



CITY OF  
MOUNT  
D O R A

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Mount Dora, FL

Fiscal year ending September 30, 2015

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## **INTRODUCTORY SECTION**

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**CITY OF MOUNT DORA, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2015**

**MAYOR/CITY COUNCIL**

**MAYOR AS OF THE ISSUANCE DATE**

Nick Girone

**COUNCIL MEMBERS AS OF THE ISSUANCE DATE**

Ed Rowlett, Vice-Mayor  
Marc Crail  
Cal Rolfson  
Marie Rich  
Mark Slaby  
Laurie Tillett

**MAYOR AS OF THE FISCAL YEAR-END**

Catherine T. Hoechst

**COUNCIL MEMBERS AS OF THE FISCAL YEAR-END**

Ryan Donovan, Vice-Mayor  
Marie Rich  
Cal Rolfson  
Ed Rowlett  
Michael Tedder  
Dennis R. Wood

**INTERIM CITY MANAGER**

Kim Leinbach

**PREPARED BY THE FINANCE DEPARTMENT STAFF**

Mike Sheppard, Finance Director  
Sheila Hayes, Finance Manager  
Robert Brekelbaum, CPA, CPFIM, Budget/Utility Analyst  
Pamela Klim-Bjurmark, Staff Accountant  
Lin Wyss, Accounting Technician II

**AUDITORS**

Moore Stephens Lovelace, P.A.

**CITY OF MOUNT DORA, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED SEPTEMBER 30, 2015**

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Mount Dora, FL 32757

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Fax: 352-735-4801

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

Human Resources  
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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](http://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 nine 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, 2015.

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.

Moore Stephens Lovelace Certified Public Accountants, have issued an unmodified ("Clean") opinion on the City's financial statements for the year ended September 30, 2015. 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

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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 eight departments: Public Works and Utilities, Police, Fire, Parks and Recreation, Library Services, Planning and Development, Finance and Human Resources, each run by a professional from the appropriate field. Legal is currently out sourced and reports directly to the City Council, who is charged with the appointment of the contract.

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 eastern border of the growth spreading from the Orlando-Metro (Orange County) area. Due to the proximity of the City to the new expressway connecting Lake County to the Orlando-Metro area the City is expected to grow. The City has been involved with the approval of housing developments in its Lake County Joint Planning Area (JPA) that will eventually almost double the effective population of the City once the parkway and the Wolf Creek Innovation District are completed. There will be continued

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annexations to expanding the City limits within the JPA area. In addition to residential growth in Mount Dora, commercial growth along U.S. 441 will include major chain retailers and restaurants that depend on larger populations for their success. While no material residential housing developments have been seen the market appears to be starting to rebound. Specific economic conditions affecting the City's financial position are discussed in greater detail in the MD&A in this report.

For only the second year in the last six years, Lake County's unemployment numbers have been slightly lower than the State of Florida and the United States, and it has decrease over 6% 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 slowly increasing, as well as, the related ad valorem taxes. Vacancies in the downtown area have stabilized and are lower than levels experienced in other communities. The economic factors that has faced many communities, also has presented a challenge to the City to prepare a balanced budget. Although future revenues will be increasing, there is a need to address various budget items that were eliminated or reduced during the recession.

### **Relevant Financial Policies**

During the fiscal year, the City Council adopted a Five Year Capital Improvement Program outlining the capital improvements for all funds. This is the ninth straight year that a formal plan has been adopted. The proposed first year's capital projects of the program were included in the 2015-16 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 eighth year but only two pieces of equipment will be replaced for a total of \$30,000, which will allow an accumulation of funds for future years. 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

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and accomplishments, which were completed in fiscal year 2015, is provided as a background to the financial results during 2014-15:

- With the completion of Phase II of the Downtown Streetscape Project in 2014-15 and Phase III near completion at fiscal year-end, it brought the total cost for this major downtown redevelopment to over \$11 million. Planning for future phases has started.
- The 7<sup>th</sup> Ave. Stormwater project was completed at a total cost over \$1.5 million. The project complemented the Downtown Streetscape Stormwater Project, which diverted runoff that would otherwise affect the downtown area during major storms.
- The Water and Wastewater Department started operation of the new East Water Plant, with a cost of over \$6 million.
- The City sold a former school to a non-profit to operate a Montessori School for \$250,000.
- The City completed the purchase of 18 police cars at a cost of \$562,000 to upgrade one-half of their fleet.
- During the year, the City implemented new software for Finance, Utility Billing, Human Resources, Purchasing, Building Inspections, Work Orders, and Business Tax Receipts at a cost of \$300,000.
- We are currently in the process of hiring a new City Manager and have secured the services of an Interim City Manager to fill the void.

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.

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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.

In order to ensure adequate funding in the Water/Wastewater Fund the City has recently completed a new Rate study, the new rates will become effective April 1<sup>st</sup> of 2016. This will provide assurance to the proper financial institutions that the City is committed to the maintenance and improvements to the System.

### **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 Moore Stephens and Lovelace, CPA's 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,

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2014. This was the twenty-first 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

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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**

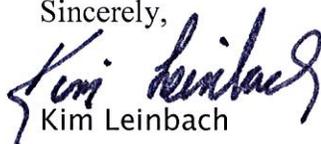
The financial report that follows details the financial results of 2014-15's activities and reports an overall improvement in our financial position since the prior year. Continued planning, efficient and cost-effective operations and responsible financial management has positioned the City to meet the 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,



Kim Leinbach

Interim City Manager

April 5, 2016



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

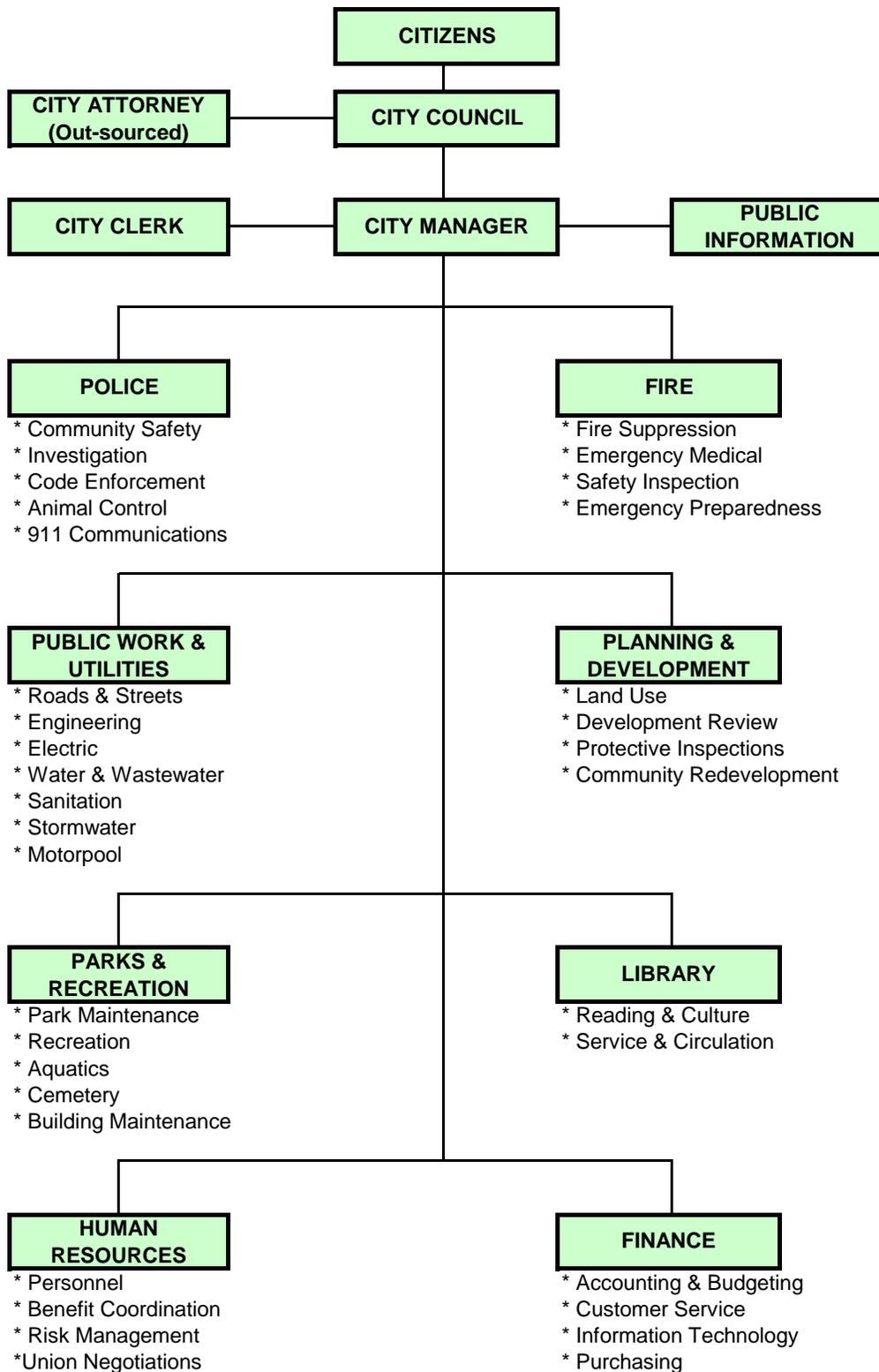
**City of Mount Dora  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO

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



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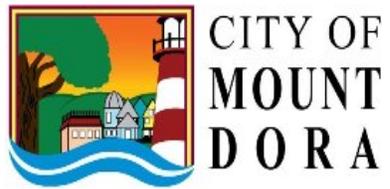
## **FINANCIAL SECTION**

**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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MOORE STEPHENS  
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the City Council  
City of 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 fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2015, 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.

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

**INDEPENDENT AUDITOR'S REPORT**  
*(Continued)*

**Emphasis-of-Matter – Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in the fiscal year ended September 30, 2015, the City adopted the provisions of Government Accounting Standards Board Statement (GASBS) Number 68, *Accounting and Financial Reporting for Pensions* and GASBS 87, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of the implementation of GASBS 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2014. Our opinions are not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT**  
*(Concluded)*

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Moore Stephens Lovelace, P.A.*

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
April 11, 2016

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## **Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2015**

### **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.

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**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, the Public Services Tax Fund, the Discretionary Sales Tax Capital Projects 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 20 through 24 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 65 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 66 through 81 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 81 through 92 of this report.

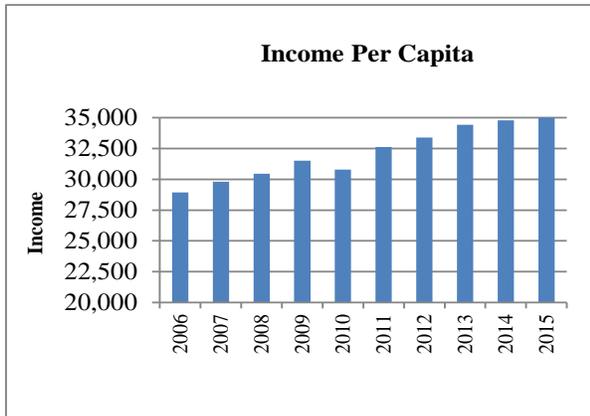
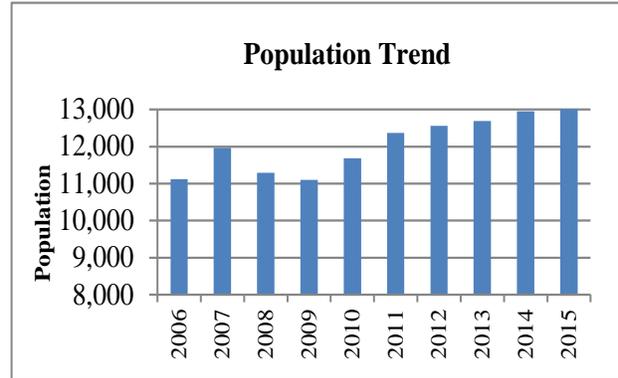
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*Economic Factors Affecting Financial Operations*

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 13,167 in 2015, 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, 2015 unemployment rate of 5.1%, (which is 1.2% lower than last year), is slightly below the state rate of 5.3%.

The per capita personal income in Lake County for 2015 was \$35,786, compared to \$28,942 in 2006, and is slightly higher than last year’s \$34,782. 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

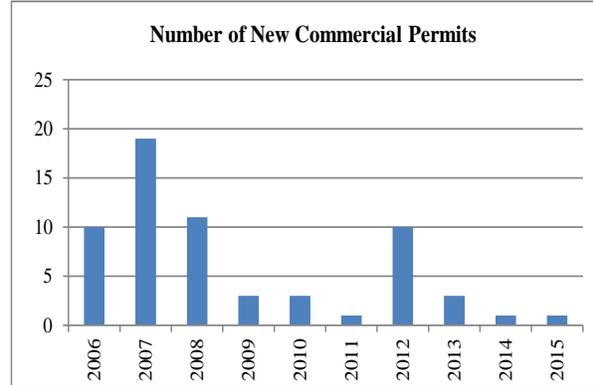
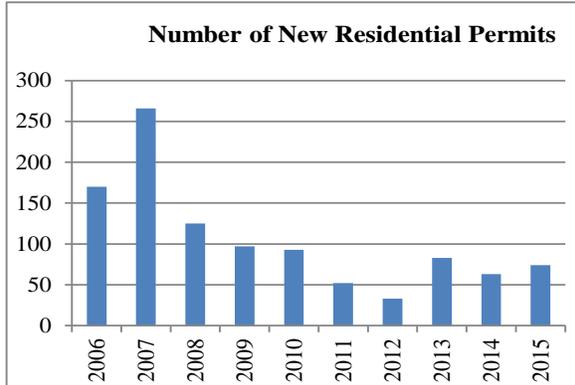
expressway between the I-4 corridor in northern Orange County, through the Wekiva area, to Mount Dora’s doorstep at SR 46 and will make commuting from Mount Dora the understandable choice.

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 the 429 toll road extension.

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.

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The slowdown in growth has allowed the City time to catch-up on infrastructure projects, but has not provided the additional needed capital. Current funds dedicated to capital projects have not been sufficient to continue infrastructure improvements and upgrades without having to borrow. In 2013 and 2014, the City borrowed funds for the CRA and Water & Wastewater Funds to help alleviate the shortage. 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. Future major capital projects will be in the Water & Wastewater Fund.

The City has increased the tax millage rate from 5.3891 mills in 2012 to 5.9970 mills in 2014-15, 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	
	2015	2014	2015	2014	2015	2013
<b>Assets</b>						
Current and Other Capital	\$ 10,882,032	\$ 11,277,374	\$ 20,476,416	\$ 19,519,834	\$ 31,358,448	\$ 30,797,208
Total Assets	55,647,458	55,455,084	71,649,864	69,384,522	127,297,322	124,839,606
<b>Deferred Outflows</b>	1,153,448	-	487,362	527,628	1,640,810	527,628
<b>Liabilities</b>						
Current and Other	1,903,351	1,646,820	5,660,663	6,238,856	7,564,014	7,885,676
Long Term Outstanding:						
Due within one year	949,504	699,719	696,339	639,964	1,645,843	1,339,683
Due in more than one year	8,873,742	6,706,163	13,835,290	14,152,780	22,709,032	20,858,943
Total Liabilities	11,726,597	9,052,702	20,192,292	21,031,600	31,918,889	30,084,302
<b>Deferred Inflows</b>	551,032	-	80,023	-	631,055	-
<b>Net Position</b>						
Net Investment in Capital Assets	39,571,544	38,938,810	43,706,330	41,954,352	83,277,874	80,893,162
Restricted	3,241,613	4,386,032	3,374,523	3,163,254	6,616,136	7,549,286
Unrestricted	1,710,120	3,077,540	4,784,058	3,762,944	6,494,178	6,840,484
Total Net Position	\$ 44,523,277	\$ 46,402,382	\$ 51,864,911	\$ 48,880,550	\$ 96,388,188	\$ 95,282,932

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**Management's Discussion and Analysis (Continued)**

*Assets* – For the fourth year in a row, the Government-wide Assets increased from the prior year to a total balance at year-end to over \$127 million. This year's Total Asset increase was \$2,457,716 versus \$9,825,291 addition for the prior year. The \$1.2 million increase in Current and Other Assets was primarily due to electric, as well as water and wastewater operations. Despite the overall increase, cash and investment were down by almost \$925,000 due to continued large capital expenditures. The capital assets increased by \$1.9 million, net of \$5 million in yearly depreciation. Receivables increased by \$1.6 million from last year mainly due to a \$1.3 million dollar wholesale electric power settlement, which was received in October. In addition to the regular capital projects, the completion of the East Water Plant and the Enterprise portion of the Downtown Streetscape II were the major components of the decrease in Capital Assets Not Being Depreciated (Work in Progress) and increase of Capital Assets Being Depreciated. The Downtown Streetscape II project was the major contributor to the Governmental Activities Capital increase of \$587,700. Capital Assets (e.g., land, buildings, machinery, and equipment) continue to consist of approximately 75% of the Total Assets.

*Liabilities* - Total Business Type Liabilities decreased by \$839,000 after increasing by \$6.5 million the previous year. The prior year issuance of a \$7,560,000 Water & Wastewater note for current and future infrastructure projects was the main component of the increase, while this year only a small loan of General Government of \$365,282 was issued. Also, Accounts Payable was reduced \$1,239,000 as there were less payables and retainage on construction contracts at year-end. The Unearned Revenue increased by \$487,000, as the Electric Rate Stabilization account added \$709,000, while Water & Wastewater unearned was reduced by \$222,000. Two other components of the entity-wide Long-term Liabilities increased - the Net OPEB Obligations by \$173,481, and Compensated Absences by \$13,346, while Net Pension Liabilities decreased by \$161,600.

*Net Position* - The City Entity-wide assets and deferred outflows exceeded its liabilities as of September 30, 2015 by \$96.4 million. Total Net Position increased by \$1.8 million from last year, which is the largest growth since 2008 and approximately five times the improvement in 2012. The increase was brought about by lower electric power costs, and the utility service charges increasing by \$1.3 million. Business-type Unrestricted Net Position rose by \$1 million due to higher operational income. The total Business-type operating expenses remained the same mainly due to a reduction of \$376,500 of electric power costs.

**Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 6,483,287	\$ 6,465,363	\$ 5,593,341	\$ 5,463,234	\$ 12,076,628	\$ 11,928,597
Buildings	20,238,023	20,140,819	18,449,007	12,580,985	38,687,030	32,721,804
Infrastructure	33,844,561	32,257,557	59,555,724	55,309,823	93,400,285	87,567,380
Machinery, Equipment and Materials	8,703,031	8,854,668	3,363,474	3,476,190	12,066,505	12,330,858
Construction in Progress	1,458,460	1,546,223	2,187,584	9,139,519	3,646,044	10,685,742
Less: Accumulated Depreciation	(25,961,936)	(25,086,920)	(37,975,682)	(36,105,063)	(63,937,618)	(61,191,983)
Net Capital Assets	<u>\$ 44,765,426</u>	<u>\$ 44,177,710</u>	<u>\$ 51,173,448</u>	<u>\$ 49,864,688</u>	<u>\$ 95,938,874</u>	<u>\$ 94,042,398</u>

Net Capital Assets increased by \$1.9 million versus almost \$7.3 million in 2014 as annual capital spending was reduced. This net asset still increased after \$5 million was recorded as entity-wide depreciation. For Business-type activities, capital assets before depreciation grew by \$3.2 million as the City is still vigorously constructing its infrastructure for future economic growth. Infrastructure spending increased assets by \$4.2 million while Construction in Progress decreased by \$6.9 million, as almost \$10 million of the CIP projects were completed. One of the major projects completed was the new East Water Plant, which added \$5.3 million to the Buildings category. Machinery and Equipment remained about the same as the vehicle fleet was modernized, while other purchases for small equipment were minimal. A more detailed schedule of Capital Asset activity for the year is included in the Notes.

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**Management's Discussion and Analysis (Continued)**

**Long-term Debt Activity**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue Bonds	\$ 5,193,882	\$ 5,238,900	\$ 13,952,575	\$ 14,704,721	\$ 19,146,457	\$ 19,943,621
Compensated Absences	1,079,161	1,079,658	297,385	283,545	1,376,546	1,363,203
Net Pension Liability	2,328,359	3,333,124	296,456	458,065	2,624,815	3,791,189
Net OPEB Obligation	1,221,844	1,087,324	371,067	332,106	1,592,911	1,419,430
<b>Total Debt</b>	<b>\$ 9,823,246</b>	<b>\$ 10,739,006</b>	<b>\$ 14,917,483</b>	<b>\$ 15,778,437</b>	<b>\$ 24,740,729</b>	<b>\$ 26,517,443</b>

Last year, due to a new note being issued for \$7,560,000, the Revenue Bonds payables grew by \$6,653,300. This year, there was only a small note of \$365,282 issued for the purchase of eighteen new police cars. The regular debt payments of the existing outstanding bonds reduced the bond debt by almost \$1 million.. Net OPEB Obligation increased by \$173,481 during the year due to increased medical costs and the pay-as-you go method for funding OPEB. The Compensated Absences increased by only \$21,508 due to salary increases. Net Pension Liabilities decreased by \$1,166,374 from the prior year. More information concerning Long-term Liabilities is disclosed in the Notes.

**Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
<i>Program Revenues</i>						
Charges for Services	\$ 1,242,440	\$ 1,198,724	\$ 23,156,968	\$ 21,837,444	\$ 24,399,408	\$ 23,036,168
Operating Grants and Contrib.	22,834	63,444	-	-	22,834	63,444
Capital Grants and Contrib.	443,624	1,189,924	1,789,743	2,018,882	2,233,367	3,208,806
<i>General Revenues</i>						
Property Taxes	5,063,514	4,644,345	-	-	5,063,514	4,644,345
Other Taxes	4,150,272	4,010,119	-	-	4,150,272	4,010,119
State Shared Revenues	2,192,121	2,013,460	-	-	2,192,121	2,013,460
Investment Earnings (Losses)	85,295	95,934	117,738	94,334	203,033	190,268
Other	316,194	261,675	69,365	73,884	385,559	335,559
<b>Total Revenues</b>	<b>13,516,294</b>	<b>13,477,625</b>	<b>25,133,814</b>	<b>24,024,544</b>	<b>38,650,108</b>	<b>37,502,169</b>
<b>Expenses</b>						
General Government	2,487,548	2,493,630	-	-	2,487,548	2,493,630
Public Safety	7,917,059	7,934,780	-	-	7,917,059	7,934,780
Physical Environment	-	-	18,975,126	19,029,529	18,975,126	19,029,529
Transportation	1,633,927	1,574,628	-	-	1,633,927	1,574,628
Culture and Recreation	3,509,701	3,214,825	-	-	3,509,701	3,214,825
Interest on Long-term Debt	111,527	116,189	-	-	111,527	116,189
<b>Total Expenses</b>	<b>15,659,762</b>	<b>15,334,052</b>	<b>18,975,126</b>	<b>19,029,529</b>	<b>34,634,888</b>	<b>34,363,581</b>
Excess (Deficit) Before Transfers	(2,143,468)	(1,856,427)	6,158,688	4,995,015	4,015,220	3,138,588
Net Transfers	2,845,050	2,752,050	(2,845,050)	(2,752,050)	-	-
<b>Increase in Net Position</b>	<b>701,582</b>	<b>895,623</b>	<b>3,313,638</b>	<b>2,242,965</b>	<b>4,015,220</b>	<b>3,138,588</b>
Net Position - October 1 <sup>st</sup> as restated for 2014	43,821,695	45,506,756	48,551,273	46,637,585	92,372,968	92,144,341
<b>Net Position - September 30<sup>th</sup></b>	<b>\$ 44,523,277</b>	<b>\$ 46,402,379</b>	<b>\$ 51,864,911</b>	<b>\$ 48,880,550</b>	<b>\$ 96,388,188</b>	<b>\$ 95,282,929</b>

## **Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2015 Management's Discussion and Analysis (Continued)**

### *Revenues*

The overall Government-wide revenues rose by \$1,147,900 after increasing by \$2,546,400 in 2014. This is the third year in a row that revenues have increased after decreasing \$1,356,000 in 2012. This year's improvement was due to higher Charges for Services revenues of \$1,363,000, which largely consisted of higher electric charges of \$541,900 and water/wastewater charges of \$577,200. The capital grants and impact fees were \$975,450 less this year, as capital grants related to projects diminished. Higher property tax collection (\$419,150), Other Taxes and State Shared Revenues (\$318,800) helped contribute to the 3.1% greater overall total revenues. Total Business-type revenues increased \$1,109,300, while Governmental Activities increased by only \$38,650.

### *Expenses*

The City continues to control the operating expenses in all facets of operation. This year expenses rose by \$271,307 or 0.08% versus an increase of \$831,600 or 2.48% last year. Two major benefit costs that have risen substantially in the past were retirement and health insurance. The combined costs of these two benefits were actually reduced in 2015, 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's employer contributions by \$105,250 in 2015. In addition, the overall health insurance expenses increased by only \$44,700 after a reduction of \$69,750 the previous year. All Business-type expenses were virtually the same as 2014, which was still significantly lower than the 2011 amount of \$19,960,800, primarily on account of decreasing electric power and utility plant operational expenses.

The transfer from Business-type activities more than offset the losses from Governmental activities resulting in a net increase in Net Position of \$876,000, slightly less than the \$895,600 last year. A strong showing from the Water and Wastewater operations (\$1,403,755) and Electric operations (\$1,179,478) led to a Net Position increase for Business-type activities. As the local economy has improved from the Great Recession, 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 \$4,015,220, which is by far the best in the last five years.

## **Significant Conditions Impacting Financial Position**

In the 2015-16 Budget, the City has had to take into consideration that the economy has improved and that property values have started to slowly rise. The millage rate was held at 5.9970 mills. A Special Fire Assessment fee will be implemented to raise approximately \$395,000 for future fire equipment. The work force will be augmented by only net 2.7 full-time equivalent positions citywide; the cost will be partially offset by the cancellation of a meter reading contract. The General Fund Budget was balanced without using any of the General Fund Reserves versus \$158,250 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.

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. Most of the funds have healthy balances and the City is committed to continue 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 service demands with the necessary infrastructure 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, 2015  
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 \$470,864 net increase versus the prior year's \$153,278 deficit, which was also better than the projected \$222,468 decreased budgeted. This reverses the two year trend of deficit spending in the General Fund. Revenues were slightly up from last year (\$813,000), up from the prior year (\$392,000). The total revenue exceeded the Final Budget by \$558,700 due primarily to an increase in local option sales tax, higher Charges for Services and the unexpected sale of a property to a non-profit organization for \$252,600.

The General Fund expenditures increased by only \$58,700 or 0.5% from the prior year. The only expenditure that was down significantly was Grants and Aid as the City shifted these and promotions and other related costs of special events to the Special Event Fund. Total expenditures were within a \$1,000 of the amended budget and only \$255,400 over the Original Budget. There were no major budget revisions during the year except for recognition of expenditures related to revenue sharing. The only area that was significantly under the revised budget was the Fire Department by \$70,150. The Transfers In were \$133,650 greater than the original budget due to recalculation of the PILOT and Return on Investment fees. The overall Transfers In were \$96,500 more than the preceding year. The Transfers Out rose by \$226,850 due to the creation of the Special Event Fund.

**Special Revenue Funds**

*Community Redevelopment Agency Fund*

The Community Redevelopment Agency Fund (CRA) was established by City Ordinance, in agreement with Lake County and based upon the State Statute and has been extended until 2042. Revenues are comprised of the incremental ad valorem taxes collected on property by the City and other government units in the downtown redevelopment district. In 2015, property taxes collected grew by \$29,950 versus an increase of just \$2,600 the prior year, which had reversed a five year downward trend. Intergovernmental Revenues (Incremental Ad Valorem Taxes) also grew by \$57,900 from the previous year due to higher district property values. Operating Expenditures, excluding debt service and capital expenditures were up \$88,600 due to an increase in grants that were provided. In 2013, the CRA issued \$2,500,000 in notes to fund a portion of the long anticipated Downtown Streetscape project, which has cost over \$5.3 million in General Government funds for the first three phases. Additional funds were provided by an inter-fund loan of \$500,000 during the third phase of construction.

*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. Ad valorem taxes and Intergovernmental Revenues (Incremental Ad Valorem Taxes) were up about \$43,500. Operating expenditures increased by only \$6,050 from last year. Capital outlays decreased by \$278,000 from the previous year, with the new pedestrian trail being completed in 2014. The Net Change in Fund Balance was \$101,000, which was similar to the prior year.

*Public Services Tax Fund*

This Fund accumulates the revenues that are pledged for the general debt repayment. Overall, revenues were up \$16,550 from last year due to a higher collection of Electric Utility Taxes. Telecommunication Services taxes were down another \$20,400 due to the State revisions in the collection formula. The previous year's decrease was \$25,050. The transfer to the General Fund was down \$500, while transfers to the Debt Service Fund were increased by \$10,000.

*Other Special Revenue Funds*

As Construction stayed level for 2015, the Building Inspection Fund improved by increasing Net Position by \$165,668 versus \$221,850 last year. Permit revenues were down \$46,500 from the prior year's level. Reversing a two-year trend, expenditures increased this year by \$10,930, versus a \$42,100 reduction last year.

## **Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2015 Management's Discussion and Analysis (Continued)**

The City is often called "Festival City" and it was felt prudent to track all revenues and expenses in a separate fund to determine how much total subsidy is provided and to which events. In 2014-15 Budget, it created the Special Events Fund to track the major festivals that are held in the city along with numerous other special events. Expenditures exceeded the charges to the event sponsors by \$215,381, which was covered by the planned transfer of \$222,850.

Most years, the Law Enforcement Fund that tracks federal and state forfeitures has little activity, except for accumulating funds for future equipment purchases. Fund Balance rose by \$2,268.

### **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 \$320,000 was used to make scheduled annual debt payments.

### **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 (\$189,350) with the library fee being the second largest (\$100,800). Neither of these two latter fees is collected on commercial properties. Due to the time of the payment of impact fees, the total impact fee received was only \$354,100 compared to \$527,750 last year. Construction expenditures were limited to one park enhancement project, along with additions to the library collection and minor equipment. The Police Impact Fees repaid \$22,500 and the Library Impact fees repaid \$80,000 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 \$81,850 as compared to last year's improvement of \$78,100, bringing the four year total increase to \$295,500. Capital expenditures were at a higher level (\$1,886,700) due to last year's delay in purchasing of police vehicles and the Downtown Streetscape Phase III project. This resulted in a decrease in with the fund balance by \$288,278 with a new net fund balance of \$1,200,751.

#### *Other Capital Funds*

The other Capital Funds had limited expenditures as the funds are being phased out. Expenditures for the new computer software upgrades were \$180,650, fire equipment was \$40,950 and a master plan were \$40,450. The fund balance was reduced to \$92,974, which will be used mostly for unexpected capital expenditures.

### **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 \$541,900, but there has been a decrease in total power costs of \$376,500, which brings the total wholesale power cost savings to \$1,463,300 in the last four years. Maintenance and administrative expenses decreased by \$30,900 after increasing \$41,200 during 2014. In 2013, the system received a \$1,284,500 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 increase of \$709,150 with a balance of \$1,278,600 at year-end. The system posted a \$1,179,478 profit versus a \$290,000 profit last year.

#### *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, 2.5% in April 2014 and finally 1.9% in October 2014. There were no increases in 2015. As a result of the increase and growth of the system, operating revenues increased \$1,818,100 or 26.6% in the last three years. Meanwhile expenses (excluding depreciation, amortization and interest) increased only

## **Comprehensive Annual Financial Report, Fiscal Year Ending September 30, 2015 Management's Discussion and Analysis (Continued)**

\$548,600 during the same three year period. In addition, impact fees from mainly new residential construction remained over \$1 million this year, but were down \$141,600 from last year. In recent years, there has been a continuing trend of huge capital construction spending, which has reduced 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 \$7.55 million for the last six years. In order to meet future capital needs, an effort is being made to contain the future operating costs and capital programs. The Fund had an improvement in its Net Position by \$1,403,755, primarily due to impact fee collections. This level of net income is not sufficient to fund all of the proposed capital projects.

### **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 these deficits. The fund had a \$46,014 increase in Net Position, due to the reduction in the allocation of administrative and general expenses plus the increased rates.

After accumulating cash for many years, the Stormwater Fund cash position was reduced because of capital expenditures of \$784,800 this year and \$1.8 million over the last two year on two major projects. It reduced the cash balance by almost \$2 million in the last two years. Operating expenses decreased by \$71,050 this period, despite the City having to continue to meet its additional obligations under the NPDES permit and having more facilities to maintain. The Net Position increased by \$656,107 only due to the receipt of the final capital grant payments of \$641,548.

The Cemetery Fund was started in the fiscal year 2008 to run the cemetery in a more businesslike manner. The Cemetery Fund had an improved the Net Position by \$28,284 due to increased sales by \$20,678 and the annual transfer from the General Fund of \$91,500 to subsidize operations.

### **Original Budget vs. Final Budget**

#### *General Fund*

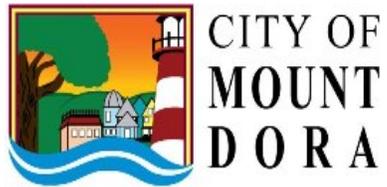
Accurate revenue projection is critical to sound budgeting. The amount of resources available for appropriation is the foundation for any budget and should be the basis for decision-making in the budget process. General Fund Revenues exceeded the Amended Budget by \$558,710 or 7.3% of the Amended Budget. These projections were in keeping with the expected slow growth of the general economy. The only major revenue differences (over \$50,000) from the Final Budget were an increase in local option sales tax collection, higher charges for services and the unexpected sale of a property to a non-profit organization for \$252,600. Due to the uncertainty of potential future revenue streams, the Administration continued to tightly control the operational budget. General Fund Expenditures were in line with the Amended Budget. The only difference over \$100,000 from the original appropriations was in the Police Department, where additional salary and fringe benefits exceeded the original budgeted amount. Transfers In increased \$133,650 due to the recalculation of PILOT and Return on Investment fees at year-end. Thus, the net change in fund balance of \$470,864 was better than the small projected deficit of \$156,050.

### **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. Copies of prior years' report and other financial documents may be seen on our departmental web page [cityofmountdora.com](http://cityofmountdora.com).

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF MOUNT DORA, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

<b>Assets</b>	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
Cash and Investments	\$ 10,110,075	\$ 15,458,247	\$ 25,568,322
Receivables, Net	371,198	3,861,017	4,232,215
Internal Balances	35,415	464,585	500,000
Due from Other Governments	321,897	-	321,897
Accrued Interest Receivable	13,846	13,126	26,972
Employee Advances	14,641	-	14,641
Inventories and Prepaid Items	14,960	679,441	694,401
Capital Assets:			
Capital Assets Not Being Depreciated	7,941,747	7,780,925	15,722,672
Capital Assets Being Depreciated - Net	36,823,679	43,392,523	80,216,202
<b>Total Assets</b>	<b>55,647,458</b>	<b>71,649,864</b>	<b>127,297,322</b>
<b>Deferred Outflows of Resources</b>			
Deferred Outflow on Interest Rate Swap	-	385,854	385,854
Pension Related Deferred Outflows	1,153,448	101,508	1,254,956
<b>Total Deferred Outflows of Resources</b>	<b>1,153,448</b>	<b>487,362</b>	<b>1,640,810</b>
<b>Liabilities</b>			
Accounts Payable	938,937	1,596,014	2,534,951
Accrued Liabilities	354,778	201,241	556,019
Due to Enterprise Fund	500,000	-	500,000
Unearned Revenue and Deposits	109,636	3,477,554	3,587,190
Fair Market Value of Interest Rate Swap	-	385,854	385,854
Long-term Liabilities:			
Due Within One Year	949,504	696,339	1,645,843
Due in More Than One Year	8,873,742	13,835,290	22,709,032
<b>Total Liabilities</b>	<b>11,726,597</b>	<b>20,192,292</b>	<b>31,918,889</b>
<b>Deferred Inflows of Resources</b>			
Pension related Deferred Inflows	551,032	80,023	631,055
<b>Net Position</b>			
Net Investment in Capital Assets	39,571,544	43,706,330	83,277,874
Restricted for:			
Capital Improvements	1,873,510	2,235,446	4,108,956
Debt Service	578,253	1,139,077	1,717,330
Building Inspections	774,021	-	774,021
Law Enforcement	15,829	-	15,829
Unrestricted	1,710,120	4,784,058	6,494,178
<b>Total Net Position</b>	<b>\$ 44,523,277</b>	<b>\$ 51,864,911</b>	<b>\$ 96,388,188</b>

See accompanying notes.

**CITY OF MOUNT DORA, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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	
<b>Governmental Activities</b>							
General Government	\$ 2,487,548	\$ 76,369	\$ 22,834	\$ -	\$ (2,388,345)	\$ -	\$ (2,388,345)
Public Safety	7,917,059	854,158	-	142,861	(6,920,040)	-	(6,920,040)
Transportation	1,633,927	-	-	-	(1,633,927)	-	(1,633,927)
Culture and Recreation	3,509,701	311,913	-	300,763	(2,897,025)	-	(2,897,025)
Interest on Long-term debt	111,527	-	-	-	(111,527)	-	(111,527)
<b>Total Governmental Activities</b>	<b>\$ 15,659,762</b>	<b>\$ 1,242,440</b>	<b>\$ 22,834</b>	<b>\$ 443,624</b>	<b>(13,950,864)</b>	<b>-</b>	<b>(13,950,864)</b>
<b>Business-type Activities</b>							
Electric Utility	8,839,187	11,224,288	-	-	-	2,385,101	2,385,101
Water and Wastewater Utility	6,961,483	8,645,543	-	1,148,195	-	2,832,255	2,832,255
Sanitation	2,222,235	2,268,030	-	-	-	45,795	45,795
Stormwater Utility	807,683	938,126	-	641,548	-	771,991	771,991
Cemetery	144,538	80,981	-	-	-	(63,557)	(63,557)
<b>Total Business-type Activities</b>	<b>\$ 18,975,126</b>	<b>\$ 23,156,968</b>	<b>\$ -</b>	<b>\$ 1,789,743</b>	<b>-</b>	<b>5,971,585</b>	<b>5,971,585</b>
<b>General Revenues</b>							
Taxes:							
Property Taxes					5,063,514	-	5,063,514
Public Service Taxes					1,529,506	-	1,529,506
Other Taxes					1,918,442	-	1,918,442
Franchise Fees					702,324	-	702,324
State & County Shared Revenues - unrestricted					2,192,121	-	2,192,121
Investment Earnings (Losses)					85,295	117,738	203,033
Miscellaneous					316,194	69,365	385,559
<b>Transfers</b>					<b>2,845,050</b>	<b>(2,845,050)</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>14,652,446</b>	<b>(2,657,947)</b>	<b>11,994,499</b>
<b>Change in Net Position</b>					<b>701,582</b>	<b>3,313,638</b>	<b>4,015,220</b>
<b>Net Position, Beginning of Year as Restated</b>					<b>43,821,695</b>	<b>48,551,273</b>	<b>92,372,968</b>
<b>Net Position, End of Year</b>					<b>\$ 44,523,277</b>	<b>\$ 51,864,911</b>	<b>\$ 96,388,188</b>

See accompanying notes.

**CITY OF MOUNT DORA, FLORIDA  
BALANCE SHEET  
ALL GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	General Fund	Community Redevelopment Agency Fund	Northeast Redevelopment Agency Fund	Public Services Tax Fund	Impact Fees Capital Projects Fund	Discretionary Sales Tax Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash and Investments	\$ 2,569,476	\$ 204,563	\$ 1,244,744	\$ 452,945	\$ 1,502,684	\$ 1,276,419	\$ 1,030,777	\$ 8,281,608
Receivables (Net)	308,834	-	-	54,221	-	-	1,066	364,121
Due from Other Funds	1,980,000	-	-	35,415	-	-	-	2,015,415
Due from Other Governments	160,906	-	-	48,820	-	112,171	-	321,897
Accrued Interest Receivable	4,913	227	1,595	252	1,860	1,435	1,156	11,438
Employee Advances	14,641	-	-	-	-	-	-	14,641
Inventory and Prepaid Items	14,960	-	-	-	-	-	-	14,960
<b>Total Assets</b>	<b>\$ 5,053,730</b>	<b>\$ 204,790</b>	<b>\$ 1,246,339</b>	<b>\$ 591,653</b>	<b>\$ 1,504,544</b>	<b>\$ 1,390,025</b>	<b>\$ 1,032,999</b>	<b>\$ 11,024,080</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts Payable	\$ 168,418	\$ 93,772	\$ -	\$ -	\$ 5,290	\$ 189,274	\$ 40,281	\$ 497,035
Accrued Liabilities	323,093	4,181	2,354	-	-	-	7,321	336,949
Due to Other Funds	-	500,000	-	-	1,980,000	-	-	2,480,000
Unearned Revenue and Deposits	109,636	-	-	-	-	-	-	109,636
<b>Total Liabilities</b>	<b>601,147</b>	<b>597,953</b>	<b>2,354</b>	<b>-</b>	<b>1,985,290</b>	<b>189,274</b>	<b>47,602</b>	<b>3,423,620</b>
<b>Fund Balances</b>								
Nonspendable								
Inventory and Prepaid Items	14,960	-	-	-	-	-	-	14,960
Restricted for:								
Capital Improvements	-	-	699,235	-	-	1,081,301	92,974	1,873,510
Debt Service	-	-	-	578,253	-	-	-	578,253
Building Inspections	-	-	-	-	-	-	774,021	774,021
Law Enforcement	-	-	-	-	-	-	15,829	15,829
Assigned for future expenditures:								
Subsequent Year's Budget	-	-	544,750	13,400	-	119,450	-	677,600
Debt Service	-	-	-	-	-	-	102,573	102,573
Unassigned:								
General Fund	4,437,623	-	-	-	-	-	-	4,437,623
Special Revenue Funds	-	(393,163)	-	-	(480,746)	-	-	(873,909)
<b>Total Fund Balance/( Deficits)</b>	<b>4,452,583</b>	<b>(393,163)</b>	<b>1,243,985</b>	<b>591,653</b>	<b>(480,746)</b>	<b>1,200,751</b>	<b>985,397</b>	<b>7,600,460</b>
<b>Total Liabilities and Fund Balances/(Deficits)</b>	<b>\$ 5,053,730</b>	<b>\$ 204,790</b>	<b>\$ 1,246,339</b>	<b>\$ 591,653</b>	<b>\$ 1,504,544</b>	<b>\$ 1,390,025</b>	<b>\$ 1,032,999</b>	<b>\$ 11,024,080</b>

See accompanying notes.

**CITY OF MOUNT DORA, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

**Total Fund Balances of Governmental Funds** \$ 7,600,460

**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 \$70,727,362 and the accumulated depreciation is \$25,961,936 (includes Internal Service Fund) 44,765,426

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. 1,396,050

Pension Related Deferred Outflows 1,153,448

Pension Related Deferred Inflows (551,032)

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	(5,193,882)
Accrued Interest Payable	(17,829)
Compensated Absences	(1,079,161)
Net Pension Liability	(2,328,359)
Unfunded Actuarial Accrued Liability -OPEB	(1,221,844)

**Total Net Position of Governmental Activities** \$ 44,523,277

**CITY OF MOUNT DORA, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	General	Community Redevelopment	Northeast Redevelopment	Public Services Tax	Impact Fees Capital Projects	Discretionary Sales Tax Capital Projects	Other Governmental	Total Governmental
	Fund	Agency Fund	Agency Fund	Fund	Fund	Fund	Funds	Funds
<b>Revenues</b>								
Taxes	\$ 4,812,056	\$ 426,127	\$ 183,619	\$ 1,918,442	\$ -	\$ 1,171,218	\$ -	\$ 8,511,462
Permits and Fees	728,918	-	-	-	-	-	533,363	1,262,281
Intergovernmental	1,674,271	432,815	186,796	-	10,596	-	-	2,304,478
Charges for Service	417,974	-	-	-	-	-	199,284	617,258
Fines and Forfeitures	51,917	-	-	-	-	-	2,220	54,137
Impact Fees	-	-	-	-	354,101	-	-	354,101
Miscellaneous	545,160	12,293	14,917	2,084	11,102	61,927	48,478	695,961
<b>Total Revenues</b>	<b>8,230,296</b>	<b>871,235</b>	<b>385,332</b>	<b>1,920,526</b>	<b>375,799</b>	<b>1,233,145</b>	<b>783,345</b>	<b>13,799,678</b>
<b>Expenditures</b>								
Current:								
General Government	1,317,741	355,765	171,085	-	-	11,195	52,653	1,908,439
Public Safety	7,224,097	-	-	-	-	7,009	432,452	7,663,558
Transportation	955,636	27,209	-	-	-	26,947	-	1,009,792
Culture and Recreation	2,243,278	-	-	-	-	-	394,682	2,637,960
Grants and Aid	22,583	199,821	68,313	-	-	-	-	290,717
Capital Outlay	152,797	695,257	44,895	-	51,605	1,841,554	158,690	2,944,798
Debt Service:								
Principal Payments	-	147,000	-	-	-	-	263,300	410,300
Interest	-	50,767	-	-	14,436	-	56,030	121,233
<b>Total Expenditures</b>	<b>(11,916,132)</b>	<b>(1,475,819)</b>	<b>(284,293)</b>	<b>-</b>	<b>(66,041)</b>	<b>(1,886,705)</b>	<b>(1,357,807)</b>	<b>(16,986,797)</b>
<b>(Deficiency) Excess of Revenues</b>								
<b>(Under) Over Expenditures</b>	<b>(3,685,836)</b>	<b>(604,584)</b>	<b>101,039</b>	<b>1,920,526</b>	<b>309,758</b>	<b>(653,560)</b>	<b>(574,462)</b>	<b>(3,187,119)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	4,471,050	-	-	-	-	-	542,850	5,013,900
Transfers out	(314,350)	-	-	(1,854,500)	-	-	-	(2,168,850)
Debt Proceeds	-	-	-	-	-	365,282	-	365,282
<b>Total Other Financing Sources (Uses)</b>	<b>4,156,700</b>	<b>-</b>	<b>-</b>	<b>(1,854,500)</b>	<b>-</b>	<b>365,282</b>	<b>542,850</b>	<b>3,210,332</b>
<b>Net Change in Fund Balances</b>	<b>470,864</b>	<b>(604,584)</b>	<b>101,039</b>	<b>66,026</b>	<b>309,758</b>	<b>(288,278)</b>	<b>(31,612)</b>	<b>23,213</b>
<b>Fund Balance (Deficits), Beginning of Year</b>	<b>3,981,719</b>	<b>211,421</b>	<b>1,142,946</b>	<b>525,627</b>	<b>(790,504)</b>	<b>1,489,029</b>	<b>1,017,009</b>	<b>7,577,247</b>
<b>Fund Balances (Deficits), End of Year</b>	<b>\$ 4,452,583</b>	<b>\$ (393,163)</b>	<b>\$ 1,243,985</b>	<b>\$ 591,653</b>	<b>\$ (480,746)</b>	<b>\$ 1,200,751</b>	<b>\$ 985,397</b>	<b>\$ 7,600,460</b>

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, 2015**

**Net Change in Fund Balances - Total Governmental Funds** \$ 23,213

**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 \$2,944,570 exceeded depreciation expense of \$2,275,966 668,604

Prepaid Net Pension Obligation used to provide for current-year contributions to retirement plans. 383,393

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

Debt Issued or Incurred:  
    Issuance of Notes (365,282)

Principal Repayments:  
    Bonds 410,300

Estimated increase in Net OPEB Obligations (134,520)

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 169  
    Accrued Interest on Long-term Debt (4,730)  
    Non-depreciable assets disposed during fiscal year (10,617)

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. (268,948)

**Change in Net Position of Governmental Activities** \$ 701,582

See accompanying notes

**CITY OF MOUNT DORA, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2015**

	Business-Type Activities					Total	Governmental
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Cemetery Fund		Internal Service Funds
<b>Assets</b>							
<b>Current Assets</b>							
Pooled Cash and Investments	\$ 4,322,989	\$ 206,683	\$ 191,227	\$ 137,408	\$ 34,080	\$ 4,892,387	\$ 1,828,467
Restricted Cash - Customer Deposits	674,224	351,167	66,343	-	-	1,091,734	-
Receivables:							
Customers (Net of Allowance for Uncollectible Accounts)	2,493,570	925,167	227,205	100,218	-	3,746,160	7,077
Due from Other Funds	500,000	-	-	-	-	500,000	-
Accrued Interest Receivable	6,738	6,248	6	134	-	13,126	2,408
Inventories, at Cost	543,922	135,519	-	-	-	679,441	-
<b>Total Current Assets</b>	<b>8,541,443</b>	<b>1,624,784</b>	<b>484,781</b>	<b>237,760</b>	<b>34,080</b>	<b>10,922,848</b>	<b>1,837,952</b>
<b>Noncurrent Assets</b>							
Restricted Assets							
Pooled Cash and Investments:							
Sinking	-	1,139,077	-	-	-	1,139,077	-
Note Construction Fund	-	6,099,603	-	-	-	6,099,603	-
Water Impact Fees	-	286,407	-	-	-	286,407	-
Wastewater Impact Fees	-	1,949,039	-	-	-	1,949,039	-
Total Restricted Assets	-	9,474,126	-	-	-	9,474,126	-
Account Receivable - noncurrent	-	-	-	114,857	-	114,857	-
Capital Assets							
Property, Plant and Equipment	17,022,039	59,663,813	81,305	10,150,757	43,632	86,961,546	1,935,297
(Accumulated Depreciation and Amortization)	(9,196,962)	(25,239,194)	(17,992)	(3,509,744)	(11,790)	(37,975,682)	(1,241,966)
Construction in Progress	3,668	2,105,077	-	78,839	-	2,187,584	-
Total Capital Assets - Cost Less Depreciation	7,828,745	36,529,696	63,313	6,719,852	31,842	51,173,448	693,331
<b>Total Noncurrent Assets</b>	<b>7,828,745</b>	<b>46,003,822</b>	<b>63,313</b>	<b>6,834,709</b>	<b>31,842</b>	<b>60,762,431</b>	<b>693,331</b>
<b>Total Assets</b>	<b>16,370,188</b>	<b>47,628,606</b>	<b>548,094</b>	<b>7,072,469</b>	<b>65,922</b>	<b>71,685,279</b>	<b>2,531,283</b>
<b>Deferred Outflows</b>							
Deferred Outflow on Interest Rate Swap	-	385,854	-	-	-	385,854	-
Pension Related Deferred Outflow	32,298	69,210	-	-	-	101,508	-
<b>Total Deferred Outflows</b>	<b>32,298</b>	<b>455,064</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>487,362</b>	<b>-</b>

Continued

See accompanying notes.

**CITY OF MOUNT DORA, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2015**  
*(Concluded)*

	Business-Type Activities					Total	Governmental Activities
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Cemetery Fund		Internal Service Funds
<b>Liabilities and Net Position</b>							
<b>Current Liabilities</b>							
Accounts Payable	\$ 756,535	\$ 488,294	\$ 326,270	\$ 24,651	\$ 264	\$ 1,596,014	\$ 441,902
Accrued Expenses	12,804	182,463	974	4,112	888	201,241	-
Due to Other Funds	35,415	-	-	-	-	35,415	-
Unearned Revenue	1,278,617	1,107,203	-	-	-	2,385,820	-
Bond Payable	-	563,379	-	-	-	563,379	-
Compensated Absences	38,807	76,498	1,959	14,779	917	132,960	-
Customer Deposits	674,224	351,167	66,343	-	-	1,091,734	-
<b>Total Current Liabilities</b>	<u>2,796,402</u>	<u>2,769,004</u>	<u>395,546</u>	<u>43,542</u>	<u>2,069</u>	<u>6,006,563</u>	<u>441,902</u>
<b>Long-term Liabilities</b>							
Bond Payable	-	13,003,342	-	-	-	13,003,342	-
Fair Market Value of Interest Rate Swap	-	385,854	-	-	-	385,854	-
Compensated Absences	47,991	94,600	2,423	18,276	1,135	164,425	-
Net OPEB Obligation	109,132	213,349	7,174	31,124	10,288	371,067	-
Net Pension Liability	94,327	202,129	-	-	-	296,456	-
<b>Total Long-term Liabilities</b>	<u>251,450</u>	<u>13,899,274</u>	<u>9,597</u>	<u>49,400</u>	<u>11,423</u>	<u>14,221,144</u>	<u>-</u>
<b>Total Liabilities</b>	<u>3,047,852</u>	<u>16,668,278</u>	<u>405,143</u>	<u>92,942</u>	<u>13,492</u>	<u>20,227,707</u>	<u>441,902</u>
<b>Deferred Inflows of Resources</b>							
Pension Deferred Inflow	25,462	54,561	-	-	-	80,023	-
<b>Long-term Liabilities</b>	<u>25,462</u>	<u>54,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,023</u>	<u>-</u>
<b>Net Position</b>							
Net Investment in Capital Assets	7,828,745	29,062,578	63,313	6,719,852	31,842	43,706,330	693,331
Restricted for Capital Improvements	-	2,235,446	-	-	-	2,235,446	-
Restricted for Debt Service	-	1,139,077	-	-	-	1,139,077	-
Unrestricted	5,500,427	(1,076,270)	79,638	259,675	20,588	4,784,058	1,396,050
<b>Total Net Position</b>	<u>\$ 13,329,172</u>	<u>\$ 31,360,831</u>	<u>\$ 142,951</u>	<u>\$ 6,979,527</u>	<u>\$ 52,430</u>	<u>\$ 51,864,911</u>	<u>\$ 2,089,381</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, 2015**

	Business-Type Activities					Total	Governmental
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Cemetery Fund		Internal Service Funds
<b>Operating Revenues</b>							
Charges for Services	\$ 11,224,288	\$ 8,645,543	\$ 2,268,030	\$ 938,126	\$ 80,981	\$ 23,156,968	\$ 2,523,668
<b>Operating Expenses</b>							
Purchased Power	6,306,426	-	-	-	-	6,306,426	-
Plant Operations	-	2,265,394	-	-	-	2,265,394	-
Distribution and Collection	1,075,892	1,254,240	2,076,368	239,609	-	4,646,109	-
Administration and General	900,050	1,455,542	138,614	140,912	142,345	2,777,463	2,653,977
Depreciation and Amortization	556,819	1,575,418	7,253	427,162	2,193	2,568,845	219,998
<b>Total Operating Expenses</b>	<u>8,839,187</u>	<u>6,550,594</u>	<u>2,222,235</u>	<u>807,683</u>	<u>144,538</u>	<u>18,564,237</u>	<u>2,873,975</u>
<b>Operating Income (Loss)</b>	<u>2,385,101</u>	<u>2,094,949</u>	<u>45,795</u>	<u>130,443</u>	<u>(63,557)</u>	<u>4,592,731</u>	<u>(350,307)</u>
<b>Non-operating Revenues (Expenses)</b>							
Investment Earnings	35,782	73,806	219	7,590	341	117,738	13,341
Interest Expense	-	(410,889)	-	-	-	(410,889)	-
Other Income	51,345	14,994	-	3,026	-	69,365	68,018
<b>Total Non-operating Revenues (Expenses)</b>	<u>87,127</u>	<u>(322,089)</u>	<u>219</u>	<u>10,616</u>	<u>341</u>	<u>(223,786)</u>	<u>81,359</u>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	2,472,228	1,772,860	46,014	141,059	(63,216)	4,368,945	(268,948)
<b>Capital Contributions and Transfers</b>							
Capital Contributions	-	1,060,694	-	-	-	1,060,694	-
Capital Grant	-	87,501	-	641,548	-	729,049	-
Transfers in	-	-	-	-	91,500	91,500	-
Transfers (out)	(1,292,750)	(1,517,300)	-	(126,500)	-	(2,936,550)	-
<b>Net Capital Contributions and Transfers</b>	<u>(1,292,750)</u>	<u>(369,105)</u>	<u>-</u>	<u>515,048</u>	<u>91,500</u>	<u>(1,055,307)</u>	<u>-</u>
<b>Change in Net Position</b>	1,179,478	1,403,755	46,014	656,107	28,284	3,313,638	(268,948)
<b>Net Position, Beginning of Year, as restated</b>	12,149,694	29,957,076	96,937	6,323,420	24,146	48,551,273	2,358,329
<b>Net Position, End of Year</b>	<u>\$ 13,329,172</u>	<u>\$ 31,360,831</u>	<u>\$ 142,951</u>	<u>\$ 6,979,527</u>	<u>\$ 52,430</u>	<u>\$ 51,864,911</u>	<u>\$ 2,089,381</u>

See accompanying notes.

**CITY OF MOUNT DORA, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Business-Type Activities					Total	Governmental
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Cemetery Fund		Internal Service Funds
<b>Cash Flows from Operating Activities</b>							
Cash Received from Customers, Including							
Cash Deposits	\$ 9,977,001	\$ 8,555,873	\$ 2,255,002	\$ 951,426	\$ 80,981	\$ 21,820,283	\$ 2,504,584
Cash Paid to Suppliers	(6,808,018)	(3,843,807)	(1,987,312)	(480,359)	(62,675)	(13,182,171)	(2,519,476)
Cash Paid to Employees for Services	(867,701)	(1,644,526)	(60,900)	(187,653)	(83,251)	(2,844,031)	(15,838)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>2,301,282</u>	<u>3,067,540</u>	<u>206,790</u>	<u>283,414</u>	<u>(64,945)</u>	<u>5,794,081</u>	<u>(30,730)</u>
<b>Cash Flows from Noncapital Financing Activities</b>							
Transfers In	-	-	-	-	91,500	91,500	-
Transfers Out	(1,292,750)	(1,517,300)	-	(126,500)	-	(2,936,550)	-
Interfund Loan	(500,000)	-	-	-	-	(500,000)	-
Other non-operating receipts	3,884	7,706	-	3,026	-	14,616	19,497
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>(1,788,866)</u>	<u>(1,509,594)</u>	<u>-</u>	<u>(123,474)</u>	<u>91,500</u>	<u>(3,330,434)</u>	<u>19,497</u>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Capital Contributions	-	838,724	-	-	-	838,724	-
Property, Plant and Equipment Acquisitions	(987,348)	(2,549,348)	(44,384)	(784,828)	-	(4,365,908)	(149,728)
Subsidy from Grants	-	87,501	-	729,048	-	816,549	-
Cash Received from Sale of Assets	3,406	-	-	-	-	3,406	41,444
Property Rent	19,663	-	-	-	-	19,663	-
Insurance Proceeds	24,392	7,288	-	-	-	31,680	-
Principal Payments on Debt	-	(646,000)	-	-	-	(646,000)	-
Interest Paid	-	(475,629)	-	-	-	(475,629)	-
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(939,887)</u>	<u>(2,737,464)</u>	<u>(44,384)</u>	<u>(55,780)</u>	<u>-</u>	<u>(3,777,515)</u>	<u>(108,284)</u>
<b>Cash Flows from Investing Activities</b>							
Net Investment Activity	38,375	77,037	224	9,091	345	125,072	14,086
<b>Total Cash Flows from Investing Activities</b>	<u>38,375</u>	<u>77,037</u>	<u>224</u>	<u>9,091</u>	<u>345</u>	<u>125,072</u>	<u>14,086</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(389,096)</u>	<u>(1,102,481)</u>	<u>162,630</u>	<u>113,251</u>	<u>26,900</u>	<u>(1,188,796)</u>	<u>(105,431)</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<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>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 4,997,213</u>	<u>\$ 10,031,976</u>	<u>\$ 257,570</u>	<u>\$ 137,408</u>	<u>\$ 34,080</u>	<u>\$ 15,458,247</u>	<u>\$ 1,828,467</u>

Continued

See accompanying notes.

**CITY OF MOUNT DORA, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**  
*(Concluded)*

	<b>Business-Type Activities</b>					<b>Total</b>	<b>Governmental</b>
	<b>Electric Utility Fund</b>	<b>Water and Wastewater Fund</b>	<b>Sanitation Fund</b>	<b>Stormwater Utility Fund</b>	<b>Cemetery Fund</b>		<b>Internal Service Funds</b>
<b>Shown in the Financial Statements as</b>							
Pooled Cash and Investments	\$ 4,322,989	\$ 206,683	\$ 191,227	\$ 137,408	\$ 34,080	\$ 4,892,387	\$ 1,828,467
Cash - Customer Deposits	674,224	351,167	66,343	-	-	1,091,734	-
Restricted Cash	-	9,474,126	-	-	-	9,474,126	-
<b>Total</b>	<b>\$ 4,997,213</b>	<b>\$ 10,031,976</b>	<b>\$ 257,570</b>	<b>\$ 137,408</b>	<b>\$ 34,080</b>	<b>\$ 15,458,247</b>	<b>\$ 1,828,467</b>
<b>Reconciliation of Operating Income to Net Cash</b>							
<b>Provided by (Used in) Operating Activities</b>							
Operating Income (Loss)	\$ 2,385,101	\$ 2,094,949	\$ 45,795	\$ 130,443	\$ (63,557)	\$ 4,592,731	\$ (350,307)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Depreciation and Amortization	556,819	1,575,418	7,253	427,162	2,193	2,568,845	219,998
Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease):							
Accounts Receivable - Net	(1,246,779)	(99,205)	(12,281)	13,300	-	(1,344,965)	-
Inventories	(40,854)	(29,533)	-	-	-	(70,387)	13,075
Prepaid Items	13,770	188	-	-	-	13,958	-
Accounts Payable	(70,769)	(425,723)	166,478	(297,007)	(682)	(627,703)	87,147
Accrued Expenses	(4,937)	(49,122)	(325)	(2,419)	(868)	(57,671)	(315)
Due to Other Funds	3,365	-	-	-	-	3,365	-
Unearned Revenue	709,134	-	-	-	-	709,134	-
Compensated Absences	3,335	4,334	(116)	9,368	(3,082)	13,839	(328)
Net OPEB Obligation	10,884	23,726	733	2,567	1,051	38,961	-
Net Pension Liability	(17,279)	(37,027)	-	-	-	(54,306)	-
Customer Deposits	(508)	9,535	(747)	-	-	8,280	-
Total Adjustments	(83,819)	972,591	160,995	152,971	(1,388)	1,201,350	319,577
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 2,301,282</b>	<b>\$ 3,067,540</b>	<b>\$ 206,790</b>	<b>\$ 283,414</b>	<b>\$ (64,945)</b>	<b>\$ 5,794,081</b>	<b>\$ (30,730)</b>

See accompanying notes.

**CITY OF MOUNT DORA, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**SEPTEMBER 30, 2015**

	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 12,230
Investments:	
Money Market Funds	577,093
Bonds	1,133,332
Stocks	7,143,580
Bond Mutual Fund	8,542,671
Stock Mutual Fund	10,155,542
Real Estate Investments	2,809,465
Accrued Interest Receivable	13,811
<b>Total Assets</b>	<b>30,387,724</b>
<b>Liabilities - Payables</b>	<b>484,645</b>
<b>Net Position</b>	
Held in Trust for:	
Employees' Pension Benefits	<b>\$ 29,903,079</b>

See accompanying notes.

**CITY OF MOUNT DORA, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Pension Trust Funds</u>
<b>Additions</b>	
Contributions:	
Employer	\$ 1,078,263
Employee	295,459
Employer from State	<u>170,687</u>
Total Contributions	<u>1,544,409</u>
Investment Earnings	270,410
Less: Investment Management Fees	<u>(109,660)</u>
Net Investment Income (Loss)	<u>160,750</u>
<b>Total Additions</b>	<u>1,705,159</u>
<b>Deductions</b>	
Pension Benefit Payments and Refunds	1,812,245
General and Administrative	<u>117,060</u>
<b>(Total Deductions)</b>	<u>(1,929,305)</u>
<b>Net Increase</b>	<u>(224,146)</u>
<b>Net Position Reserved for Employees'</b>	
<b>Pension Benefits</b>	
Beginning of Year	<u>30,127,225</u>
End of Year	<u>\$ 29,903,079</u>

See accompanying notes.

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**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)*

- **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.

■ **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)*

- **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 accumulation of funds for future vehicle replacements, related depreciation and charges for a vehicle replacement program. The Motorpool Fund sub fund for the cost of operating a maintenance facility for automotive equipment used by other City departments was discontinued September 30, 2015. The assets were allocated based upon percentage of charges for each fund/department over the last three years.
- **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 30<sup>th</sup> 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 for 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 \$4,476 for the General Fund; \$97,101 for the Electric Fund; \$70,537 for the Water & Wastewater Fund; \$16,744 for the Sanitation Fund; and \$6,361 for the Stormwater Fund as of September 30, 2015. Uncollectible amounts shown as an expense was \$31,206 for the Electric Fund; \$21,225 for the Water & Wastewater Fund; and \$2,780 for the Sanitation Fund for the year ended September 30, 2015.

**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 2015, \$64,740 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 (Deficits)/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/(Deficits)/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, which designation may be reversed 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. Both the CRA and Impact Fees Capital Funds have deficit balances, which will be repaid from future revenues.

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(Deficit)/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, 2015 was 5.997 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 2014-15 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, 2015, the On-behalf payments to the City totaled \$85,499 for the Police Officers' Retirement Plan and \$85,188 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, 2015, 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, 2015:

<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	\$ 10,805,688	\$ -	\$10,805,688	\$ -
Certificate of Deposits	1,750,000	1,250,000	500,000	-
Local Government Surplus Trust Fund	89,269			
Money market accounts	4,656,675			
Total Investments	17,301,632			
Demand deposits	8,263,471			
Petty cash	3,219			
Total Cash and Investments	<u>\$ 25,568,322</u>			

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

**Note 2 - Cash and Investments (Continued)**

**Investments (Continued)**

The following is a summary of pension investments held by the City as of September 30, 2015:

	<b>Fair Value</b>	<b>Maturities</b>		
		<b>1 Year or less</b>	<b>1-5 Years</b>	<b>5-10 Years</b>
U.S. Treasuries	\$ 1,133,332	\$ -	\$ 639,848	\$ 493,484
Money market accounts	577,093			
Domestic stocks	6,291,497			
International Stocks	852,083			
Domestic fixed income mutual funds	7,075,520			
International fixed income mutual funds	1,467,151			
Domestic stock mutual funds	10,155,542			
International stock mutual funds	-			
Real estate investment trust	2,809,465			
Total Investments	<u>30,361,683</u>			
Cash	<u>12,230</u>			
Total Cash and Investments	<u><u>\$ 30,373,913</u></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, 55.4% 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 29 days as of September 30, 2015. FLSAFE has 54 days weighted average maturity. The Florida Municipal Investment Trust 0-2 Year High Quality Bond Fund has 0.70 year weighted average maturity and the 1-3 Year High Quality Bond Fund has 1.37 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 (\$12,841), Florida Municipal Investment Trust 0-2 Year High Quality Bond Fund (\$1,553,098) and the 1-3 Year High Quality Bond Fund (\$3,090,736), 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 \$7,075,520 in Galliard Immediate Bond mutual fund, \$5,596,212 in Dana Equity Portfolio commingled stock mutual fund, \$3,377,249 in Vanguard Dividend Appreciation Fund, \$3,302,692 in Vanguard S & P Mid-cap Fund, \$1,908,232, in Dodge & Cox International Stock Fund and \$1,567,370 in American Fund EuroPacific Growth Fund.

**Note 3 - Capital Assets**

Capital asset activity for the year ended September 30, 2015, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 6,465,363	\$ 25,791	\$ (7,867)	\$ 6,483,287
Construction in Progress	1,546,223	1,534,318	(1,622,081)	1,458,460
<b>Total Capital Assets Not Being Depreciated</b>	<b>8,011,586</b>	<b>1,560,109</b>	<b>(1,629,948)</b>	<b>7,941,747</b>
Capital Assets Being Depreciated:				
Buildings	20,140,819	185,893	(88,689)	20,238,023
Infrastructure	32,257,557	1,622,081	(35,077)	33,844,561
Equipment	8,276,396	1,283,311	(1,424,505)	8,135,202
Media Collection	578,272	62,234	(72,677)	567,829
<b>Total Capital Assets Being Depreciated</b>	<b>61,253,044</b>	<b>3,153,519</b>	<b>(1,620,948)</b>	<b>62,785,615</b>
Less Accumulated Depreciation				
Buildings	(7,969,890)	(813,535)	88,689	(8,694,736)
Infrastructure	(10,517,061)	(1,047,978)	35,077	(11,529,962)
Equipment	(6,146,360)	(564,381)	1,424,505	(5,286,236)
Media Collection	(453,609)	(70,070)	72,677	(451,002)
<b>Total Accumulated Depreciation</b>	<b>(25,086,920)</b>	<b>(2,495,964)</b>	<b>1,620,948</b>	<b>(25,961,936)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>36,166,124</b>	<b>657,555</b>	<b>-</b>	<b>36,823,679</b>
<b>Total Gov. Activities Capital Assets, Net</b>	<b>\$ 44,177,710</b>	<b>\$ 2,217,664</b>	<b>\$ (1,629,948)</b>	<b>\$ 44,765,426</b>

**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	\$ 301,281
Public Safety	396,514
Transportation	668,786
Culture and Recreation	909,385
Capital Assets held by the Internal Service	
Funds are charged to the various functions based upon their usage of the assets	219,998
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 2,495,964</b>

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type Activities</b>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 5,463,234	\$ 130,107	\$ -	\$ 5,593,341
Construction in Progress	9,139,519	3,009,116	(9,961,051)	2,187,584
<b>Total Capital Assets Not Being Depreciated</b>	<b>14,602,753</b>	<b>3,139,223</b>	<b>(9,961,051)</b>	<b>7,780,925</b>
Capital Assets Being Depreciated:				
Buildings	12,580,985	5,870,119	(2,097)	18,449,007
Infrastructure	55,309,823	4,531,773	(285,872)	59,555,724
Equipment	3,476,190	297,541	(410,257)	3,363,474
<b>Total Capital Assets Being Depreciated</b>	<b>71,366,998</b>	<b>10,699,433</b>	<b>(698,226)</b>	<b>81,368,205</b>
Less Accumulated Depreciation				
Buildings	(3,886,451)	(376,634)	2,097	(4,260,988)
Infrastructure	(29,507,434)	(2,029,759)	285,872	(31,251,321)
Equipment	(2,711,178)	(162,452)	410,257	(2,463,373)
<b>Total Accumulated Depreciation</b>	<b>(36,105,063)</b>	<b>(2,568,845)</b>	<b>698,226</b>	<b>(37,975,682)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>35,261,935</b>	<b>8,130,588</b>	<b>-</b>	<b>43,392,523</b>
<b>Total Bus.-type Activities Capital Assets, Net</b>	<b>\$ 49,864,688</b>	<b>\$ 11,269,811</b>	<b>\$ (9,961,051)</b>	<b>\$ 51,173,448</b>

**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	\$ 556,819
Water and Wastewater Utility	1,575,418
Sanitation	7,253
Stormwater Utility	427,162
Cemetery	2,193
<b>Total Depreciation Expense - Business-type</b>	<b>\$ 2,568,845</b>

**Note 4 - Long-term Liabilities**

Long-term liability activity for the year ended September 30, 2015, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Revenue Bonds:					
Imp. Rev. Refunding Bonds, 2011	\$ 2,876,900	\$ -	\$ (263,300)	\$ 2,613,600	\$ 268,500
CRA Revenue Bond, 2013	2,362,000	-	(147,000)	2,215,000	149,000
First National Bank Note, 2015	-	365,282	-	365,282	121,757
<b>Total Revenue Bonds</b>	5,238,900	365,282	(410,300)	5,193,882	539,257
Other Liabilities:					
Compensated Absences	1,079,658	882,880	(883,377)	1,079,161	410,247
Net Pension Liability	3,333,124	-	(1,004,765)	2,328,359	-
Net OPEB Obligations	1,087,324	134,520	-	1,221,844	-
<b>Total Other Liabilities</b>	5,500,106	1,017,400	(1,888,142)	4,629,364	410,247
<b>Total Governmental Activities</b>	<b>\$ 10,739,006</b>	<b>\$ 1,382,682</b>	<b>\$ (2,298,442)</b>	<b>\$ 9,823,246</b>	<b>\$ 949,504</b>
<b>Business-type Activities</b>					
Revenue Bonds:					
2006 Serial Bonds	\$ 6,795,000	\$ -	\$ (570,000)	\$ 6,225,000	\$ 595,000
Issuance Discount	(177,907)	-	35,628	(142,279)	(31,621)
Fair Value of Interest Swap	527,628	-	(141,774)	\$ 385,854	-
2014 Serial Bonds	7,560,000	-	(76,000)	7,484,000	-
<b>Total Revenue Bonds</b>	14,704,721	-	(752,146)	13,952,575	563,379
Other Liabilities:					
Compensated Absences	283,545	231,687	(217,847)	297,385	132,960
Net Pension Liability	458,065	-	(161,609)	296,456	-
Net OPEB Obligations	332,106	38,961	-	371,067	-
<b>Total Other Liabilities</b>	1,073,716	270,648	(379,456)	964,908	132,960
<b>Total Business-type Activities</b>	<b>\$ 15,778,437</b>	<b>\$ 270,648</b>	<b>\$ (1,131,602)</b>	<b>\$ 14,917,483</b>	<b>\$ 696,339</b>

**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 new 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 16.7 percent of such tax revenue and are payable through 2024. Pledged revenues available for debt service totaled \$1,918,442 for the year. At year-end, pledged future revenues totaled \$2,874,978, which was equal to 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 22.9 percent of such tax revenue and are payable through 2028. Pledged revenues available for debt service totaled \$858,942 for the year. At year-end, pledged future revenues totaled \$2,553,824, which was equal to 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 new 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 24.2 percent of such revenue and are payable through 2023. Principal and interest for the current year was \$816,883. At year-end, pledged future revenues totaled \$7,332,158 which was equal to 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 18.5 percent of such revenue and are payable through 2029. Principal and interest for the current year was \$344,244. At year-end, pledged future revenues totaled \$9,814,589, which was equal to 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, 2015, classified by type, and the change in fair value of the derivative instrument for the year then ended as reported in the 2015 financial statement is as follows; (amounts in thousands; debit (credit):

	<u>Changes in Fair Value</u>		<u>Fair Value at 9/30/15</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
<b>Business-type activities</b>					
Cash flow hedge:					
Pay-fixed interest rate swap	Deferred	\$97	Debt	\$(386)	\$6,225
	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, 2015 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: \$6,225,000  
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 \$385,854 as of September 30, 2015. 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 (Continued)**

The following is a schedule of bonds and notes outstanding at September 30, 2015:

<b>Description of the Bonds</b>	<b>Purpose of the Issue</b>	<b>Amount Issued</b>	<b>Amount Outstanding</b>	<b>Interest Rate</b>
<b>Governmental Activities</b>				
Revenue Bonds:				
Improvement Revenue Refunding Bonds, Series 2011	Refunding	\$ 3,635,400	\$ 2,613,600	1.95%
CRA Revenue Note, Series 2013	Improvements	2,500,000	2,215,000	2.17%
First National Bank Note, 2015	Vehicle Purchases	365,282	365,282	3.10%
<b>Total Governmental Activities</b>		<b>\$ 6,500,682</b>	<b>\$ 5,193,882</b>	

**Business-type Activities**

Revenue Bonds:

Utility Revenue Bonds, Series 2006	Refunding	\$ 9,495,000	\$ 6,225,000	3.74%
Utility Revenue Bonds, Series 2014	Improvements	7,560,000	7,484,000	2.95%
		<b>\$ 17,055,000</b>	<b>\$ 13,709,000</b>	

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

<b>Year(s) Ending</b>	<b>Business-type Activities</b>		<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2016	\$ 595,000	\$ 443,588	\$ 539,257	\$ 109,702
2017	740,000	417,996	548,461	97,384
2018	768,000	390,796	556,864	84,877
2019	796,000	362,591	443,500	72,220
2020	825,000	333,349	453,000	63,200
2021-2025	4,597,000	1,192,474	2,085,800	174,038
2026-2030	5,388,000	406,569	567,000	21,722
<b>Total</b>	<b>\$ 13,709,000</b>	<b>\$ 3,547,363</b>	<b>\$ 5,193,882</b>	<b>\$ 623,143</b>

**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 \$2,494,472 outstanding as of September 30, 2015.

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

**Note 4 - Long-term Liabilities (Concluded)**

**Capitalized Lease Obligations**

As of September 30, 2015, the City had no outstanding capital lease agreements.

**Defeased Debt**

There is no outstanding defeased debt.

**Note 5 - Inter-fund Balances and Transfers**

Inter-fund balances at September 30, 2015, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Impact Fees Capital Projects Fund	\$ 1,980,000
Electric Fund	Community Redevelopment Agency Fund	500,000
Public Services Tax Fund	Electric Utility Fund	35,415
	Total	<u>\$2,515,415</u>

In 2010, the City Council passed Resolution 2010-16, which authorized long-term inter-fund loans from the General Fund to the Impact Fees Capital Projects Fund. The receivable from the Community Redevelopment Fund is a temporary advance to the fund due to a large year-end payable. 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 2014-15 were made as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 4,471,050	\$ 314,350
Public Service Fund	-	1,854,500
Electric Utility Fund	-	1,292,750
Water and Wastewater Utility Fund	-	1,517,300
Stormwater Utility Fund	-	126,500
Cemetery Fund	91,500	-
Non-major Fund:		
Special Revenue Fund	222,850	-
Debt Service Fund	320,000	-
Total	<u>\$ 5,105,400</u>	<u>\$ 5,105,400</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.

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

**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.

**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 \$2.37 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, 2015, was \$460,415. In addition, the City provides health insurance coverage to terminated employees in accordance with the COBRA law. These COBRA 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 2014 valuation (calculated as of October 1, 2014) 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 8.0% grading down to 4.5% in 2020, plus a payroll growth assumption of 3% 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	10/1/2014	10/1/2013	10/1/2012
Applicable for Fiscal Year ending	9/30/2015	9/30/2014	9/30/2013
Annual Required Contribution	<u>759,677</u>	<u>763,999</u>	<u>732,476</u>
Interest on Net OPEB Obligation	56,777	63,429	55,249
Adjustment in Annual Required Contribution	<u>(68,309)</u>	<u>(60,538)</u>	<u>(52,031)</u>
Annual OPEB Cost/(Expense)	748,145	766,890	735,694
Estimated Contribution Made	<u>(574,664)</u>	<u>(616,048)</u>	<u>(572,083)</u>
Anticipated Increase/(Decrease) in Net OPEB Obligation	173,481	150,842	163,611
Net OPEB Obligation - Beginning of the Year	<u>1,419,430</u>	<u>1,268,588</u>	<u>1,104,977</u>
Estimated Net Obligation - End of the Year	<u><u>1,592,911</u></u>	<u><u>1,419,430</u></u>	<u><u>1,268,588</u></u>
Percentage of Annual OPEB Cost Contributed	<u>76.8%</u>	<u>80.3%</u>	<u>77.8%</u>
Funded Status as of Fiscal Year Beginning		<u>10/1/2014</u>	
Actuarial Accrued Liability (AAL)		<u>\$ 12,142,265</u>	
Actuarial Value of Assets (AVA)		<u>-</u>	
Unfunded Actuarial Accrued Liability (UAAL)		<u><u>\$ 12,142,265</u></u>	
Funded Ratio		<u><u>0.0%</u></u>	
Covered Payroll		<u><u>\$ 8,798,808</u></u>	
Ratio of UAAL to Covered Payroll		<u><u>138.0%</u></u>	

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 - 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 30<sup>th</sup> 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 \$80,000, while aggregate covers total claims in excess of \$1,606,643.

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

**Note 11 - Risk Management and Litigation (Continued)**

Fiscal Year Ending	9/30/15	9/30/14
Unpaid Claims, Beginning of Fiscal Year	\$ 348,386	\$ 391,794
Incurred Claims (including IBNRs)	1,529,241	1,282,657
Claims Payments	(1,435,724)	(1,329,065)
Unpaid Claims, End of Fiscal Year	<u>\$ 441,903</u>	<u>\$ 345,386</u>

**Note 12 - Defined-Benefit Pension Plans**

**Plan Descriptions and Contribution Information**

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

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

Membership of each plan consisted of the following at October 1, 2014, the date of the latest actuarial valuation:

	<u>GERP</u>	<u>PORP</u>	<u>FRP</u>
Retirees and Beneficiaries receiving benefits	77	16	13
Terminated Plan Members entitled to but not yet receiving benefits	14	7	0
Active Plan Members with frozen benefits	58	0	0
Active Plan Members with continuing benefit accruals	14	33	22
<b>Total</b>	<u>163</u>	<u>56</u>	<u>35</u>

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

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

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

**Plan Descriptions and Contribution Information *(Continued)***

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

● **Plan Description *(Continued)*** - seven years of service and age 55 or older (15 members) as of September 30, 2010 and non-certified employees of the Police Union (8 members) will continue to participate in the plan after October 1, 2010. On March 6, 2012 the plan was closed to non-certified employees of the Police Union. All future employees will participate in a 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, 2015:

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 \$ 85,499 for the FY 2015.

● **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, 2015:

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

- *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 \$ 85,188 for the FY 2015.

- **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, 2015:

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.

**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 \$137,496 and for FRP are \$120,048 and are included as part of the Accounts Payable balance shown on Balance Sheet.

**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**

	<u>2014</u> <u>GERP</u>	<u>2014</u> <u>PORP</u>	<u>2014</u> <u>FRP</u>
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	15 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, 2014, is fifteen 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

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

**Note 12 - Defined-benefit Pension Plans (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>

**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 rate.. Based upon these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total liability based upon the actuarial valuation dated October 1, 2015.

**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)

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

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

**Other Pension Plan Information (Continued)**

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2105, the City reported deferred outflow of resources and deferred inflows of resources to the pension plans from the following sources as follows:

<b>Deferred Outflow:</b>	<b>GERP</b>	<b>PORP</b>	<b>FRP</b>	<b>TOTAL</b>
Difference between expected and actual experience	\$ -	\$ -	\$ 6,006	\$ 6,006
Contribution to pension plan after measurement date	461,400	496,613	290,937	1,248,950
Total	<u>\$ 461,400</u>	<u>\$ 496,613</u>	<u>\$ 296,943</u>	<u>\$ 1,254,956</u>

**Deferred Inflow:**

Difference between expected and actual experience	\$ -	\$ (160,323)	\$ (106,992)	\$ (267,315)
Net difference between projected and actual earnings on pension plan investments	(363,740)	-	-	(363,740)
Total	<u>\$ (363,740)</u>	<u>\$ (160,323)</u>	<u>\$ (106,992)</u>	<u>\$ (631,055)</u>

Deferred outflows of resources of \$1,248,950 are reported by the City for employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending September 30th</b>	<b>GERP</b>	<b>PORP</b>	<b>FRP</b>	<b>TOTAL</b>
2016	\$ 90,935	\$ 40,081	\$ 25,470	\$ 156,486
2017	90,935	40,081	25,470	156,486
2018	90,935	40,081	25,470	156,486
2019	90,935	40,080	25,470	156,485
2020	-	-	(894)	(894)
thereafter	-	-	-	-

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

**Note 12 - Defined-Benefit Pension Plans (Concluded)**

**Other Pension Plan Information (Continued)**

**GENERAL EMPLOYEES' RETIREMENT FUND**

Fiscal year ending September 30,	<u>2015</u>
<b>Total Pension Liability</b>	
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>
<b>Net Change in Total Pension Liability</b>	450,134
<b>Total Pension Liability - Beginning</b>	<u>16,540,558</u>
<b>Total Pension Liability - Ending (1)</b>	<u><u>\$ 16,990,692</u></u>
 <b>Plan Fiduciary Net Position</b>	
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>
<b>Net Change in Plan Fiduciary Net Position</b>	1,184,721
<b>Plan Fiduciary Net Position - Beginning</b>	<u>14,458,444</u>
<b>Plan Fiduciary Net Position -Ending (b)</b>	<u><u>\$ 15,643,165</u></u>
 <b>Net Pension Liability - Ending (a) - (b)</b>	 <u><u>\$ 1,347,527</u></u>
 <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	 92.07%
 <b>Covered Employee Payroll**</b>	 \$ 3,573,379
 <b>Net Pension Liability as a percentage Of Covered Employee Payroll</b>	 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

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

**Note 12 - Defined-Benefit Pension Plans (Concluded)**

**Other Pension Plan Information (Continued)**

**POLICE OFFICERS' RETIREMENT FUND**

Fiscal year ending September 30,	2015
<b>Total Pension Liability</b>	
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	-
<b>Net Change in Total Pension Liability</b>	<b>706,449</b>
<b>Total Pension Liability - Beginning</b>	<b>8,463,332</b>
<b>Total Pension Liability - Ending (1)</b>	<b>\$ 9,169,781</b>
 <b>Plan Fiduciary Net Position</b>	
Contributions - Employer/State	\$ 459,586
Contribution - Employees	133,710
Net Investment Income	742,881
Benefit Payments	(350,054)
Refunds	-
Administrative Expense	(31,111)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>955,012</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>7,126,964</b>
<b>Plan Fiduciary Net Position -Ending (b)</b>	<b>\$ 8,081,976</b>
 <b>Net Pension Liability - Ending (a) - (b)</b>	 <b>\$ 1,087,805</b>
 <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	 <b>88.14%</b>
 <b>Covered Employee Payroll**</b>	 <b>\$ 1,896,604</b>
 <b>Net Pension Liability as a percentage Of Covered Employee Payroll</b>	 <b>57.36%</b>

\* 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

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

**Note 12 - Defined-Benefit Pension Plans (Concluded)**

**Other Pension Plan Information (Continued)**

**FIREFIGHTERS' RETIREMENT FUND**

Fiscal year ending September 30,	2015
<b>Total Pension Liability</b>	
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)
<b>Net Change in Total Pension Liability</b>	<b>518,378</b>
<b>Total Pension Liability - Beginning</b>	<b>6,464,726</b>
<b>Total Pension Liability - Ending (1)</b>	<b>\$ 6,983,104</b>
 <b>Plan Fiduciary Net Position</b>	
Contributions - Employer/State	\$ 307,590
Contribution - Employees	77,879
Net Investment Income	618,300
Benefit Payments	(272,510)
Refunds	(599)
Administrative Expense	(29,058)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>701,602</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>6,092,019</b>
<b>Plan Fiduciary Net Position -Ending (b)</b>	<b>\$ 6,793,621</b>
 <b>Net Pension Liability - Ending (a) - (b)</b>	 <b>\$ 189,483</b>
 <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	 <b>97.29%</b>
 <b>Covered Employee Payroll**</b>	 <b>\$ 1,199,985</b>
 <b>Net Pension Liability as a percentage Of Covered Employee Payroll</b>	 <b>15.79%</b>

\* 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

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

**Note 12 - Defined-Benefit Pension Plans (Concluded)**

**Other Pension Plan Information (Continued)**

**Schedule of the Change in Pension Plan Net Position as of September 30, 2015**

	<b>GERP</b>	<b>PORP</b>	<b>FRP</b>	<b>Total</b>
<b>Assets</b>				
Cash	\$ 12,230	\$ -	\$ -	\$ 12,230
Investments	15,065,871	8,346,608	6,949,204	30,361,683
Accrued Interest Receivable	7,403	3,662	2,746	13,811
<b>Total Assets</b>	<b>15,085,504</b>	<b>8,350,270</b>	<b>6,951,950</b>	<b>30,387,724</b>
<b>Liabilities</b>				
Accounts Payable	(165,776)	(11,015)	(307,854)	(484,645)
<b>Total Liabilities</b>	<b>(165,776)</b>	<b>(11,015)</b>	<b>(307,854)</b>	<b>(484,645)</b>
<b>Net Position</b>				
Restricted for Pension Benefits	\$ 14,919,728	\$ 8,339,255	\$ 6,644,096	\$ 29,903,079
<b>Additions</b>				
Contributions:				
Employer	\$ 461,400	\$ 411,114	\$ 205,749	\$ 1,078,263
Employee	52,452	152,488	90,519	295,459
Employer from State	-	85,499	85,188	170,687
<b>Total Contributions</b>	<b>513,852</b>	<b>649,101</b>	<b>381,456</b>	<b>1,544,409</b>
Investment Earnings:				
Investment Earnings	144,756	42,796	82,858	270,410
Less: Invest. Management Fees	(67,098)	(24,303)	(18,259)	(109,660)
<b>Net Investment Income</b>	<b>77,658</b>	<b>18,493</b>	<b>64,599</b>	<b>160,750</b>
<b>Total Additions</b>	<b>591,510</b>	<b>667,594</b>	<b>446,055</b>	<b>1,705,159</b>

*Continued on Next Page*

**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, 2015**

**Deductions**

Pension Benefit Payments	1,045,351	374,061	309,199	1,728,611
Pension Contribution Refunds	72,839	-	10,795	83,634
General and Administrative	44,903	36,254	35,903	117,060
<b>Total Deductions</b>	<u>(1,163,093)</u>	<u>(410,315)</u>	<u>(355,897)</u>	<u>(1,929,305)</u>
<b>Net increase</b>	(571,583)	257,279	90,158	(224,146)
<b>Net Position Restricted for Employees' Pension Benefits</b>				
<b>Beginning of the Year</b>	15,491,311	8,081,976	6,553,938	30,127,225
<b>End of the Year</b>	<u>\$ 14,919,728</u>	<u>\$ 8,339,255</u>	<u>\$ 6,644,096</u>	<u>\$ 29,903,079</u>

**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, 2015, 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, 2015, the City contributed \$366,825.

**Note 14 - Construction Commitments**

During 2015-16, the City entered into twenty-two contracts that are partially completed. All expenditures and the related contract retainage (if any) have been recorded in the appropriate funds. The remaining portion of the contracts is as follows:

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

**Note 14 - Construction Commitments *Concluded***

<u>Fund</u>	<u>Balance</u>
Discretionary Sales Tax Fund	\$ 38,550
Community Redevelopment Fund	16,251
Northeast Community Redevelopment Fund	86,800
Electric Fund	13,898
Water & Wastewater Fund	811,060
Stormwater Fund	15,345

**Note 15 - Change in Accounting Principle**

The City implements GASB No. 68, Accounting and Financial Reporting for Pensions in fiscal year ending September 30, 2015. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. It requires employers to report their proportionate share of the plan's net pension liability, pension expense and deferred inflows and outflow of resources as well as additional note disclosures and required supplementary information.

The following schedule reflects the impact of GASB 68::

	<u>Governmental</u>	<u>Total</u>	
	<u>Activities</u>	<u>Business</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Net Position - Beginning of period as previously reported	\$ 46,402,382	\$ 48,880,550	\$ 95,282,932
Adoption of GASB Statement No. 68			
Pension Liability Police Officer	(985,536)	-	(985,536)
Pension Liability Firefighters	(166,748)	-	(166,748)
Pension Liability General Employees	(1,428,403)	(329,277)	(1,757,680)
Total Prior Year Adjustments	<u>(2,580,687)</u>	<u>(329,277)</u>	<u>(2,909,964)</u>
Net Position - Beginning of period as restated	<u>\$ 43,821,695</u>	<u>\$ 48,551,273</u>	<u>\$ 92,372,968</u>

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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.

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**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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>				
<b>Taxes</b>				
Ad Valorem	\$ 4,413,700	\$ 4,413,700	\$ 4,453,768	\$ 40,068
Local Option Gas Tax	318,000	318,000	336,312	18,312
Local Business Tax	22,200	22,200	21,976	(224)
<b>Total Taxes</b>	<u>4,753,900</u>	<u>4,753,900</u>	<u>4,812,056</u>	<u>58,156</u>
<b>Permits and Fees</b>				
Franchise Fee:				
Electric	411,000	411,000	456,144	45,144
Gas	38,400	38,400	46,475	8,075
Solid Waste	198,600	198,600	197,105	(1,495)
Other	4,600	4,600	2,600	(2,000)
Site Development Permits	9,000	9,000	5,781	(3,219)
Other Permits	22,450	22,450	20,813	(1,637)
<b>Total Permits and Fees</b>	<u>684,050</u>	<u>684,050</u>	<u>728,918</u>	<u>44,868</u>
<b>Intergovernmental</b>				
Grants	88,700	102,845	101,761	(1,084)
State Revenue Sharing	412,250	585,950	546,714	(39,236)
Local Option Sales Tax	656,800	656,800	717,448	60,648
County Revenue Sharing	12,200	12,200	15,144	2,944
County Voted One-cent Gas Tax	76,700	76,700	89,375	12,675
County Library Funding	203,800	203,800	203,829	29
<b>Total Intergovernmental</b>	<u>1,450,450</u>	<u>1,638,295</u>	<u>1,674,271</u>	<u>35,976</u>
<b>Charges for Services</b>				
Special Events Fees	10,000	10,000	3,965	(6,035)
Development Review & Service Fees	25,000	25,000	51,285	26,285
Public Safety Revenue	122,800	122,800	156,539	33,739
Recreation Fees	116,250	116,250	150,629	34,379
Finance Fees	51,000	51,000	55,556	4,556
<b>Total Charges for Services</b>	<u>325,050</u>	<u>325,050</u>	<u>417,974</u>	<u>92,924</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, 2015**  
*(Continued)*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues (Concluded)</b>				
<b>Fines and Forfeitures</b>				
Court and Parking Fines	\$ 38,150	\$ 38,150	\$ 38,556	\$ 406
Library Fines	24,000	24,000	12,846	(11,154)
Code Enforcement Fines	1,000	1,000	515	(485)
<b>Total Fines and Forfeitures</b>	<u>63,150</u>	<u>63,150</u>	<u>51,917</u>	<u>(11,233)</u>
<b>Miscellaneous</b>				
Miscellaneous Billings	8,200	8,200	13,057	4,857
Investment Earnings (Losses)	37,150	37,150	39,662	2,512
Real Estate Rent	144,100	144,100	155,325	11,225
Sale of Surplus Property	3,750	3,750	259,669	255,919
Contributions	2,500	3,641	39,128	35,487
Other Revenues	10,300	10,300	38,319	28,019
<b>Total Miscellaneous</b>	<u>206,000</u>	<u>207,141</u>	<u>545,160</u>	<u>338,019</u>
<b>Total Revenues</b>	<u>7,482,600</u>	<u>7,671,586</u>	<u>8,230,296</u>	<u>558,710</u>
<b>Expenditures</b>				
<b>General Government</b>				
Legislative:				
Personal Services	51,050	51,050	50,956	94
Operating Expenses	46,150	46,150	44,135	2,015
Cost Allocations	(34,550)	(34,550)	(32,150)	(2,400)
<b>Total Legislative</b>	<u>62,650</u>	<u>62,650</u>	<u>62,941</u>	<u>(291)</u>
Executive:				
Personal Services	358,050	358,050	380,984	(22,934)
Operating Expenses	218,600	218,600	200,001	18,599
Cost Allocations	(308,500)	(308,500)	(302,400)	(6,100)
<b>Total Executive</b>	<u>268,150</u>	<u>268,150</u>	<u>278,585</u>	<u>(10,435)</u>
Finance and Administrative:				
Personal Services	1,317,700	1,325,400	1,360,662	(35,262)
Operating Expenses	693,900	669,700	690,712	(21,012)
Capital Outlay	45,600	80,625	36,255	44,370
Cost Allocations	(1,775,100)	(1,775,100)	(1,796,832)	21,732
<b>Total Finance and Administrative</b>	<u>282,100</u>	<u>300,625</u>	<u>290,797</u>	<u>9,828</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, 2015**  
*(Continued)*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Expenditures (Continued)</b>				
Planning and Development:				
Personal Services	\$ 284,600	\$ 284,600	\$ 291,533	\$ (6,933)
Operating Expenses	79,650	96,768	83,574	13,194
Cost Allocations	24,550	24,550	23,900	650
<b>Total Planning and Development</b>	<u>388,800</u>	<u>405,918</u>	<u>399,007</u>	<u>6,911</u>
Other General Government:				
Personal Services	949,150	949,150	959,552	(10,402)
Operating Expenses	214,750	207,379	203,232	4,147
Capital Outlay	17,150	31,821	13,006	18,815
Grants and Aid	19,050	32,775	22,583	10,192
Cost Allocations	(853,150)	(853,150)	(840,118)	(13,032)
Contingency	25,000	25,000	-	25,000
<b>Total Other General Government</b>	<u>371,950</u>	<u>392,975</u>	<u>358,255</u>	<u>34,720</u>
<b>Total General Government</b>	<u>1,373,650</u>	<u>1,430,318</u>	<u>1,389,585</u>	<u>40,733</u>
<b>Public Safety</b>				
Law Enforcement:				
Personal Services	3,597,850	3,686,050	3,857,879	(171,829)
Operating Expenses	703,150	686,570	669,290	17,280
Capital Outlay	-	24,925	12,913	12,012
Cost Allocations	295,850	295,850	287,950	7,900
<b>Total Law Enforcement</b>	<u>4,596,850</u>	<u>4,693,395</u>	<u>4,828,032</u>	<u>(134,637)</u>
Fire Control:				
Personal Services	2,035,600	2,121,100	2,075,793	45,307
Operating Expenses	263,800	263,175	243,185	19,990
Capital Outlay	11,800	24,350	21,931	2,419
Cost Allocations	92,450	92,450	90,000	2,450
<b>Total Fire Control</b>	<u>2,403,650</u>	<u>2,501,075</u>	<u>2,430,909</u>	<u>70,166</u>
<b>Total Public Safety</b>	<u>7,000,500</u>	<u>7,194,470</u>	<u>7,258,941</u>	<u>(64,471)</u>
<b>Transportation</b>				
Roads and Streets:				
Personal Services	540,650	540,650	545,972	(5,322)
Operating Expenses	445,600	449,225	387,064	62,161
Capital Outlay	-	-	3,747	(3,747)
Cost Allocations	23,200	23,200	22,600	600
<b>Total Transportation</b>	<u>1,009,450</u>	<u>1,013,075</u>	<u>959,383</u>	<u>53,692</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, 2015**  
*(Concluded)*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Expenditures (Concluded)</b>				
<b>Culture and Recreation</b>				
Libraries:				
Personal Services	\$ 502,450	\$ 502,450	\$ 522,662	\$ (20,212)
Operating Expenses	139,900	140,986	138,286	2,700
Capital Outlay	31,500	31,555	35,412	(3,857)
Cost Allocations	214,450	214,450	209,950	4,500
Total Libraries	<u>888,300</u>	<u>889,441</u>	<u>906,310</u>	<u>(16,869)</u>
Parks and Recreation:				
Personal Services	560,000	560,000	526,900	33,100
Operating Expenses	561,950	550,295	608,830	(58,535)
Capital Outlay	26,450	38,105	29,533	8,572
Cost Allocations	241,400	241,400	236,650	4,750
Total Parks and Recreation	<u>1,389,800</u>	<u>1,389,800</u>	<u>1,401,913</u>	<u>(12,113)</u>
<b>Total Culture and Recreation</b>	<u>2,278,100</u>	<u>2,279,241</u>	<u>2,308,223</u>	<u>(28,982)</u>
<b>Total Expenditures</b>	<u>(11,661,700)</u>	<u>(11,917,104)</u>	<u>(11,916,132)</u>	<u>972</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>(4,179,100)</u>	<u>(4,245,518)</u>	<u>(3,685,836)</u>	<u>559,682</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in:				
Public Services Tax	1,534,500	1,534,500	1,534,500	-
Electric	1,254,700	1,254,700	1,292,750	38,050
Water and Wastewater	1,421,450	1,421,450	1,517,300	95,850
Stormwater	126,750	126,750	126,500	(250)
Transfers out:				
Cemetery Fund	(91,500)	(91,500)	(91,500)	-
Special Event Fund	(222,850)	(222,850)	(222,850)	-
<b>Total Other Financing Sources (Uses)</b>	<u>4,023,050</u>	<u>4,023,050</u>	<u>4,156,700</u>	<u>133,650</u>
<b>Net Change in Fund Balance</b>	(156,050)	(222,468)	470,864	693,332
<b>Fund Balance, Beginning of Year</b>	<u>158,250</u>	<u>215,968</u>	<u>3,981,719</u>	<u>3,765,751</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,200</u>	<u>\$ (6,500)</u>	<u>\$ 4,452,583</u>	<u>\$ 4,459,083</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 427,300	\$ 427,300	\$ 426,127	\$ (1,173)
Intergovernmental	381,600	381,600	432,815	51,215
Miscellaneous	50	50	12,293	12,243
<b>Total Revenues</b>	<u>808,950</u>	<u>808,950</u>	<u>871,235</u>	<u>62,285</u>
<b>Expenditures</b>				
General Government:				
Personal Services	213,350	213,350	200,087	13,263
Operating Expenses	165,300	165,300	155,678	9,622
Grants and Aid	170,000	233,000	199,821	33,179
Total General Government	<u>(548,650)</u>	<u>(611,650)</u>	<u>(555,586)</u>	<u>56,064</u>
Transportation				
Operating Expenses	-	-	27,209	(27,209)
Capital Outlay	910,000	757,930	695,257	62,673
Total Transportation	<u>(910,000)</u>	<u>(757,930)</u>	<u>(722,466)</u>	<u>35,464</u>
Debt Service				
Principal	147,000	147,000	147,000	-
Interest	50,500	50,500	50,767	(267)
Total Debt Service	<u>(197,500)</u>	<u>(197,500)</u>	<u>(197,767)</u>	<u>(267)</u>
<b>Total Expenditures</b>	<u>(1,656,150)</u>	<u>(1,567,080)</u>	<u>(1,475,819)</u>	<u>91,261</u>
<b>Net Change in Fund Balance</b>	(847,200)	(758,130)	(604,584)	153,546
<b>Fund Balance, Beginning of Year</b>	-	320,930	211,421	(109,509)
<b>Fund Balance, End of Year</b>	<u>\$ (847,200)</u>	<u>\$ (437,200)</u>	<u>\$ (393,163)</u>	<u>\$ 44,037</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, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Taxes	\$ 184,400	\$ 184,400	\$ 183,619	\$ (781)
Intergovernmental	164,750	164,750	186,796	22,046
Miscellaneous	11,250	11,250	14,917	3,667
<b>Total Revenues</b>	<u>360,400</u>	<u>360,400</u>	<u>385,332</u>	<u>24,932</u>
<b>Expenditures</b>				
General Government:				
Personal Services	137,950	137,950	144,255	(6,305)
Operating Expenses	28,000	28,000	26,830	1,170
Grants and Aid	420,000	571,322	68,313	503,009
Cultural and Recreational				
Operating Expenses	-	-	-	-
Capital Outlay	200,000	200,000	44,895	155,105
<b>Total Expenditures</b>	<u>(785,950)</u>	<u>(937,272)</u>	<u>(284,293)</u>	<u>652,979</u>
<b>Net Change in Fund Balance</b>	(425,550)	(576,872)	101,039	677,911
<b>Fund Balance, Beginning of Year</b>	<u>425,550</u>	<u>576,872</u>	<u>1,142,946</u>	<u>566,074</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,243,985</u>	<u>\$ 1,243,985</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Utility Taxes:				
Communications Services	\$ 579,450	\$ 579,450	\$ 584,526	\$ 5,076
Electric	1,180,600	1,180,600	1,267,008	86,408
Gas	69,150	69,150	66,908	(2,242)
Investment Earnings	700	700	2,084	1,384
<b>Total Revenues</b>	<u>1,829,900</u>	<u>1,829,900</u>	<u>1,920,526</u>	<u>90,626</u>
<b>Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over Expenditures</b>	<u>1,829,900</u>	<u>1,829,900</u>	<u>1,920,526</u>	<u>90,626</u>
<b>Other Financing (Uses)</b>				
Transfers Out:				
General Fund	1,534,500	1,534,500	1,534,500	-
Debt Service	320,000	320,000	320,000	-
<b>Total Other Financing (Uses)</b>	<u>1,854,500</u>	<u>1,854,500</u>	<u>1,854,500</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(24,600)	(24,600)	66,026	90,626
<b>Fund Balances, Beginning of Year</b>	<u>24,600</u>	<u>24,600</u>	<u>525,627</u>	<u>501,027</u>
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 591,653</u>	<u>\$ 591,653</u>

**CITY OF MOUNT DORA, FLORIDA**  
**BUDGET TO ACTUAL COMPARISON - MAJOR FUND**  
**IMPACT FEES CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Impact Fees:				
Fire	\$ 25,000	\$ 25,000	\$ 33,597	\$ 8,597
Police	24,500	24,500	30,337	5,837
Library	41,500	41,500	100,808	59,308
Recreation	125,500	125,500	189,359	63,859
Intergovernmental-Grants	-	16,944	10,596	(6,348)
Investment Earnings	10,900	10,900	11,102	202
<b>Total Revenues</b>	<u>227,400</u>	<u>244,344</u>	<u>375,799</u>	<u>131,455</u>
<b>Expenditures</b>				
Capital Outlay:				
Library	25,000	41,944	37,657	4,287
Recreational	100,000	100,000	13,948	86,052
Debt Service:				
Interest	43,700	43,700	14,436	29,264
<b>Total Expenditures</b>	<u>(168,700)</u>	<u>(185,644)</u>	<u>(66,041)</u>	<u>119,603</u>
<b>(Deficiency) of Revenues (Under)</b>				
<b>Expenditures</b>	<u>58,700</u>	<u>58,700</u>	<u>309,758</u>	<u>251,058</u>
<b>Net Change in Fund Balance</b>	58,700	58,700	309,758	251,058
<b>Fund Balance, Beginning of Year</b>	<u>4,150</u>	<u>4,150</u>	<u>(790,504)</u>	<u>(794,654)</u>
<b>Fund Balance, End of Year</b>	<u>\$ 62,850</u>	<u>\$ 62,850</u>	<u>\$ (480,746)</u>	<u>\$ (543,596)</u>

**CITY OF MOUNT DORA, FLORIDA**  
**BUDGET TO ACTUAL COMPARISON - MAJOR FUND**  
**DISCRETIONARY SALES TAX CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 1,055,850	\$ 1,055,850	\$ 1,171,218	\$ 115,368
Intergovernmental-Grants	-	-	-	-
Miscellaneous Income	-	-	51,000	51,000
Investment Earnings (Losses)	9,000	9,000	10,927	1,927
<b>Total Revenues</b>	<u>1,064,850</u>	<u>1,064,850</u>	<u>1,233,145</u>	<u>168,295</u>
<b>Expenditures</b>				
Operating:				
General Government	-	-	11,195	(11,195)
Public Safety	-	-	7,009	(7,009)
Transportation	-	-	26,947	(26,947)
Capital Outlay:				
General Government	246,750	393,200	224,667	168,533
Public Safety	191,600	351,600	739,811	(388,211)
Transportation	665,000	1,261,220	859,201	402,019
Culture and Recreation	46,000	46,000	17,875	28,125
<b>Total Expenditures</b>	<u>(1,149,350)</u>	<u>(2,052,020)</u>	<u>(1,886,705)</u>	<u>165,315</u>
<b>(Deficiency) of Revenues Over Expenditures</b>	<u>(84,500)</u>	<u>(987,170)</u>	<u>(653,560)</u>	<u>333,610</u>
<b>Other Financing Sources</b>				
Debt Proceed	-	-	365,282	365,282
<b>Total Financing Sources</b>	<u>-</u>	<u>-</u>	<u>365,282</u>	<u>365,282</u>
<b>Net Change in Fund Balance</b>	<u>(84,500)</u>	<u>(987,170)</u>	<u>(288,278)</u>	<u>698,892</u>
<b>Fund Balance, Beginning of Year</b>	<u>94,500</u>	<u>987,170</u>	<u>1,489,029</u>	<u>501,859</u>
<b>Fund Balance, End of Year</b>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 1,200,751</u>	<u>\$ 1,200,751</u>

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

**General Employees' Retirement Plan (GERP)**

Description	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 278,366	\$ 400,004	\$ 570,759	\$ 494,966	\$ 526,757	\$ 797,760	\$ 693,738	\$ 652,201	\$ 587,751	\$ 528,266
Actual Contributions	461,400	585,400	577,401	494,966	526,757	797,760	693,738	652,201	587,751	528,266
Contribution deficiency (excess)	\$ (183,034)	\$ (185,396)	\$ (6,642)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 708,855	\$ 668,731	\$ 3,836,623	\$ 4,387,563	\$ 4,181,877	\$ 5,256,191	\$ 5,456,477	\$ 5,686,670	\$ 5,471,423	\$ 5,169,021
Actual Contributions as a percentage of covered employee payroll	65.09%	87.54%	15.05%	11.28%	12.60%	15.18%	12.71%	11.47%	10.74%	10.22%

**NOTE TO SCHEDULE**

**Valuation Date:**

10/1/13

**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	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 485,936	\$ 457,045	\$ 402,409	\$ 391,607	\$ 328,092	\$ 348,521	\$ 300,381	\$ 265,984	\$ 251,320	\$ 250,839
Actual Contributions	496,613	459,586	427,051	391,607	328,092	348,521	300,381	265,984	251,320	253,813
Contribution deficiency (excess)	\$ (10,677)	\$ (2,541)	\$ (24,642)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,974)
Covered employee payroll	\$ 2,060,571	\$ 1,896,604	\$ 1,938,783	\$ 1,861,356	\$ 1,898,583	\$ 1,961,175	\$ 1,937,468	\$ 1,978,254	\$ 1,788,405	\$ 1,458,952
Actual Contributions as a percentage of covered employee payroll	24.10%	24.23%	22.03%	21.04%	17.28%	17.77%	15.50%	13.45%	14.05%	17.40%

**NOTE TO SCHEDULE**

**Valuation Date:**

10/1/13

**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 Morality 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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 286,576	\$ 303,608	\$ 293,565	\$ 290,906	\$ 247,933	\$ 226,573	\$ 209,865	\$ 182,344	\$ 181,996	\$ 180,803
Actual Contributions	290,937	307,590	351,863	290,906	247,933	226,573	209,865	182,344	181,996	182,563
Contribution deficiency (excess)	\$ (4,361)	\$ (3,982)	\$ (58,298)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,760)
Covered employee payroll	\$ 1,265,986	\$ 1,199,985	\$ 1,231,802	\$ 1,335,455	\$ 1,246,793	\$ 1,318,797	\$ 1,159,985	\$ 1,116,078	\$ 1,106,320	\$ 940,112
Actual Contributions as a percentage of covered employee payroll	22.98%	25.63%	28.56%	21.78%	19.89%	17.18%	18.09%	16.34%	16.45%	19.42%

**NOTE TO SCHEDULE**

**Valuation Date:**

10/1/13

**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 Morality 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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Annual money -weighted rate of return, net of investment expense	0.4%	10.7%	11.2%	18.3%	0.4%	11.2%	-1.6%	-12.6%	11.4%	7.0%

**Police Officers' Retirement Plan (PORP)**

Description	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Annual money -weighted rate of return, net of investment expense	0.0%	10.3%	11.3%	17.1%	-0.4%	10.5%	-0.3%	-12.2%	12.6%	5.6%

**Firefighters' Retirement Plan (FRP)**

Description	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Annual money -weighted rate of return, net of investment expense	0.7%	10.1%	12.0%	16.9%	-0.2%	11.0%	-1.9%	-12.8%	11.0%	6.2%

**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>2015</u>
<b>Total Pension Liability</b>	
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	(33,252)
<b>Net Change in Total Pension Liability</b>	<u>450,134</u>
<b>Total Pension Liability - Beginning</b>	<u>16,540,558</u>
<b>Total Pension Liability - Ending (1)</b>	<u><u>\$ 16,990,692</u></u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer/State	\$ 585,400
Contribution - Employees	53,903
Net Investment Income	1,526,251
Benefit Payments	(922,619)
Refunds	(33,252)
Administrative Expense	(24,962)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>1,184,721</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>14,458,444</u>
<b>Plan Fiduciary Net Position -Ending (b)</b>	<u><u>\$ 15,643,165</u></u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u><u>\$ 1,347,527</u></u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	92.07%
<b>Covered Employee Payroll**</b>	\$ 3,573,379
<b>Net Pension Liability as a percentage Of Covered Employee Payroll</b>	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>2015</u>
<b>Total Pension Liability</b>	
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	-
<b>Net Change in Total Pension Liability</b>	<u>706,449</u>
<b>Total Pension Liability - Beginning</b>	8,463,332
<b>Total Pension Liability - Ending (1)</b>	<u><u>\$ 9,169,781</u></u>
 <b>Plan Fiduciary Net Position</b>	
Contributions - Employer/State	\$ 459,586
Contribution - Employees	133,710
Net Investment Income	742,881
Benefit Payments	(350,054)
Refunds	-
Administrative Expense	(31,111)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>955,012</u>
<b>Plan Fiduciary Net Position - Beginning</b>	7,126,964
<b>Plan Fiduciary Net Position -Ending (b)</b>	<u><u>\$ 8,081,976</u></u>
 <b>Net Pension Liability - Ending (a) - (b)</b>	<u><u>\$ 1,087,805</u></u>
 <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	88.14%
 <b>Covered Employee Payroll**</b>	\$ 1,896,604
 <b>Net Pension Liability as a percentage Of Covered Employee Payroll</b>	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>2015</u>
<b>Total Pension Liability</b>	
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)
<b>Net Change in Total Pension Liability</b>	<u>518,378</u>
<b>Total Pension Liability - Beginning</b>	<u>6,464,726</u>
<b>Total Pension Liability - Ending (1)</b>	<u><u>\$ 6,983,104</u></u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer/State	\$ 307,590
Contribution - Employees	77,879
Net Investment Income	618,300
Benefit Payments	(272,510)
Refunds	(599)
Administrative Expense	(29,058)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>701,602</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>6,092,019</u>
<b>Plan Fiduciary Net Position -Ending (b)</b>	<u><u>\$ 6,793,621</u></u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u><u>\$ 189,483</u></u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	97.29%
<b>Covered Employee Payroll**</b>	\$ 1,199,985
<b>Net Pension Liability as a percentage Of Covered Employee Payroll</b>	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

**REQUIRED SUPPLEMENTARY INFORMATION**  
(Concluded)

**CITY OF MOUNT DORA, FLORIDA**  
**OPEB SCHEDULE OF FUNDING PROGRESS**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Valuation Date	Actual Value of Assets (AVA)	Entry Age Normal Actuarial Liability (AAAL)	Unfunded Actuarial Liability (UAAL) (3) - (2)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as a Percentage of Payroll (4) / (6)
10/1/14	\$ -	\$ 12,142,265	\$ 12,142,265	0.00%	\$ 8,798,808	138.0%
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
2015	\$ 748,145	76.8%	\$ 1,592,911
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.

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## **OTHER SUPPLEMENTAL INFORMATION**

**CITY OF MOUNT DORA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	<u>Special Revenue Funds</u>					
	<u>Building Inspection Fund</u>	<u>Law Enforcement Fund</u>	<u>Special Event Fund</u>	<u>Debt Service Fund</u>	<u>Other Capital Projects Funds</u>	<u>Total</u>
<b>Assets</b>						
Pooled Cash and Investments	\$ 809,771	\$ 8,343	\$ 17,650	\$ 102,377	\$ 92,636	\$ 1,030,777
Receivables (Net)	-	-	1,066	-	-	1,066
Accrued Interest Receivable	605	17	-	196	338	1,156
<b>Total Assets</b>	<u>\$ 810,376</u>	<u>\$ 8,360</u>	<u>\$ 18,716</u>	<u>\$ 102,573</u>	<u>\$ 92,974</u>	<u>\$ 1,032,999</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 30,661	\$ -	\$ 9,620	\$ -	\$ -	\$ 40,281
Accrued Liabilities	5,694	-	1,627	-	-	7,321
<b>Total Liabilities</b>	<u>36,355</u>	<u>-</u>	<u>11,247</u>	<u>-</u>	<u>-</u>	<u>47,602</u>
<b>Fund Balance</b>						
Restricted for:						
Capital Improvements	-	-	-	-	92,974	92,974
Building Inspections	774,021	-	-	-	-	774,021
Law Enforcement	-	8,360	7,469	-	-	15,829
Assigned for:						
Debt Service Funds	-	-	-	102,573	-	102,573
<b>Total Fund Balances</b>	<u>774,021</u>	<u>8,360</u>	<u>7,469</u>	<u>102,573</u>	<u>92,974</u>	<u>985,397</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 810,376</u>	<u>\$ 8,360</u>	<u>\$ 18,716</u>	<u>\$ 102,573</u>	<u>\$ 92,974</u>	<u>\$ 1,032,999</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, 2015**

	<u>Special Revenue Funds</u>					<b>Total</b>
	<b>Building Inspection Fund</b>	<b>Law Enforcement Fund</b>	<b>Special Event Fund</b>	<b>Debt Service Fund</b>	<b>Other Capital Projects Funds</b>	
<b>Revenues</b>						
Permits and Fees	\$ 533,363	\$ -	\$ -	\$ -	\$ -	\$ 533,363
Charges For Services	59,299	-	139,985	-	-	199,284
Fines and Forfeitures	-	2,220	-	-	-	2,220
Miscellaneous	5,458	48	39,316	1,959	1,697	48,478
<b>Total Revenues</b>	<u>598,120</u>	<u>2,268</u>	<u>179,301</u>	<u>1,959</u>	<u>1,697</u>	<u>783,345</u>
<b>Expenditures</b>						
General Government	-	-	-	-	52,653	52,653
Public Safety	432,452	-	-	-	-	432,452
Culture and Recreation	-	-	394,682	-	-	394,682
Capital Outlay	-	-	-	-	158,690	158,690
Debt Service:						
Principal	-	-	-	263,300	-	263,300
Interest	-	-	-	56,030	-	56,030
<b>Total Expenditures</b>	<u>(432,452)</u>	<u>-</u>	<u>(394,682)</u>	<u>(319,330)</u>	<u>(211,343)</u>	<u>(1,357,807)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>165,668</u>	<u>2,268</u>	<u>(215,381)</u>	<u>(317,371)</u>	<u>(209,646)</u>	<u>(574,462)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	222,850	320,000	-	542,850
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>222,850</u>	<u>320,000</u>	<u>-</u>	<u>542,850</u>
<b>Net Change in Fund Balance</b>	165,668	2,268	7,469	2,629	(209,646)	(31,612)
<b>Fund Balances, Beginning of Year</b>	<u>608,353</u>	<u>6,092</u>	<u>-</u>	<u>99,944</u>	<u>302,620</u>	<u>1,017,009</u>
<b>Fund Balances, End of Year</b>	<u>\$ 774,021</u>	<u>\$ 8,360</u>	<u>\$ 7,469</u>	<u>\$ 102,573</u>	<u>\$ 92,974</u>	<u>\$ 985,397</u>

**CITY OF MOUNT DORA, FLORIDA**  
**BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND**  
**BUILDING INSPECTION FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Permits and Fees	\$ 500,000	\$ 533,363	\$ 33,363
Charges For Services	42,000	59,299	17,299
Investment Earnings	3,600	5,458	1,858
<b>Total Revenues</b>	<u>545,600</u>	<u>598,120</u>	<u>52,520</u>
<b>Expenditures</b>			
Public Safety:			
Operating	470,050	432,452	37,598
<b>Total Expenditures</b>	<u>(470,050)</u>	<u>(432,452)</u>	<u>37,598</u>
<b>Net Change in Fund Balance</b>	75,550	165,668	90,118
<b>Fund Balance, Beginning of Year</b>	<u>57,300</u>	<u>608,353</u>	<u>551,053</u>
<b>Fund Balance, End of Year</b>	<u>\$ 132,850</u>	<u>\$ 774,021</u>	<u>\$ 641,171</u>

**CITY OF MOUNT DORA, FLORIDA  
 BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND  
 LAW ENFORCEMENT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Fines and Forfeitures	\$ 50	\$ 2,220	\$ 2,170
Investment Earnings	-	48	48
<b>Total Revenues</b>	<u>50</u>	<u>2,268</u>	<u>2,218</u>
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>50</u>	<u>2,268</u>	<u>2,218</u>
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>6,092</u>	<u>6,092</u>
<b>Fund Balance, End of Year</b>	<u>\$ 50</u>	<u>\$ 8,360</u>	<u>\$ 8,310</u>

**CITY OF MOUNT DORA, FLORIDA**  
**BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND**  
**SPECIAL EVENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Charges For Services	\$ 157,750	\$ 139,985	\$ (17,765)
Miscellaneous Income	35,232	38,793	3,561
Investment Earnings	-	523	523
<b>Total Revenues</b>	<u>192,982</u>	<u>179,301</u>	<u>(13,681)</u>
<b>Expenditures</b>			
Culture and Recreation			
Operating	395,832	394,682	1,150
<b>Total Expenditures</b>	<u>(395,832)</u>	<u>(394,682)</u>	<u>1,150</u>
<b>(Deficiency) of Revenues (Under)</b>			
<b>Expenditures</b>	(202,850)	(215,381)	(12,531)
<b>Other Financing Sources (Uses)</b>			
Operating Transfers in	222,850	222,850	-
<b>Net Change in Fund Balance</b>	20,000	7,469	(12,531)
<b>Fund Balance, Beginning of Year</b>	-	-	-
<b>Fund Balance, End of Year</b>	<u>\$ 20,000</u>	<u>\$ 7,469</u>	<u>\$ (12,531)</u>

**CITY OF MOUNT DORA, FLORIDA**  
**BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Investment Earnings	\$ 1,150	1,959	\$ 809
<b>Total Revenues</b>	<u>1,150</u>	<u>1,959</u>	<u>809</u>
<b>Expenditures</b>			
Debt Service:			
Principal	263,300	263,300	-
Interest	56,100	56,030	70
<b>Total Expenditures</b>	<u>(319,400)</u>	<u>(319,330)</u>	<u>70</u>
<b>(Deficiency) of Revenues Over Expenditures</b>	<u>(318,250)</u>	<u>(317,371)</u>	<u>879</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in			
Public Services Tax	320,000	320,000	-
<b>Total Financing Sources</b>	<u>320,000</u>	<u>320,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	1,750	2,629	879
<b>Fund Balance, Beginning of Year</b>	<u>7,550</u>	<u>99,944</u>	<u>92,394</u>
<b>Fund Balance, End of Year</b>	<u>\$ 9,300</u>	<u>\$ 102,573</u>	<u>\$ 93,273</u>

**CITY OF MOUNT DORA, FLORIDA**  
**BUDGET TO ACTUAL COMPARISON - NONMAJOR FUND**  
**OTHER CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Grant	\$ 20,000	\$ -	\$ (20,000)
Investment Earnings	50	1,697	1,647
<b>Total Revenues</b>	<u>20,050</u>	<u>1,697</u>	<u>(18,353)</u>
<b>Expenditures</b>			
General Government:			
Operating	46,416	52,653	(6,237)
Capital Outlay	220,638	158,690	61,948
<b>Total Expenditures</b>	<u>(267,054)</u>	<u>(211,343)</u>	<u>55,711</u>
<b>(Deficiency) of Revenues Over Expenditures</b>	<u>(247,004)</u>	<u>(209,646)</u>	<u>37,358</u>
<b>Fund Balance, Beginning of Year</b>	<u>247,004</u>	<u>302,620</u>	<u>55,616</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ 92,974</u>	<u>\$ 92,974</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, 2015**

	<u>Motorpool Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Self Insurance Fund</u>	<u>Total</u>
<b>Assets</b>				
<b>Current Assets</b>				
Pooled Cash and Investments	\$ -	\$ 1,149,586	\$ 678,881	\$ 1,828,467
Receivables (Net)	-	-	7,077	7,077
Accrued Interest Receivable	-	1,830	578	2,408
<b>Total Current Assets</b>	<u>-</u>	<u>1,151,416</u>	<u>686,536</u>	<u>1,837,952</u>
Capital Assets				
Property, Plant and Equipment	-	1,896,966	38,331	1,935,297
(Accumulated Depreciation and Amortization)	-	(1,206,637)	(35,329)	(1,241,966)
Total Capital Assets - Cost Less Depreciation	<u>-</u>	<u>690,329</u>	<u>3,002</u>	<u>693,331</u>
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 1,841,745</u>	<u>\$ 689,538</u>	<u>\$ 2,531,283</u>
<b>Liabilities and Net Position</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ -	\$ -	\$ 441,902	\$ 441,902
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>441,902</u>	<u>441,902</u>
<b>Net Position</b>				
Net Investment in Capital Assets	-	690,329	3,002	693,331
Unrestricted	-	1,151,416	244,634	1,396,050
<b>Total Net Position</b>	<u>-</u>	<u>1,841,745</u>	<u>247,636</u>	<u>2,089,381</u>
<b>Total Liabilities and Net Position</b>	<u>\$ -</u>	<u>\$ 1,841,745</u>	<u>\$ 689,538</u>	<u>\$ 2,531,283</u>

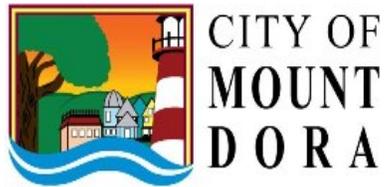
**CITY OF MOUNT DORA, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Motorpool Fund</b>	<b>Vehicle Replacement Fund</b>	<b>Self Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues</b>				
Charges for Services	\$ -	\$ 190,550	\$ 2,333,118	\$ 2,523,668
<b>Operating Expenses</b>				
Administration and General	83,552	-	2,570,425	2,653,977
Depreciation and Amortization	2,211	211,782	6,005	219,998
<b>Total Operating Expenses</b>	<u>85,763</u>	<u>211,782</u>	<u>2,576,430</u>	<u>2,873,975</u>
<b>Operating Income (Loss)</b>	<u>(85,763)</u>	<u>(21,232)</u>	<u>(243,312)</u>	<u>(350,307)</u>
<b>Non-operating Revenues (Expenses)</b>				
Investment Earnings	666	8,457	4,218	13,341
Other Income (Loss)	-	41,444	26,574	68,018
<b>Total Non-operating Revenues (Expenses)</b>	<u>666</u>	<u>49,901</u>	<u>30,792</u>	<u>81,359</u>
<b>Change in Net Position</b>	(85,097)	28,669	(212,520)	(268,948)
<b>Net Position , Beginning of Year</b>	<u>85,097</u>	<u>1,813,076</u>	<u>460,156</u>	<u>2,358,329</u>
<b>Net Position , End of Year</b>	<u>\$ -</u>	<u>\$ 1,841,745</u>	<u>\$ 247,636</u>	<u>\$ 2,089,381</u>

**CITY OF MOUNT DORA, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Motorpool Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Self Insurance Fund</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers, Including Cash	\$ (19,084)	\$ 190,550	\$ 2,333,118	\$ 2,504,584
Cash Paid to Suppliers	(45,568)	-	(2,473,908)	(2,519,476)
Cash Paid to Employees for Services	(15,838)	-	-	(15,838)
<b>Net Cash Provided by (Used in) Oper. Activities</b>	<u>(80,490)</u>	<u>190,550</u>	<u>(140,790)</u>	<u>(30,730)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Subsidy from Others	-	-	19,497	19,497
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>-</u>	<u>-</u>	<u>19,497</u>	<u>19,497</u>
<b>Cash Flows from Capital and Related Fin. Activities</b>				
Property, Plant and Equipment Acquisitions	3,747	(153,475)	-	(149,728)
Cash Received from Sale of Assets	-	41,444	-	41,444
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>3,747</u>	<u>(112,031)</u>	<u>-</u>	<u>(108,284)</u>
<b>Cash Flows from Investing Activities</b>				
Investment Earnings (Loss)	691	9,080	4,315	14,086
<b>Total Cash Flows from Investing Activities</b>	<u>691</u>	<u>9,080</u>	<u>4,315</u>	<u>14,086</u>
<b>Net Inc. (Dec.) in Cash and Cash Equivalents</b>	(76,052)	87,599	(116,978)	(105,431)
<b>Cash and Cash Equivalents, Beginning of Year</b>	76,052	1,061,987	795,859	1,933,898
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ -</u>	<u>\$ 1,149,586</u>	<u>\$ 678,881</u>	<u>\$ 1,828,467</u>
<b><u>Shown in the Financial Statements as</u></b>				
Pooled Cash and Investments	<u>\$ -</u>	<u>\$ 1,149,586</u>	<u>\$ 678,881</u>	<u>\$ 1,828,467</u>
<b><u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u></b>				
Operating Income (Loss)	\$ (85,763)	\$ (21,232)	\$ (243,312)	\$ (350,307)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	2,211	211,782	6,005	219,998
Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease):				
Inventories	13,075	-	-	13,075
Accounts Payable	(9,370)	-	96,517	87,147
Accrued Expenses	(315)	-	-	(315)
Compensated Absences	(328)	-	-	(328)
Total Adjustments	<u>5,273</u>	<u>211,782</u>	<u>102,522</u>	<u>319,577</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ (80,490)</u>	<u>\$ 190,550</u>	<u>\$ (140,790)</u>	<u>\$ (30,730)</u>

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## **STATISTICAL SECTION**

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**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.

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**A. Financial Trends**

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

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**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.

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**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>
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**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.

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**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.

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

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

	Fiscal Year				
	<u>2015</u>	<u>2014*</u>	<u>2013*</u>	<u>2012*</u>	<u>2011*</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 39,571,544	\$ 38,938,810	\$ 37,977,455	\$ 37,109,503	\$ 35,388,167
Restricted	3,241,613	3,675,538	4,446,851	3,895,130	5,132,210
Unrestricted	1,710,120	3,788,034	3,082,453	3,924,583	4,517,329
Total governmental activities net assets	<u>44,523,277</u>	<u>46,402,382</u>	<u>45,506,759</u>	<u>44,929,216</u>	<u>45,037,706</u>
Business-type activities					
Invested in capital assets, net of related debt	43,706,330	41,954,352	36,021,284	32,242,768	30,431,980
Restricted	3,374,523	3,163,254	3,256,639	3,948,652	5,771,202
Unrestricted	4,784,058	3,762,944	7,359,662	9,360,418	8,664,640
Total business-type activities net assets	<u>51,864,911</u>	<u>48,880,550</u>	<u>46,637,585</u>	<u>45,551,838</u>	<u>44,867,822</u>
Primary government					
Invested in capital assets, net of related debt	83,277,874	80,893,162	73,998,739	69,352,271	65,820,147
Restricted	6,616,136	6,838,792	7,703,490	7,843,782	10,903,412
Unrestricted	6,494,178	7,550,978	10,442,115	13,285,001	13,181,969
Total primary government net assets	<u>\$ 96,388,188</u>	<u>\$ 95,282,932</u>	<u>\$ 92,144,344</u>	<u>\$ 90,481,054</u>	<u>\$ 89,905,528</u>

	Fiscal Year				
	<u>2010*</u>	<u>2009*</u>	<u>2008*</u>	<u>2007*</u>	<u>2006*</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 35,188,792	\$ 31,183,837	\$ 29,099,333	\$ 26,549,110	\$ 24,210,289
Restricted	5,975,018	9,625,598	9,730,361	8,608,058	7,756,454
Unrestricted	3,988,383	3,239,296	4,088,233	4,557,508	3,844,704
Total governmental activities net assets	<u>45,152,193</u>	<u>44,048,731</u>	<u>42,917,927</u>	<u>39,714,676</u>	<u>35,811,447</u>
Business-type activities					
Invested in capital assets, net of related debt	30,364,657	28,898,204	26,056,129	24,816,823	23,580,329
Restricted	6,073,074	6,758,987	9,482,277	7,830,118	7,020,378
Unrestricted	7,633,663	7,800,422	7,334,199	9,593,857	10,737,172
Total business-type activities net assets	<u>44,071,394</u>	<u>43,457,613</u>	<u>42,872,605</u>	<u>42,240,798</u>	<u>41,337,879</u>
Primary government					
Invested in capital assets, net of related debt	65,553,449	60,082,041	55,155,462	51,365,933	47,790,618
Restricted	12,048,092	16,384,585	19,212,638	16,438,176	14,776,832
Unrestricted	11,622,046	11,039,718	11,422,432	14,151,365	14,581,876
Total primary government net assets	<u>\$ 89,223,587</u>	<u>\$ 87,506,344</u>	<u>\$ 85,790,532</u>	<u>\$ 81,955,474</u>	<u>\$ 77,149,326</u>

\*Prior years are not restated for GASB 68 - See Note 15

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

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

	Fiscal Year				
	2015	2014	2013	2012	2011
<b>Program Revenues</b>					
<b>Governmental activities</b>					
Charges for Services					
General government	\$ 76,369	\$ 71,126	\$ 69,815	\$ 166,504	\$ 322,883
Public safety	854,158	939,679	852,862	594,772	630,286
Physical environment	-	3,974	3,129	2,300	4,709
Transportation	-	-	-	-	-
Culture and recreation	311,913	183,945	163,442	593,660	419,559
Operating Grants and Contributions					
General government	22,834	-	-	-	-
Public safety	-	6,307	-	-	-
Physical environment	-	37,500	-	-	-
Transportation	-	19,637	21,193	161,939	161,189
Culture and recreation	-	-	-	-	-
Grants and aid	-	-	-	-	-
Capital Grants and Contributions					
General government	-	-	-	-	-
Public safety	142,861	58,151	149,953	107,254	202,063
Physical environment	-	-	-	230,825	380,442
Transportation	-	340,561	-	-	-
Culture and recreation	300,763	791,212	813,826	245,459	186,680
Grants and aid	-	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>1,708,898</b>	<b>2,452,092</b>	<b>2,074,220</b>	<b>2,102,713</b>	<b>2,307,811</b>
<b>Business-type activities</b>					
Charges for services					
Electric Utility	11,224,288	10,682,392	10,324,206	10,997,916	12,035,897
Water and Wastewater Utility	8,645,543	8,068,351	7,499,207	6,827,438	6,844,702
Sanitation	2,268,030	2,174,190	2,117,927	2,036,994	1,978,335
Stormwater Utility	938,126	852,208	851,139	842,054	845,683
Cemetery	80,981	60,303	29,391	57,378	47,866
Operating grants and contributions					
Electric Utility	-	-	-	-	-
Water and Wastewater Utility	-	-	3,025	2,000	2,250
Sanitation	-	-	-	-	-
Stormwater Utility	-	-	-	115,929	-
Capital Grants and Contributions					
Electric Utility	-	-	29,769	31,508	45,840
Water and Wastewater Utility	1,148,195	1,901,875	1,294,754	653,726	521,530
Stormwater Utility	641,548	117,007	202,331	-	44,485
<b>Total business-type activities program revenues</b>	<b>24,946,711</b>	<b>23,856,326</b>	<b>22,351,749</b>	<b>21,564,943</b>	<b>22,366,588</b>
<b>Total primary government program revenues</b>	<b>\$ 26,655,609</b>	<b>\$ 26,308,418</b>	<b>\$ 24,425,969</b>	<b>\$ 23,667,656</b>	<b>\$ 24,674,399</b>

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

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

	Fiscal Year				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Program Revenues</b>					
Governmental activities					
Charges for Services					
General government	\$ 181,715	\$ 181,061	\$ 202,878	\$ 174,684	\$ 177,213
Public safety	807,850	918,845	1,379,273	1,497,998	1,393,277
Physical environment	4,704	4,030	-	40,575	55,620
Transportation	-	-	-	9,096	18,587
Culture and recreation	612,157	419,660	491,461	221,675	351,950
Operating Grants and Contributions					
General government	-	-	-	-	1,187
Public safety	-	-	31,893	18,990	17,529
Physical environment	-	-	-	-	-
Transportation	161,520	164,694	165,529	174,884	232,555
Culture and recreation	-	-	-	-	7,305
Grants and aid	-	29,413	-	-	-
Capital Grants and Contributions					
General government	-	-	-	-	2,275
Public safety	221,091	147,997	343,188	237,823	144,430
Physical environment	85,531	-	-	416,478	274,022
Transportation	-	-	-	-	-
Culture and recreation	341,138	368,135	1,647,294	925,701	803,800
Grants and aid	-	-	-	-	-
Total governmental activities program revenues	<u>2,415,706</u>	<u>2,233,835</u>	<u>4,261,516</u>	<u>3,717,904</u>	<u>3,479,750</u>
Business-type activities					
Charges for services					
Electric utility	12,915,245	11,942,165	11,293,738	10,606,134	10,115,125
Water and Wastewater utility	5,971,629	5,852,575	5,679,309	5,540,912	5,306,787
Sanitation	1,908,373	1,893,368	1,797,926	1,659,465	1,602,500
Stormwater utility	814,734	701,161	595,485	487,590	418,019
Cemetery	61,305	55,528	38,270	-	-
Operating grants and contributions					
Electric utility	-	5,184	-	-	-
Water and Wastewater utility	2,000	6,161	1,470	10,000	-
Sanitation	-	1,625	-	-	-
Stormwater utility	2,466	2,609	-	-	2,506
Capital Grants and Contributions					
Electric utility	-	-	-	750,000	778,789
Water and Wastewater utility	971,208	803,837	2,193,964	1,730,027	2,893,861
Stormwater utility	-	588,984	241,560	88,608	-
Total business-type activities program revenues	<u>22,646,960</u>	<u>21,853,197</u>	<u>21,841,722</u>	<u>20,872,736</u>	<u>21,117,587</u>
Total primary government program revenues	<u>\$ 25,062,666</u>	<u>\$ 24,087,032</u>	<u>\$ 26,103,238</u>	<u>\$ 24,590,640</u>	<u>\$ 24,597,337</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenses</b>					
<b>Governmental Activities</b>					
General Government	\$ 2,487,548	\$ 2,493,630	\$ 2,432,163	\$ 2,130,728	\$ 2,287,971
Public Safety	7,917,059	7,934,780	7,567,046	7,603,665	7,803,814
Physical Environment	-	-	-	2,316	1,791
Transportation	1,633,927	1,574,628	1,664,660	1,681,721	1,505,870
Culture and Recreation	3,509,701	3,214,825	2,877,536	2,645,608	2,474,613
Interest on long-term debt	111,527	116,189	82,169	102,941	194,133
<b>Total governmental activities expenses</b>	<b>15,659,762</b>	<b>15,334,052</b>	<b>14,623,574</b>	<b>14,166,979</b>	<b>14,268,192</b>
<b>Business-type activities</b>					
Electric	8,839,187	9,201,878	9,079,195	9,602,536	10,290,807
Water / Wastewater	6,961,483	6,633,938	6,612,703	6,186,750	6,719,473
Sanitation	2,222,235	2,167,724	2,091,761	2,031,374	1,970,385
Stormwater	807,683	878,731	988,600	847,512	807,019
Cemetery	144,538	147,258	136,146	144,469	173,149
<b>Total business-type activities expenses</b>	<b>18,975,126</b>	<b>19,029,529</b>	<b>18,908,405</b>	<b>18,812,641</b>	<b>19,960,833</b>
<b>Total primary government expenses</b>	<b>34,634,888</b>	<b>34,363,581</b>	<b>33,531,979</b>	<b>32,979,620</b>	<b>34,229,025</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	(13,950,864)	(12,881,960)	(12,549,354)	(12,064,266)	(11,960,381)
Business-type activities	5,971,585	4,826,797	3,443,344	2,752,302	2,405,755
<b>Total primary government net expense</b>	<b>(7,979,279)</b>	<b>(8,055,163)</b>	<b>(9,106,010)</b>	<b>(9,311,964)</b>	<b>(9,554,626)</b>
<b>General revenues and other changes in net assets</b>					
<b>Governmental activities</b>					
<b>General revenues</b>					
Property taxes	5,063,514	4,644,345	4,571,110	4,547,594	4,445,380
Public service taxes	1,529,506	1,446,485	1,867,561	1,820,926	1,857,841
Other taxes	1,918,442	1,902,317	1,351,654	910,268	954,811
Franchise fees	702,324	661,317	629,953	641,789	671,730
State and County shared rev. - unrestricted	2,192,121	2,013,460	1,804,701	1,746,271	1,598,248
Investment earnings (losses)	85,295	95,934	(45,406)	70,285	118,506
Miscellaneous revenue	316,194	261,675	361,624	45,022	450,978
Transfers	2,845,050	2,752,050	2,691,300	2,173,621	1,748,400
<b>Total governmental activities</b>	<b>14,652,446</b>	<b>13,777,583</b>	<b>13,232,497</b>	<b>11,955,776</b>	<b>11,845,894</b>
<b>Business-type activities</b>					
Interest earnings (losses)	117,738	94,334	(49,812)	72,160	107,916
Miscellaneous revenue	69,365	73,884	38,387	33,175	31,157
Transfers	(2,845,050)	(2,752,050)	(2,691,300)	(2,173,621)	(1,748,400)
<b>Total business-type activities</b>	<b>(2,657,947)</b>	<b>(2,583,832)</b>	<b>(2,702,725)</b>	<b>(2,068,286)</b>	<b>(1,609,327)</b>
<b>Total primary government</b>	<b>11,994,499</b>	<b>11,193,751</b>	<b>10,529,772</b>	<b>9,887,490</b>	<b>10,236,567</b>
<b>Change in Net Assets</b>					
Governmental activities	701,582	895,623	683,143	(108,490)	(114,487)
Business-type activities	3,313,638	2,242,965	740,619	684,016	796,428
<b>Total primary government: change in net assets</b>	<b>\$ 4,015,220</b>	<b>\$ 3,138,588</b>	<b>\$ 1,423,762</b>	<b>\$ 575,526</b>	<b>\$ 681,941</b>

**CITY OF MOUNT DORA**  
**CHANGES IN NET ASSETS**  
Table A - 2, Part 2  
*(accrual basis of accounting)*  
Prior Five Fiscal Years

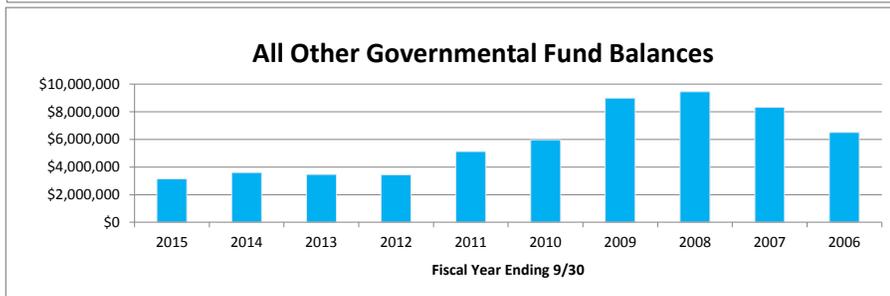
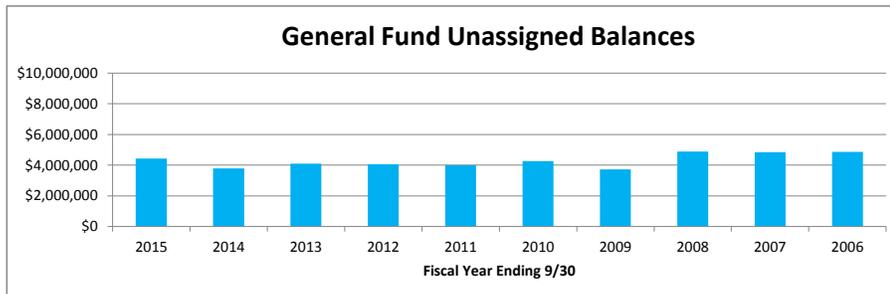
	Fiscal Year				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenses</b>					
Governmental Activities					
General Government	\$ 2,256,811	\$ 2,242,323	\$ 2,506,635	\$ 1,990,873	\$ 2,340,300
Public Safety	7,477,581	7,612,660	7,720,632	7,260,150	6,174,389
Physical Environment	2,285	36,114	210,221	98,608	834,330
Transportation	1,598,941	1,629,318	1,700,728	2,438,644	1,414,961
Culture and Recreation	2,370,129	2,436,673	2,430,445	2,611,462	2,354,876
Interest on long-term debt	249,881	364,150	388,451	410,095	437,589
Total governmental activities expenses	<u>13,955,628</u>	<u>14,321,238</u>	<u>14,957,112</u>	<u>14,809,832</u>	<u>13,556,445</u>
Business-type activities					
Electric	11,469,781	11,028,955	11,286,466	10,188,842	9,494,720
Water / Wastewater	6,098,546	5,991,743	5,824,230	5,608,183	5,143,935
Sanitation	1,949,096	1,941,538	1,858,390	1,778,997	1,686,703
Stormwater	708,143	607,240	471,745	386,679	324,535
Cemetery	148,597	106,255	132,683	-	-
Total business-type activities expenses	<u>20,374,163</u>	<u>19,675,731</u>	<u>19,573,514</u>	<u>17,962,701</u>	<u>16,649,893</u>
Total primary government expenses	<u>34,329,791</u>	<u>33,996,969</u>	<u>34,530,626</u>	<u>32,772,533</u>	<u>30,206,338</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	(11,539,922)	(12,087,403)	(10,695,596)	(11,091,928)	(10,076,695)
Business-type activities	2,272,797	2,177,466	2,268,208	2,910,035	4,467,694
Total primary government net expense	<u>(9,267,125)</u>	<u>(9,909,937)</u>	<u>(8,427,388)</u>	<u>(8,181,893)</u>	<u>(5,609,001)</u>
<b>General revenues and other changes in net assets</b>					
Governmental activities					
General revenues					
Property taxes	4,861,132	5,146,296	5,180,370	5,137,047	4,234,363
Public service taxes	1,873,661	1,721,599	1,653,353	1,602,720	1,541,387
Other taxes	1,075,927	1,140,903	1,140,262	1,255,322	1,119,623
Franchise fees	677,432	642,088	594,705	568,066	551,608
State and County shared rev. - unrestricted	1,567,623	1,590,061	1,786,774	2,100,093	2,121,691
Investment income	257,595	450,508	578,423	800,926	564,765
Miscellaneous revenue	393,164	518,152	693,324	621,313	44,877
Transfers	1,936,850	2,008,600	2,271,636	2,909,670	2,641,739
Total governmental activities	<u>12,643,384</u>	<u>13,218,207</u>	<u>13,898,847</u>	<u>14,995,157</u>	<u>12,820,053</u>
Business-type activities					
Interest earnings	200,198	345,524	547,389	803,249	639,853
Miscellaneous revenue	77,636	70,618	87,846	99,305	289,955
Transfers	(1,936,850)	(2,008,600)	(2,271,636)	(2,909,670)	(2,641,739)
Total business-type activities	<u>(1,659,016)</u>	<u>(1,592,458)</u>	<u>(1,636,401)</u>	<u>(2,007,116)</u>	<u>(1,711,931)</u>
Total primary government	<u>10,984,368</u>	<u>11,625,749</u>	<u>12,262,446</u>	<u>12,988,041</u>	<u>11,108,122</u>
<b>Change in Net Assets</b>					
Governmental activities	1,103,462	1,130,804	3,203,251	3,903,229	2,743,358
Business-type activities	613,781	585,008	631,807	902,919	2,755,763
Total primary government: change in net assets	<u>\$ 1,717,243</u>	<u>\$ 1,715,812</u>	<u>\$ 3,835,058</u>	<u>\$ 4,806,148</u>	<u>\$ 5,499,121</u>

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

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

	Fiscal Year				
	2015	2014	2013	2012	2011
General Fund					
Nonspendable- Inventory & Prepaids	\$ 14,960	\$ 31,073	\$ 36,561	\$ 344,001	\$ 331,602
Assigned for Future Expenditures	-	158,250	-	-	-
Unassigned	4,437,623	3,792,396	4,098,436	4,064,399	4,000,305
<b>Total General Fund</b>	<b>4,452,583</b>	<b>3,981,719</b>	<b>4,134,997</b>	<b>4,408,400</b>	<b>4,331,907</b>
All Other Governmental Funds					
Nonspendable- Inventory & Prepaids	-	-	-	120	659
Restricted for					
Capital Improvements	1,873,510	2,592,716	3,089,095	2,640,334	2,802,496
Debt Service	578,253	501,027	466,635	414,732	406,374
Building Inspections	774,021	608,353	386,484	283,917	336,403
Law Enforcement	15,829	6,092	5,548	2,194	13,266
Library Improvements	-	-	-	-	-
Assigned					
Capital Improvement	664,200	553,300	391,877	439,392	1,319,541
Building Inspections	-	-	107,212	-	184,600
Debt Service	115,973	124,544	-	113,653	68,871
Unassigned	(873,909)	(790,504)	(992,741)	(462,536)	-
<b>Total all other governmental funds</b>	<b>3,147,877</b>	<b>3,595,528</b>	<b>3,454,110</b>	<b>3,431,806</b>	<b>5,132,210</b>
<b>Total Fund Balances</b>	<b>\$ 7,600,460</b>	<b>\$ 7,577,247</b>	<b>\$ 7,589,107</b>	<b>\$ 7,840,206</b>	<b>\$ 9,464,117</b>

	Fiscal Year				
	2010	2009	2008	2007	2006
General Fund					
Nonspendable- Inventory & Prepaids	\$ 55,119	\$ 548,494	\$ 70,679	\$ 20,068	\$ 331,468
Assigned for Future Expenditures	-	-	-	-	-
Unassigned	4,266,521	3,729,009	4,887,013	4,853,003	4,872,676
<b>Total General Fund</b>	<b>4,321,640</b>	<b>4,277,503</b>	<b>4,957,692</b>	<b>4,873,071</b>	<b>5,204,144</b>
All Other Governmental Funds					
Nonspendable- Inventory & Prepaids	-	-	-	-	-
Restricted for					
Capital Improvements	4,151,774	7,150,769	7,453,650	6,432,444	6,183,867
Debt Service	909,183	757,947	775,137	728,159	679,130
Building Inspections	897,318	1,081,696	1,210,769	1,145,558	7,406
Law Enforcement	12,812	11,047	18,630	16,343	3,439
Library Improvements	3,931	3,869	3,766	3,628	-
Assigned					
Capital Improvement	-	-	-	-	-
Building Inspections	-	-	-	-	(348,705)
Debt Service	-	-	-	-	(12,699)
<b>Total all other governmental funds</b>	<b>5,975,018</b>	<b>9,005,328</b>	<b>9,461,952</b>	<b>8,326,132</b>	<b>6,512,438</b>
<b>Total Fund Balances</b>	<b>\$ 10,296,658</b>	<b>\$ 13,282,831</b>	<b>\$ 14,419,644</b>	<b>\$ 13,199,203</b>	<b>\$ 11,716,582</b>



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

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Program Revenues</b>										
Governmental Activities										
Taxes	\$ 8,511,462	\$ 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
Permits and Fees	1,262,281	1,247,681	1,181,697	939,458	1,038,659	1,183,824	1,213,811	830,852	1,188,733	914,518
Intergovernmental	2,304,478	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
Charges for service	617,258	546,271	446,413	447,480	391,044	421,637	498,186	629,516	581,859	600,413
Fines and forfeitures	54,137	65,920	91,093	56,546	71,420	107,353	77,635	195,450	116,783	122,989
Special assessments levied	-	-	-	-	-	-	-	-	40,667	50,821
Impact fees	354,101	308,960	394,996	183,886	222,067	491,211	464,973	1,229,735	940,277	648,843
Miscellaneous revenue	695,961	299,751	205,288	329,616	524,797	638,443	626,179	818,959	959,841	2,093,083
<b>Total revenues</b>	<b>13,799,678</b>	<b>13,419,597</b>	<b>12,504,489</b>	<b>11,969,840</b>	<b>12,088,330</b>	<b>12,829,866</b>	<b>13,019,442</b>	<b>15,305,278</b>	<b>15,343,286</b>	<b>15,489,557</b>
<b>Program Expenditures</b>										
Governmental activities										
General government	1,908,439	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
Public safety	7,663,558	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
Physical environment	-	-	-	-	-	-	-	-	90,367	51,851
Transportation	1,009,792	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
Culture and recreation	2,637,960	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
Grants and aid	290,717	327,972	119,344	93,207	59,941	44,899	57,859	60,931	82,657	-
Capital outlay	2,944,798	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
Debt service										
Principal payments	410,300	396,300	253,400	246,800	195,000	2,690,000	5,020,900	403,454	397,053	1,768,071
Interest	121,233	135,417	75,971	85,670	240,923	252,833	315,353	372,353	387,102	432,673
Other costs	-	-	-	-	34,690	1,050	31,585	1,050	1,050	1,247
<b>Total expenditures</b>	<b>16,986,797</b>	<b>16,183,507</b>	<b>17,946,888</b>	<b>15,767,372</b>	<b>14,754,671</b>	<b>17,752,889</b>	<b>18,664,855</b>	<b>16,356,472</b>	<b>16,770,335</b>	<b>19,134,744</b>
<b>(Deficiency) Excess of Revenues (under) over expenditures</b>	<b>(3,187,119)</b>	<b>(2,763,910)</b>	<b>(5,442,399)</b>	<b>(3,797,532)</b>	<b>(2,666,341)</b>	<b>(4,923,023)</b>	<b>(5,645,413)</b>	<b>(1,051,194)</b>	<b>(1,427,049)</b>	<b>(3,645,187)</b>
<b>Other financing sources (uses)</b>										
Transfers in	5,013,900	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
Transfer out	(2,168,850)	(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)
Issuance of debt/debt proceeds	365,282	-	2,500,000	-	3,635,400	-	2,500,000	-	-	-
Payment to Refund Bond Escrow	-	-	-	-	(3,550,000)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,210,332</b>	<b>2,752,050</b>	<b>5,191,300</b>	<b>2,173,621</b>	<b>1,833,800</b>	<b>1,936,850</b>	<b>4,508,600</b>	<b>2,271,636</b>	<b>2,909,670</b>	<b>2,641,739</b>
<b>Net change in fund balance</b>	<b>\$ 23,213</b>	<b>\$ (11,860)</b>	<b>\$ (251,099)</b>	<b>\$ (1,623,911)</b>	<b>\$ (832,541)</b>	<b>\$ (2,986,173)</b>	<b>\$ (1,136,813)</b>	<b>\$ 1,220,442</b>	<b>\$ 1,482,621</b>	<b>\$ (1,003,448)</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>3.8%</b>	<b>3.9%</b>	<b>2.2%</b>	<b>2.4%</b>	<b>3.3%</b>	<b>17.9%</b>	<b>28.3%</b>	<b>5.3%</b>	<b>5.6%</b>	<b>15.7%</b>

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

Table B - 1  
 Last Ten Fiscal Years

<b>Fiscal Year Ended Sept. 30</b>	<b>Taxable Value Real Property for Operating Purposes</b>	<b>Personal Property for Operating Purposes</b>	<b>Gross Taxable Value</b>	<b>New Construction Taxable Value</b>	<b>Adjusted Taxable Value</b>	<b>Final Taxable Value</b>	<b>Millage Rate</b>
2015	\$ 862,172,850	\$ 45,311,719	\$ 907,484,569	\$ 18,786,031	\$ 888,698,538	\$ 906,012,014	5.9970
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

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

<b>Fiscal Year</b>	<b>Direct Rate*</b>	<b>Overlapping Rates</b>				<b>Total</b>
	<b>Basic Rate *</b>	<b>Lake County</b>	<b>Lake County Schools</b>	<b>North Lake Hospital</b>	<b>Other**</b>	
2015	5.9970	5.5456	7.2460	1.0000	1.0347	20.8233
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

\* 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	2015			2014			2013			2012			2011		
	Taxable Assessed		Percent of Total City Taxable Assessed	Taxable Assessed		Percent of Total City Taxable Assessed	Taxable Assessed		Percent of Total City Taxable Assessed	Taxable Assessed		Percent of Total City Taxable Assessed	Taxable Assessed		Percent of Total City Taxable Assessed
	Value	Rank	Value												
Magnolia Place Apartments Assoc. LLC	\$ 16,176,809	1	1.85%	\$ 15,270,799	1	1.80%	\$ 10,931,214	1	1.31%	\$ 9,937,467	1	1.14%	\$ 9,764,303	1	1.06%
HI-C Investments, Ltd.	8,421,859	2	0.96%	7,853,270	4	0.93%	7,854,333	3	0.94%	7,865,037	4	0.90%	7,896,864	4	0.86%
Wai-Mart Stores East, Inc.	8,411,860	3	0.96%	8,412,634	2	0.99%	7,718,086	4	0.93%	8,322,822	3	0.96%	8,954,157	2	0.97%
Waterman Healthcare Care Systems, Inc.	7,415,557	4	0.85%	7,989,704	3	0.94%	8,088,977	2	0.97%	6,502,937	7	0.75%	7,297,260	5	0.79%
Lake Care Systems, Inc.	6,516,939	5	0.75%	5,825,282	10	0.69%	-	-	-	6,531,643	6	0.75%	6,798,078	7	0.74%
Lowe's Home Centers, Inc.	6,452,577	6	0.74%	6,454,847	5	0.76%	6,487,762	6	0.78%	8,328,146	2	0.96%	8,377,981	3	0.91%
Veranda Mt Dora LLC	6,399,439	7	0.73%	6,065,285	9	0.72%	5,297,602	10	0.00%	-	-	-	-	-	-
Target Corp.	6,215,522	8	0.71%	6,241,062	6	0.74%	6,267,198	7	0.75%	6,804,622	5	0.78%	6,830,759	6	0.74%
Spring Harbor, Ltd.	6,156,978	9	-	-	-	-	5,404,365	9	0.65%	5,516,249	9	0.63%	5,523,099	8	0.60%
Main Street Leasing Co.	5,882,905	10	0.67%	5,729,344	7	0.68%	7,234,540	5	0.87%	5,112,767	10	0.59%	-	-	-
Pine Tree PME Loch Leven LLC	-	-	0.00%	5,708,553	8	0.67%	5,725,261	8	0.69%	5,742,459	8	0.66%	5,057,196	9	0.55%
Embarq-Florida Inc.	-	-	-	-	-	-	-	-	-	-	-	-	4,843,601	10	0.53%
Sprint-Florida, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lakes of Mount Dora Ventures, LP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park Square Enterprises, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 78,050,445</b>		<b>8.23%</b>	<b>\$ 75,550,780</b>		<b>8.93%</b>	<b>\$ 71,009,338</b>		<b>7.88%</b>	<b>\$ 70,664,149</b>		<b>8.13%</b>	<b>\$ 71,343,298</b>		<b>7.76%</b>

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	2010			2009			Calendar Year 2008			2007			2006		
	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	\$ 8,798,948	4	0.96%	\$ -	-	-	\$ -	-	-	\$ -	-	-	-	-	-
HI-C Investments, Ltd.	7,753,013	6	0.84%	9,284,797	3	0.82%	9,305,693	4	0.87%	8,929,961	6	0.83%	8,788,505	5	0.99%
Wal-Mart, Inc.	8,487,098	5	0.92%	10,073,416	2	0.93%	10,246,562	3	0.96%	11,873,036	2	1.11%	\$ 9,379,343	3	1.06%
Waterman Healthcare Care Systems, Inc.	8,957,967	3	0.97%	8,182,667	5	1.01%	9,176,308	5	0.86%	21,964,890	1	2.05%	8,991,981	4	1.01%
Lake Care Systems, Inc.	5,542,419	10	0.60%	8,266,399	4	0.83%	7,978,105	9	0.74%	11,393,169	4	1.06%	7,499,938	7	0.84%
Lowe's Home Centers, Inc.	6,856,298	7	0.75%	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%
Veranda Mt Dora LLC	9,118,483	2	0.99%	-	-	-	-	-	-	-	-	-	-	-	-
Spring Harbor, Ltd.	-	-	-	5,748,468	10	0.58%	-	-	-	6,762,268	10	0.63%	6,773,581	9	0.76%
Main Street Leasing Co.	9,302,822	1	1.01%	6,429,796	9	1.14%	7,199,238	10	0.67%	7,731,731	8	0.72%	6,295,058	10	0.71%
Pine Tree PME Loch Leven LLC	6,300,474	8	0.68%	7,477,526	8	0.75%	8,313,071	7	0.78%	8,672,226	7	0.81%	10,788,564	2	1.21%
Embarq-Florida Inc.	6,197,095	9	0.67%	-	-	-	-	-	-	-	-	-	-	-	-
Sprint-Florida, Inc.	-	-	-	7,810,875	7	0.79%	-	-	-	7,349,810	9	0.70%	7,499,807	8	0.84%
Lakes of Mount Dora Ventures, LP	-	-	-	-	-	-	11,846,142	1	1.10%	-	-	-	-	-	-
Park Square Enterprises, Inc.	-	-	-	-	-	-	8,878,550	6	0.83%	-	-	-	-	-	-
<b>Total</b>	<b>\$ 77,314,617</b>		<b>8.39%</b>	<b>\$ 82,744,008</b>		<b>8.32%</b>	<b>\$ 92,658,427</b>		<b>8.64%</b>	<b>\$ 106,162,089</b>		<b>9.91%</b>	<b>\$ 85,759,051</b>		<b>9.65%</b>

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

<b>Fiscal Year Ended Sept. 30</b>	<b>Tax Year</b>	<b>Total Tax Levy</b>	<b>Current Total Collections</b>	<b>Percent of Levy Currently Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Tax Levy</b>
2015	2014	\$ 5,237,244	\$ 4,957,820	94.66%	\$ -	\$ 4,957,820	94.66%
2014	2013	4,796,490	4,539,109	94.63%	105,694	4,644,803	96.84%
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%

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									
	2015		2014		2013		2012		2011	
	Kilowatt Hours	Rank								
Mount Dora High School	2,188,392	1	2,063,520	1	2,041,920	1	2,108,160	1	2,213,280	1
Mount Dora Middle School	1,388,496	2	1,651,376	2	1,026,432	5	862,080	7	-	
Triangle Elementary School	1,119,789	3	1,179,896	5	1,152,472	3	1,247,268	3	1,389,032	3
National Deaf Academy	1,094,680	4	1,184,200	4	1,149,240	4	1,171,960	4	1,179,360	4
Christian Home & Bible School	1,042,920	5	1,038,360	6	883,880	7	893,280	6	927,800	5
City of Mount Dora - Water Dept.	891,100	6	1,437,600	3	1,769,000	2	1,803,200	2	1,803,100	2
Hallmark Nameplate	867,240	7	936,600	7	998,520	6	901,200	5	890,760	6
City of Mount Dora - Perc Ponds	830,496	8	834,480	9	784,992	10	764,160		685,800	9
City of Mount Dora - Wastewater Plant	794,592	9	782,352	10	-		-		787,536	7
Lakeside Corp of Mount Dora	753,200	10	834,800	8	826,600	8	839,000	10	670,400	10
Avante At Mount Dora	-		-		790,880	9	796,360	9	778,200	8
Publix Super Markets	-		-		-		-		-	
Database Management	-		-		-		-		-	
Rising Star Management	-		-		-		-		-	
<b>Total</b>	<b>10,970,905</b>		<b>11,943,184</b>		<b>11,423,936</b>		<b>11,386,668</b>		<b>11,325,268</b>	

Source: City Utility Records

**CITY OF MOUNT DORA  
PRINCIPAL ELECTRICAL CUSTOMERS**

Table B - 5 - Part 2  
Previous Five Fiscal Years

Electric Customer	Fiscal Year									
	2010		2009		2008		2007		2006	
	Kilowatt Hours	Rank								
Mount Dora High School	2,226,240	1	2,044,800	2	2,291,040	2	2,556,000	2	2,695,680	2
Mount Dora Middle School	-		-		-		-		-	
Triangle Elementary School	1,268,428	4	1,300,156	4	1,392,232	4	1,389,300	5	1,441,160	5
National Deaf Academy	1,209,360	5	1,213,119	5	1,159,693	6	1,143,469	6	1,152,874	7
Christian Home & Bible School	-		-		-		-		-	
City of Mount Dora - Water Dept.	1,544,900	3	1,564,600	3	1,609,600	3	1,807,200	3	1,635,200	3
Hallmark Nameplate	899,640	6	868,440	7	1,039,080	8	998,400	8	1,004,760	8
City of Mount Dora - Perc Ponds	708,200	10	669,280	10	717,680	10	737,840	10	-	
City of Mount Dora - Wastewater Plant	756,240	9	787,008	8	-		-		-	
Lakeside Corp of Mount Dora	862,800	7	919,400	6	1,070,800	7	1,101,600	7	1,220,600	6
Avante At Mount Dora	809,200	8	786,200	9	810,000	9	823,800	9	797,800	9
Publix Super Markets	1,971,480	2	2,750,400	1	2,773,680	1	2,851,680	1	2,827,680	1
Database Management	-		-		1,363,560	5	1,425,640	4	1,480,840	4
Rising Star Management	-		-		-		-		604,880	10
<b>Total</b>	<b>12,256,488</b>		<b>12,903,403</b>		<b>14,227,365</b>		<b>14,834,929</b>		<b>14,861,474</b>	

Source: City Utility Records

**CITY OF MOUNT DORA  
PRINCIPAL WATER CUSTOMERS**

Table B - 6 - Part 1  
Last Five Fiscal Years

<b>Water Customer</b>	<b>Fiscal Year</b>									
	<b>2015</b>		<b>2013</b>		<b>2012</b>		<b>2011</b>		<b>2010</b>	
	Hundred Cubic Feet	Rank								
Watermann Communities Inc.	57,658	1	14,073	3	15,766	2	13,185	2	13,923	2
Lakes of Mount Dora H.O.A.	40,320	2	-		-		-		-	
City of Mount Dora Water Pumps/Wells	33,834	3	-		-		-		-	
Sullivan Ranch H.O.A.	21,356	4	-		-		-		-	
Spring Harbor, Ltd	20,802	5	23,985	1	23,419	1	19,372	1	21,392	1
Hammock Oaks	15,203	6	15,266	2	14,851	3	13,472	3	7,293	8
Southernaire MHC, Inc.	10,196	7	9,600	4	8,605	5	9,161	5	8,427	6
Rath Harper & Assoc. (Veranda Apart.)	8,058	8	8,242	5	8,095	6	6,943	8	-	
Mount Dora Commons	7,273	9	6,285	9	7,463	8	7,666	6	7,803	7
Mount Dora High School	7,247	10	7,581	8	11,679	4	9,521	4	11,076	4
National Deaf Academy			7,747	6	7,884	7	7,359	7	5,898	10
Riley's Mobile Home Park			7,590	7	6,285	9	6,729	9	-	
City Of Mount Dora Wastewater Plant			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.	-		-		-		-		-	
<b>Total - Hundred Cubic Feet</b>	<b>221,947</b>		<b>105,673</b>		<b>109,933</b>		<b>99,211</b>		<b>104,271</b>	

Source: City Utility Records

**CITY OF MOUNT DORA  
PRINCIPAL WATER CUSTOMERS**

Table B - 6 Part 2  
Previous Five Fiscal Years

<b>Water Customer</b>	<b>Fiscal Year</b>									
	<b>2010</b>		<b>2009</b>		<b>2008</b>		<b>2007</b>		<b>2006</b>	
	Hundred Cubic Feet	Rank								
Watermann Communities Inc.	13,923	2	15,236	2	19,245	2	18,455	2	-	
Lakes of Mount Dora H.O.A.	-		-		-		-		-	
City of Mount Dora Water Pumps/Wells	-		-		-		-		-	
Sullivan Ranch H.O.A.	-		-		-		-		-	
Spring Harbor, Ltd	21,392	1	21,265	1	26,854	1	29,318	1	10,318	3
Hammock Oaks	7,293	8	-		-		-		-	
Southernaire MHC, Inc.	8,427	6	7,448	7	7,537	6	9,033	6	8,752	5
Rath Harper & Assoc. (Veranda Apart.)	-		-		-		-		-	
Mount Dora Commons	7,803	7	7,152	8	-		-		5,265	9
Mount Dora High School	11,076	4	12,152	3	9,106	5	9,538	5	9,898	4
National Deaf Academy	5,898	10	-		-		4,055	10	4,019	10
Riley's Mobile Home Park	-		-		5,269	10	5,831	9	7,205	7
City Of Mount Dora Wastewater Plant	6,881	9	7,585	6	6,319	8	-		-	
Lake Care Systems, Inc.	11,373	3	10,377	5	11,196	4	16,913	3	14,508	1
Lakeside Corp of Mount Dora	10,205	5	11,168	4	11,693	3	13,137	4	11,126	2
Avante At Mount Dora	-		6,206	9	5,496	9	6,203	8	5,505	8
Wal-Mart, Inc.	-		5,603	10	7,338	7	7,691	7	7,207	6
<b>Total - Hundred Cubic Feet</b>	<b>104,271</b>		<b>104,192</b>		<b>110,053</b>		<b>120,174</b>		<b>83,803</b>	

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	Tax Increment Revenue Note	Other Notes	Subtotal	Utility Revenue Bonds	Total Primary Government		
2015	\$ -	\$ 2,613,600	\$ -	\$ -	\$ 2,215,000	\$ 365,282	\$ 5,193,882	\$ 13,709,000	\$ 18,902,882	4.01%	\$ 1,436
2014	-	2,876,900	-	-	2,362,000	-	5,238,900	14,355,000	19,593,900	4.35%	1,513
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

(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, 2015

	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Taxing District</b>			
Other Debt			
Lake County Board of County Commissioners	\$ 22,675,000	4.16%	\$ 943,117
School District of Lake County	26,685,000	4.16%	<u>1,109,905</u>
Subtotal - overlapping debt			2,053,022
City direct debt (3)			<u>5,193,882</u>
Total Direct and Overlapping Debt			<u><u>\$ 7,246,904</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>	
2015	\$ 8,733,843	\$ 4,975,176	\$ 3,758,667	\$ 646,000	\$ 515,127	3.24
2014	8,138,436	4,961,871	3,176,565	550,000	266,705	3.89
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	7,065,625	4,848,884	2,216,741	495,000	327,664	2.69
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

- (1) Operating Revenue includes investment earnings and other miscellaneous income.
- (2) Direct Operating Expenses exclude depreciation and amortization.
- (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**  
**PLEDGED 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	
2015	\$ 1,333,916	\$ 584,526	\$ 2,084	\$ 1,920,526	\$ 263,000	\$ 56,030	6.02
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

- (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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>Personal Income Inc. (Dec.)</b>	<b>Unemployment Rate (4)</b>
2015	13,167	\$ 471,194,262	\$ 35,786	2.89%	5.1%
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%

- (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

<b>Employer</b>	<b>2014</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of Total County Employment</b>
Lake County Public Schools	5,435	1	4.26%
Leesburg Regional Medical Center	1,826	2	1.43%
Lake County Government	1,501	3	1.18%
Florida Hospital / Waterman, Inc.	1,482	4	1.16%
South Lake Hospital	1,143	5	0.90%
Villages of Lake-Sumter, Inc.	1,120	6	0.88%
Lake Port Square	500	7	0.39%
Lifestream Behavioral Center	500	7	0.39%
Dura-Stress, Inc.	425	8	0.33%
Hewitt Contracting Company	370	9	0.29%
SE Modular Manufacturing	325	10	0.25%

<b>Employer</b>	<b>2003</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of Total County Employment</b>
Lake County Public Schools	4,353	1	3.79%
Villages of Lake-Sumter, Inc.	2,220	2	1.93%
Leesburg Regional Medical Center	1,870	3	1.63%
Lake County Government	1,768	4	1.54%
Florida Hospital / Waterman, Inc.	1,400	5	1.22%
Sprint	811	6	0.71%
G & T Conveyor Company, Inc.	550	7	0.48%
Bailey Industries	509	8	0.44%
Accent	500	9	0.44%
Lake Port Square	400	10	0.35%

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				
	2015	2014	2013	2012	2011
<b>General Government</b>					
Administration	9.50	9.10	9.10	7.50	7.50
Finance	16.92	16.80	16.80	16.60	16.60
Planning	3.26	3.26	3.26	3.26	3.26
Building Maintenance	9.10	8.30	8.30	7.70	7.20
<b>Public Safety</b>					
Police	42.72	40.46	40.46	41.46	42.46
Police Communications	8.88	8.63	8.63	8.63	8.63
Fire	25.25	25.25	25.25	25.00	25.00
<b>Physical Environment</b>					
Electric	11.30	11.00	11.05	11.05	11.05
Water / Wastewater	31.10	32.20	31.53	30.30	30.20
Sanitation	1.20	1.23	1.28	1.25	1.25
Stormwater	3.15	4.15	4.15	4.00	3.80
Cemetery	1.85	1.85	1.85	1.85	2.35
<b>Transportation</b>					
Roads and Streets	8.00	8.20	8.75	8.55	8.55
Engineering	0.90	0.85	0.85	0.85	1.15
<b>Culture and Recreation</b>					
Library Services	9.84	9.35	9.35	9.35	9.35
Recreation	7.03	6.36	6.56	5.36	6.26
Parks Maintenance	6.75	7.25	7.25	7.25	7.25
<b>Other</b>					
CRA	3.55	4.00	4.00	4.00	4.00
NECRA	1.95	1.50	1.50	1.50	1.50
Protective Inspections	4.24	4.84	5.24	5.24	7.24
Motorpool	0.35	0.85	1.56	1.56	1.56
<b>Total</b>	<u>206.84</u>	<u>205.42</u>	<u>206.72</u>	<u>202.26</u>	<u>206.16</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**  
**FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION / PROGRAM**  
 Table E - 1, Part 2  
 Previous Five Fiscal Years

	Fiscal Year				
	2010	2009	2008	2007	2006
<b>General Government</b>					
Administration	7.50	7.50	7.50	8.00	10.50
Finance	16.80	17.00	17.25	18.25	19.60
Planning	3.26	4.26	4.26	4.26	4.26
Building Maintenance	9.20	8.20	9.20	10.00	10.00
<b>Public Safety</b>					
Police	42.46	43.46	44.36	44.73	42.90
Police Communications	8.63	8.10	8.00	8.00	8.00
Fire	25.00	25.00	26.40	29.20	23.20
<b>Physical Environment</b>					
Electric	11.05	12.45	11.95	11.95	11.95
Water / Wastewater	29.42	31.22	30.72	28.35	28.25
Sanitation	1.25	1.13	1.10	1.10	1.10
Stormwater	2.80	3.30	2.70	2.95	1.95
Cemetery	2.35	2.35	2.35	2.00	2.00
<b>Transportation</b>					
Roads and Streets	9.55	10.00	11.40	12.40	11.40
Engineering	1.15	1.12	1.10	1.10	1.10
<b>Culture and Recreation</b>					
Library Services	9.13	9.98	10.98	11.95	11.90
Recreation	6.51	6.11	9.29	12.16	12.16
Parks Maintenance	6.25	6.59	7.49	4.84	4.50
<b>Other</b>					
CRA	4.00	5.00	5.00	5.00	4.00
NECRA	1.50	1.50	1.50	1.50	0.50
Protective Inspections	7.24	8.24	8.24	8.24	5.24
Motorpool	1.56	1.00	4.00	4.00	4.00
<b>Total</b>	<u>206.61</u>	<u>213.51</u>	<u>224.79</u>	<u>229.98</u>	<u>218.51</u>

Source: City Finance Department - Annual Budget

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

**CITY OF MOUNT DORA**  
**CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM**  
 Table E -2

	Fiscal year				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Schools **</b>					
Elementary	2	2	2	2	2
Junior/Senior High	1	1	1	1	1
<b>Fire</b>					
Stations	2	2	2	2	2
Firefighters	21	21	21	21	21
Response Vehicles	4	4	4	4	4
<b>Parks and Recreation</b>					
Park Acreage	216	216	216	216	216
Sports Fields & Courts Operated	16	16	16	16	16
City Facilities Operated	40	40	40	40	40
<b>Police</b>					
Stations	1	1	1	1	1
Officers ***	34	32	32	32	33
Patrol Vehicles	35	33	34	34	35

	Fiscal year				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Schools **</b>					
Elementary	2	2	2	2	2
Junior/Senior High	1	1	1	1	1
<b>Fire</b>					
Stations	2	2	1	1	1
Firefighters	21	21	21	21	22
Response Vehicles	5	5	5	5	5
<b>Parks and Recreation</b>					
Park Acreage	216	216	216	216	243
Sports Fields & Courts Operated	16	16	16	16	5
City Facilities Operated	40	40	40	40	20
<b>Police</b>					
Stations	1	1	1	1	1
Officers ***	33	34	35	36	34
Patrol Vehicles	35	36	38	36	37

\* 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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Water/Waterwater System</b>					
Number of Water Accounts	8,776	8,652	8,369	8,142	8,019
Average Daily Consumption (in Hcf)	3,144	3,242	3,152	3,291	3,850
Number of Wastewater Accounts	6,304	6,154	5,901	5,709	5,537
Average Daily Consumption (in Hcf)	2,150	1,919	1,859	1,866	1,855
Number of Reclaimed Water Accounts	1,336	1,274	1,142	1,425	N/A
Average Daily Consumption (in Hcf)	1,692	1,625	1,527	1,022	N/A
<b>Electric</b>					
Energy Purchased (kWh)	92,269,405	90,977,383	88,435,395	88,072,494	94,304,554
Annual Peak Demand (kW)	22,174	21,765	21,783	20,712	22,987
Avg. Number of Accounts - Total	5,759	5,721	5,706	5,691	5,691
Energy Sales (kWh) - Total	87,912,404	88,296,418	84,496,597	84,364,970	89,857,216
Avg. Monthly Non-demand Consumption (	3,102	2,769	2,650	2,963	2,845
<b>Planning</b>					
Total Building permits issued	1,147	969	956	861	786
Total Value of Construction (Thousands) \$	33,960	\$ 34,474	\$ 32,875	\$ 15,182	\$ 25,197
Number Planning Docket Items	24	17	28	29	30
Historic Preservation					
Number Historic properties reviewed	30	19	14	13	11
Cost of Improvements made to:					
Historic Commercial Properties	192,110	124,950	95,862	68,423	103,000
Historic Residential Properties	165,800	408,925	148,048	401,565	93,175
<b>Police</b>					
Physical Arrests (Excl. DUI / DWI)	510	521	546	1,064	609
DUI / DWI Arrests	17	54	56	60	51
Emergency Calls	4,379	4,373	4,251	5,336	7,478
Incident Reports	2,466	1,809	1,916	2,128	2,076
Traffic Stops	8,700	6,998	4,790	4,782	5,340
Traffic Tickets	2,103	3,720	2,886	2,930	2,911
Accident (Crash) Reports	570	743	510	494	505
<b>Fire</b>					
Fire/Rescue Calls	3,489	3,579	3,358	3,339	3,440
Total Number of Inspections	1,796	1,118	757	1,049	836
Total Number of Building Fire Calls	12	19	13	14	6
<b>Parks and Recreation</b>					
Recreation Programs	36	27	26	22	20
Program Attendance	16,109	15,231	14,787	8,807	8,508
<b>Library</b>					
Registered Borrowers	12,403	10,100	17,609	17,601	18,351
Volumes in Collection	84,647	84,464	85,360	83,839	84,907
Total Annual Circulation	235,598	238,496	250,597	225,068	286,672
Library Visits	329,614	326,693	251,080	227,246	286,413

Information is from the City's internal information

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

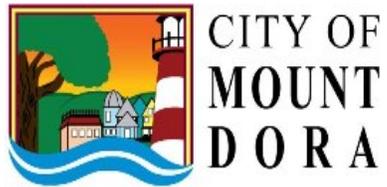
Table E - 3

	For Fiscal Years Ending September 30,				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Water/Waterwater System</b>					
Number of Water Accounts	7,935	7,766	7,520	7,154	6,814
Average Daily Consumption (in Hcf)	3,478	3,835	3,264	3,513	3,399
Number of Wastewater Accounts	5,441	5,231	4,817	4,437	4,169
Average Daily Consumption (in Hcf)	1,746	1,756	1,730	1,769	1,700
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
<b>Electric</b>					
Energy Purchased (kWh)	98,575,322	93,739,396	96,521,132	100,680,912	103,407,409
Annual Peak Demand (kW)	24,859	22,997	22,896	24,058	24,254
Avg. Number of Accounts - Total	5,685	5,467	5,394	5,416	5,410
Energy Sales (kWh) - Total	94,648,835	90,001,944	92,057,332	94,495,830	98,094,800
Average Monthly Consumption (kWh)	3,000	2,743	2,490	2,231	2,487
<b>Planning</b>					
Total Building permits issued	951	881	944	1,159	1,067
Total Value of Construction (Thousands) \$	35,123	42,550	76,448	99,844	90,157
Number Planning Docket Items	29	40	64	65	97
Historic Preservation					
Number Historic properties reviewed	11	16	33	31	28
Cost of Improvements made to:					
Historic Commercial Properties	68,720	396,650	\$ 31,400	\$ 40,625	-
Historic Residential Properties	342,409	148,250	\$ 474,625	\$ 878,921	\$ 347,685
<b>Police</b>					
Physical Arrests (Excl. DUI / DWI)	660	642	659	716	720
DUI / DWI Arrests	64	86	73	56	56
Emergency Calls	5,956	6,057	6,176	6,295	5,585
Incident Reports	2,170	2,265	2,185	2,292	2,062
Traffic Stops	9,750	6,001	6,621	8,026	5,415
Traffic Tickets	2,681	3,840	4,631	6,262	4,337
Accident Reports	523	502	570	628	642
<b>Fire</b>					
Fire/Rescue Calls	3,034	3,410	3,492	3,304	3,271
Total Number of Inspections	691	1,044	1,129	743	1,053
Total Number of Building Fire Calls	7	N/A	N/A	N/A	N/A
<b>Parks and recreation</b>					
Recreation Programs	20	21	28	31	29
Program Attendance	8,531	8,813	6,448	8,400	8,875
<b>Library</b>					
Registered Borrowers	18,374	19,284	18,145	16,402	16,097
Volumes in Collection	81,025	77,456	73,049	66,792	64,536
Total Annual Circulation	318,903	311,012	277,365	239,558	214,239
Library Visits	327,774	289,602	273,710	248,934	228,141

Information is from City internal information

**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**

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MOORE STEPHENS  
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and  
Members of the City Council  
City of 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 11, 2016.

**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. We consider 2015-001, described in the accompanying Schedule of Findings and Recommendations to be a significant deficiency.

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

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

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the City in a separate letter dated April 11, 2016.

### **Purpose of this Report**

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

*Moore Stephens Lovelace, P.A.*

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
April 11, 2016



**MOORE STEPHENS  
LOVELACE, P.A.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT ACCOUNTANT'S REPORT**

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

We have examined the City of Mount Dora, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants 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.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2015.

*Moore Stephens Lovelace, P.A.*

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
April 11, 2016

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MOORE STEPHENS  
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the basic financial statements of the City of Mount Dora, Florida (the "City") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated April 11, 2016.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 11, 2016, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were two findings and recommendations made in the preceding annual financial audit report. The current-year status of these findings are reported in the attached Schedule of Findings and Recommendations.

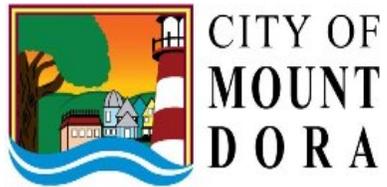
### Official Title and Legal Authority

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

### Financial Condition

Section 10.554(1)(i)5.a., and 10.556(7), *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 identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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**CITY OF MOUNT DORA, FLORIDA**  
**SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS**  
**Fiscal Year Ended September 30, 2015**

**Prior Year Findings**

**2014-1 SELF-INSURANCE MONITORING**

**Current Year Status:**

This comment has not been corrected and will be repeated in the current year.

**City's Response:**

We are in the process of working on a bid document for selection of an actuary.

**2014-2 FINANCIAL REPORTING SOFTWARE SYSTEM IMPLEMENTATION**

**Current Year Status:**

Corrective action has been taken to address this finding and recommendation.

**CITY OF MOUNT DORA, FLORIDA**  
**SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS**  
**Fiscal Year Ended September 30, 2015**

**Current Year Findings**

**Type: Significant Deficiency**

**2015-001 JOURNAL ENTRY – SEGREGATION OF DUTIES**

**Finding:**

During our audit, it was noted that there was no segregation of duties throughout the journal entry process.

**Criteria:**

Journal entries should be approved by an employee other than the one who prepared the entries.

**Cause:**

Management has not evaluated its current policies and procedures and identified areas of improvement.

**Effect:**

Absence of adequate segregation of duties and review processes could lead to improper posting, or misleading information reported in the City's financial statements.

**Recommendation:**

We recommend that the City create and document, in writing, policies and procedures to ensure that segregation of duties exist for its journal entry process.

**City Response:**

The new system will have the actual backup to each journal entry or budget adjustment. The schedule, memo or other documentation will be scanned and be included as part of the documentation. In the past a copy of the journal entry was posted as the backup rather than the back-up.

In the past the actual journal entry did not have the backup attached. While it was not attached the sheet used to develop the entry was available. All entries in accounting will be required to attach the backup into the system which will allow for easy review. When a journal entry is prepared either the director or manager will post. If the manager prepares the journal entry then the Finance Director will post. All others entering a journal entry will be posted by either the manager or director. It is extremely important going forward to attach documentation.

**CITY OF MOUNT DORA, FLORIDA**  
**SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS**  
**Fiscal Year Ended September 30, 2015**

**Current Year Findings**

**Type: Management Letter Comments**

**MLC-001-2015 DOCUMENTING PAY CHANGES**

**Finding:**

During our audit, it was noted that pay change authorization forms were not signed by the Human Resources Director.

**Criteria:**

Pay change authorization forms should document the Human Resources Director signature and approval.

**Cause:**

There is no periodic review of pay changes in employee records.

**Effect:**

Absence of adequate segregation of duties and review processes could lead to improper posting, or misleading information reported in the City's financial statements.

**Recommendation:**

We recommend that the City implement a periodic review of changes in its employees' files to ensure all required documentation is present. These procedures should be documented in writing as well.

**City Response:**

The October pay changes are for all employees. They were mandated by the union contracts and will be so for the next two years. This was the first year of the new contract. The amount is 2% across the board. The January increases are based on merit reviews. These are not automatic.

Blue sheets are always prepared as the back-up. Again the original from 10-1 was set by contract and was approved through the budgeting process. Only Human Resources has the authorization to enter pay adjustments. The Departments are responsible for ensuring that payroll is accurate when review the activity in their accounts.

As a side note since this was mentioned to HR when the issue was first found the originals for October 1st has been signed by the HR Director.

**CITY OF MOUNT DORA, FLORIDA**  
**SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS**  
**Fiscal Year Ended September 30, 2015**

**Current Year Findings (Continued)**

**MLC-002-2015 CAPITAL DISPOSALS**

**Finding:**

During our current year audit, we noted that three assets chosen during our capital asset disposal testing were disposed of in prior periods; however, they were being reported as current assets until this fiscal year.

**Criteria:**

The City's capital assets listing should be reviewed and monitored to ensure accuracy and completeness of City assets.

**Cause:**

The City's capital asset listing was not being periodically review for accuracy and completeness.

**Effect:**

Without periodic review of the City's capital asset listing, accurate information may not be appropriately captured and reflected in the City's records.

**Recommendation:**

We recommend that the City create and document, in writing, policies and procedures over its capital disposal process to ensure that all disposals are accounted for.

**City Response:**

The items in question were not taken off the books from a previous disposal date in 2011 and 2012. Vehicle #35 was totaled in January of 2011 and Vehicle 32 was totaled in March of 2012. Due to the insurance company totaling the vehicles they went to the insurance company and we were not informed until now as to the reason.

This fell out of the normal process where the purchasing department handles the coordination of items going to the auction when a disposal is warranted. The City does review the purchases and disposals with purchasing annually. Page 5 of the purchasing police items 2 through 4 mentions that council is notified for any items over \$25,000 and the City Manager handles items under \$25,000. Again the items in question were finally caught when reviewing the mileage not changing. When the titles were researched they were no longer in use. Subsequently it was finally determined that the insurance company took possession. A form for all normal disposals is sent to the appropriate party from purchasing for authorized signatures.

**CITY OF MOUNT DORA, FLORIDA**  
**SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS**  
**Fiscal Year Ended September 30, 2015**

**Current Year Findings (Continued)**

**MLC-003-2015 ACCRUED WAGES**

**Finding:**

During the testing of accrued wages, it was determined that the City's year-end accrued wages entry was not prepared and entered in the City's financial records.

**Criteria:**

As part of a year-end financial reporting process, all areas of closing should be monitored and documented when completed.

**Cause:**

The City's new financial software does not create this journal entry automatically and a manual entry is needed to record the transaction.

**Effect:**

The City did not record its year-end accrued wages liability.

**Recommendation:**

We recommend that the City evaluate all aspects of its financial reporting software to determine areas where manual and automated journal entries are needed. Furthermore, the City should create a year-end financial checklist to ensure that all closing entries are made and accounted for.

**City Response:**

This was an error which was due to inexperience with the new software. With the knowledge gained this is an area which will not be repeated. Both an automated along with a manual review will be performed in future years.

**CITY OF MOUNT DORA, FLORIDA**  
**SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS**  
**Fiscal Year Ended September 30, 2015**

**Current Year Findings (*Continued*)**

**MLC-004-2015 PURCHASING CARD – MISUSE**

**Finding:**

During our audit, it was noted that during the year an employee used their purchasing card for personal use.

**Criteria:**

Monitoring is vital to an effective internal control system. Proper implementation of monitoring allows an entity to determine whether its components of internal control continue to function over time.

**Cause:**

A City employee was using their City purchasing card for personal use.

**Effect:**

Without proper monitoring, internal control deficiencies would not be identified and communicated to management in a timely manner.

**Recommendation:**

We recommend that the City continue to follow and monitor its purchasing card transactions as outlined by its policy and procedures.

**City Response:**

The City both at the department and finance level will continue to monitor and review invoices to request for expenditures.

**CITY OF MOUNT DORA, FLORIDA**  
**SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS**  
**Fiscal Year Ended September 30, 2015**

**Current Year Findings (*Continued*)**

**MLC-005-2015 PURCHASING CARD - POLICY**

**Finding:**

During our audit, we noted that the policy does not include language as it relates to meal and food purchases for reasons other than travel.

**Criteria:**

As part of an effective control environment, policies should clearly define procedures and guide City employees in handling certain transactions in accordance within the related policy.

**Cause:**

The City has not updated its Purchasing Card policy.

**Effect:**

Without a periodic review of current policies and procedures, the City may enter into transactions that are not specifically defined in their adopted policies and procedures.

**Recommendation:**

We recommend that the City review its current purchasing card policy and include strict language as it relates to documenting acceptable meal and food purchases other than travel.

**City Response:**

Once a permanent City Manager is aboard the departments and the City Manager will have the opportunity to review a policy which has been around for years. This will give us the opportunity to revisit and update the policy and compare to State and Federal standards. As always all employees know that the card is not to be used for personal use and appropriate action will be taken when this occurs.

**CITY OF MOUNT DORA, FLORIDA**  
**SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS**  
**Fiscal Year Ended September 30, 2015**

**Current Year Findings (*Continued*)**

**MLC-006-2015 LOCAL GOVERNMENT INVESTMENT POLICIES – CONTINUING EDUCATION**

**Criteria:**

Pursuant to 10.554(1)(i)2, *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds.

**Condition:**

As part of our review of the provisions of Section 218.415, Florida Statutes, we determined that the City's employee responsible for making investment decisions did not complete their eight (8) hours of continuing education in subjects or courses of study related to investment practices and products.

**Cause:**

The City did not have adequate controls in place to monitor its continuing education requirement, pursuant to Section 218.415(14).

**Effect:**

In light of the constantly changing nature of investment of public funds, the City could find its investment portfolio noncompliant with Florida Statutes, as well as exposing public funds to unnecessary risk.

**Recommendation:**

We recommend that the City implement monitoring controls to assure that its employees receive their continuing education, pursuant to Section 218.415(14).

**City Response:**

The City agrees with this comment. While the former Finance Director is a Certified Investment Manager he nor the current Finance Director took the required class as prescribed in the F.S. The combination of the change in accounting programs, the change in auditors and his pending retirement lost track of the requirement.

In January of this year the current Finance Director did fulfill the requirement and passed a class on investments. The certificate was forwarded to the auditor and will comply with the requirements for 2015-16.

**CITY OF MOUNT DORA, FLORIDA**  
**SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS**  
**Fiscal Year Ended September 30, 2015**

**Current Year Findings (*Continued*)**

**MLC-007-2015 INFORMATION TECHNOLOGY (IT)**

**Finding:**

During our evaluation of the City's IT processes, procedures were performed for the purpose of issuing our opinion on the City's financial statements. During our evaluation, we noted several areas which we believe could improve the City's data integrity, system security and business continuity. These issues were brought to the attention of the responsible personnel and management. Those findings were related to the following IT issues: IT policies, network security, physical security and controls, firewall and perimeter controls, vulnerability management controls, data backup and recovery, and user security awareness. Specifics of our findings were discussed in detail with the responsible personnel.

**Criteria:**

In order to keep the City's IT environment safe and secure, security must remain a key concern and function of a properly operating IT Department. As with any control, management must make the ultimate cost-benefit analysis to determine what risks to security the organization is willing to accept.

**Recommendation:**

We recommend that the IT Department and management evaluate each of the issues noted under our findings and consider the most efficient and effective way to address them.

**City Response:**

The City has absolutely evaluated their current policies and procedures and we know exactly the areas that could be improved upon. Due to funding and resource limitations, the level of security/service we provide must be based upon a benefit vs risk analysis. The auditor's assessment of IT reviewed 134 items and of those they have categorized 20 items as high risk. We are continually assessing our risk and requesting solutions to minimize as much as possible. We feel that we have done our due diligence and are satisfied with our current level of security.

As stated above the City continually evaluates the cost benefit of additional security. We currently use an off-site facility which is category 5 hurricane rating to house our duplication of records. While this facility is relatively close to the main IT function we feel the data is protected and the possibility of losing both sites at the same time is remote at best. While offsite cloud based data storage is in vogue, we feel they are a greater target for breaching their data than the solitude of our current site. We provide cyber security awareness information to employees on a regular basis. This informs City employees of potential problems and how to avoid them.

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