,691	5,685
Energy Sales (kWh) - Total	88,296,418	84,496,597	84,364,970	89,857,216	94,648,835
Avg. Monthly Non-demand Consumption	2,769	2,650	2,963	2,845	3,000
Planning					
Total Building permits issued	969	956	861	786	951
Total Value of Construction (Thousands) \$	34,474	32,875	15,182	25,197	35,123
Number Planning Docket Items	17	28	29	30	29
Historic Preservation					
Number Historic properties reviewed	19	14	13	11	11
Cost of Improvements made to:					
Historic Commercial Properties	124,950	95,862	68,423	103,000	68,720
Historic Residential Properties	408,925	148,048	401,565	93,175	342,409
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	3,579	3,358	3,339	3,440	3,034
Total Number of Inspections	1,118	757	1,049	836	691
Total Number of Fire Building Calls	19	13	14	6	7
Parks and Recreation					
Recreation Programs	27	26	22	20	20
Program Attendance	15,231	14,787	8,807	8,508	8,531
Library					
Registered Borrowers	10,100	17,609	17,601	18,351	18,374
Volumes in Collection	84,464	85,360	83,839	84,907	81,025
Total Annual Circulation	238,496	250,597	225,068	286,672	318,903
Library Visits	326,693	251,080	227,246	286,413	327,774

Information is from City internal information

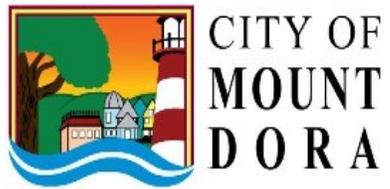
**CITY OF MOUNT DORA
OPERATING INDICATORS BY FUNCTION / PROGRAM**

Table E - 3

	For Fiscal Years Ending September 30,				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Water/Waterwater System					
Number of Water Accounts	7,766	7,520	7,154	6,814	6,453
Average Daily Consumption (in Hcf)	3,835	3,264	3,513	3,399	2,978
Number of Wastewater Accounts	5,231	4,817	4,437	4,169	3,997
Average Daily Consumption (in Hcf)	1,756	1,730	1,769	1,700	1,619
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)	93,739,396	96,521,132	100,680,912	103,407,409	99,824,759
Annual Peak Demand (kW)	22,997	22,896	24,058	24,254	25,138
Avg. Number of Accounts - Total	5,467	5,394	5,416	5,410	5,806
Energy Sales (kWh) - Total	90,001,944	92,057,332	94,495,830	98,094,800	95,899,500
Average Monthly Consumption (kWh)	2,743	2,490	2,231	2,487	2,376
Planning					
Total Building permits issued	881	944	1,159	1,067	832
Total Value of Construction (Thousands) \$	42,550	76,448	99,844	90,157	50,998
Number Planning Docket Items	40	64	65	97	81
Historic Preservation					
Number Historic properties reviewed	16	33	31	28	13
Cost of Improvements made to:					
Historic Commercial Properties	396,650	31,400	40,625	-	165,050
Historic Residential Properties	148,250	474,625	878,921	347,685	192,450
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	3,410	3,492	3,304	3,271	2,853
Total Number of Inspections	1,044	1,129	743	1,053	1,000
Total Number of Fire Building Calls	N/A	N/A	N/A	N/A	N/A
Parks and recreation					
Recreation Programs	21	28	31	29	7
Program Attendance	8,813	6,448	8,400	8,875	3,660
Library					
Registered Borrowers	19,284	18,145	16,402	16,097	15,764
Volumes in Collection	77,456	73,049	66,792	64,536	51,878
Total Annual Circulation	311,012	277,365	239,558	214,239	209,044
Library Visits	289,602	273,710	248,934	228,141	205,618

Information is from City internal information

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**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**

**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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 26, 2015.

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

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

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*.

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

February 26, 2015
Ocala, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited City of Mount Dora's (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, that could have a direct and material effect on each of City's major federal programs for the year ended September 30, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Certified Public Accountants

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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 COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133
(Concluded)**

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Purvis, Gray and Company, LLP

February 26, 2015
Ocala, Florida

CITY OF MOUNT DORA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

<u>Federal Awards</u>	<u>CFDA/ CSFA Number</u>	<u>Grant/Contract Number</u>	<u>Program Award Amount</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development				
Passed through State of Florida Department of Economic Opportunity:				
Community Development Block Grants/Entitlement Grants	14.228	13DB-OI-06-45-02-N13	700,000	\$ 699,612
Total U.S. Department of Housing and Urban Development				<u>699,612</u>
U.S. Department of Justice				
Passed through Florida Department of Law Enforcement:				
Bulletproof Vest Partnership Program	16.607	2013	2,280	2,280
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-JAGC-LAKE-4-E5-196	7,532	7,532
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAGD1314	3,013	3,013
Total U.S. Department of Justice				<u>12,825</u>
U.S. Federal Highway Administration				
Passed through Florida Department of Transportation				
Local Agency Program LAP Funding	20.205	AQY37	491,866	491,866
Local Agency Program LAP Funding	20.205	AQX12	347,880	333,544
Total U.S. Federal Highway Administration				<u>825,410</u>
Total Expenditures of Federal Awards				<u>\$ 1,537,847</u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Mount Dora, Florida, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
CITY OF MOUNT DORA, FLORIDA**

PART A - SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the basic financial statements of the City of Mount Dora, Florida (the City).
2. No significant deficiencies relating to the audit of the financial statements are reported in the report on internal control over financial reporting and on compliance and other matters based on an audit of the basic financial statements of the City.
3. No instances of noncompliance material to the basic financial statements of the City were disclosed during the audit (same report as No. 2 above).
4. No instances of significant deficiencies relating to the audit of the major federal programs are reported in the report on compliance with requirement applicable to each major federal program's internal control over compliance in accordance with the U.S. Office of Management and Budget (OMB) Circular A-133.
5. The independent auditors' report on compliance for the major federal award programs for the City expresses an unmodified opinion.
6. The audit disclosed no findings required to be reported for the major federal award programs under Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included the following:
 - **Federal Programs**
 - U.S. Department of Housing and Urban Development
 - ▶ Community Development Block Grants/Entitlement Grants, CFDA No. 14.228
 - U.S. Federal Highway Administration
 - ▶ Local Agency Program, LAP Funding CFDA No. 20.205
8. The threshold for distinguishing Type A and Type B programs was \$300,000 for major federal award programs.
9. The City did not qualify as a low-risk auditee pursuant to OMB Circular A-133.

PART B - FINDINGS - FINANCIAL STATEMENTS

No matters were reported.

PART C - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

No findings and questioned costs related to major federal award programs were disclosed during the audit.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
CITY OF MOUNT DORA, FLORIDA
(Concluded)**

PART D - SUMMARY SCHEDULE OF PRIOR FINDINGS

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to federal programs.

No Corrective Action Plan is required because there were no findings required to be reported under the *Federal Single Audit Act*.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

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

Report on Compliance

We have examined City of Mount Dora, Florida (the City) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2014, as required by Section 10.556(10)(a), *Rules of the Auditor General*.

Management's Responsibility

Management is responsible for the City's compliance with those requirements.

Auditors' Responsibility

Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

Opinion

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

Restriction on Use

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

Purvis, Gray and Company, LLP

February 26, 2015
Ocala, Florida

Certified Public Accountants

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

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Mount Dora, Florida (the City) as of and for the year ended September 30, 2014, and have issued our report thereon dated February 26, 2015.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General*.

Our Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Program and Internal Control over Compliance Required by OMB Circular A-133; Schedule of Findings and Questioned Costs and Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes. Disclosures in these reports, which are dated February 26, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554 (1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below:

Tabulation of Uncorrected Audit Findings	
Current Year Finding #	2012-2013 FY Finding #
2014-1	2013-1

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

MANAGEMENT LETTER
(Concluded)

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and the 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *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 the financial information provided by the same.

Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2, *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. Please see attached management letter comments.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts and 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.

Purpose of this Letter

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

Purvis, Gray and Company, LLP

February 26, 2015
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:

2014-1—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.

2014-2—Financial Reporting Software System Implementation

The City has selected and acquired a new financial reporting software system (the system) and will be implementing this new system during the 2015 fiscal year.

This software is a critical component of the City's operations and its internal control over financial reporting and affects all of the City's processes and internal controls over financial reporting; therefore, we offer the following comments to assist the City in this process:

Data Conversion—As part of the process, data will be converted from the old system to the new system. Data conversion is an inherently risky process. Some of the new system's information will rely on the completeness and accuracy of the old system's data that is converted. As such, we recommend that the City ensure that the data is converted completely and accurately and that this conversion is documented through reconciliations of the new system's information with the old system's information.

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

MANAGEMENT LETTER COMMENTS

(Concluded)

2014-2—Financial Reporting Software System Implementation (Concluded)

Processes and Controls—The new system will likely automate some current manual processes and controls and will likely require the City to change its existing processes and controls to reflect these new processes and controls. We recommend that the City carefully review and update its existing processes, procedures, and controls for any changes necessary to compensate for any risks or operational improvements that the City identifies with the new system. Additionally, we recommend that the City ensure that the new and changed processes and controls are documented through narratives and flowcharts.

System Access and Segregation of Duties—As part of the above process, we also recommend that the City pay particular attention to the access levels setup in the new system to ensure that there are proper segregation of duties. The City should consider documenting such considerations through a segregation of duties matrix that shows the different roles or groups setup in the system, the functions that the role or group has access to, as well as whether any of those functions creates a potential segregation of duties conflict for that role or group. Additionally, we recommend that the City carefully consider the users that are granted certain roles or setup in certain groups to ensure that there is proper segregation of duties.

System Controls—We recommend that the City periodically obtain and review the service provider's Service Organization Control (SOC) 1 and 2 reports to ensure that the service provider is performing the outsourced processes and controls. Additionally, we recommend that the City consider the "Complementary User Entity Control Considerations" from these SOC reports and ensure that there are controls in place to achieve the control objectives identified in the reports.

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

We would like to take this opportunity to express our appreciation for the courtesies, which we have extended to our staff. If you have any questions or comments, about the contents of this letter, or the information accompanying this letter, please do not hesitate to contact us.

Punio, Gray and Company, LLP

February 26, 2015
Ocala, Florida

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.cityofmountdora.com

February 26, 2015

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 February 26, 2015 for the year ended September 30, 2014.

Prior Year Recommendations - None

Current Year Recommendations:

2014-1 - Self-Insurance Monitoring:

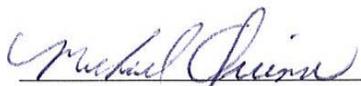
The City acknowledges and agrees that an annual actuarial report should be prepared and submitted each year for the Self-Insured Health Fund. The submittal will assist in the determination of proper funding from an outside source. The City is in the process of compliance with FS 112-08, which requires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

2014-2 - Financial Reporting Software Implementation:

The City concurs with the comment. At this time we are preparing to Go-Live and reviewing items which are converting which provide feedback to BS&A on adjusting for the final data conversion. Due consideration will be given to segregation of duties, system controls in all areas of management, as well as business processes.

Sincerely:



Michael Quinn
City Manager



Mike Sheppard
Finance Director

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