PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 21, 2026

NEW ISSUE – BOOK-ENTRY ONLY **SEE "RATINGS" herein**

In the opinion of Bryant Miller Olive P.A., Bond Counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2026 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2026 Bonds.

CITY OF MOUNT DORA

$15,885,000*
CITY OF MOUNT DORA, FLORIDA
Non-Ad Valorem Refunding Revenue Bonds, Series 2026

Dated: Date of Delivery **Due:** November 1, as shown on inside cover

The City of Mount Dora, Florida Non-Ad Valorem Refunding Revenue Bonds, Series 2026 (the "Series 2026 Bonds") will be issued by the City of Mount Dora, Florida (the "City") only as fully registered bonds and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued in the denomination of $5,000 each or any integral multiple thereof only under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Purchasers will not receive physical delivery of the Series 2026 Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of a Series 2026 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on such Series 2026 Bond. See "DESCRIPTION OF THE SERIES 2026 BONDS - Book-Entry Only System" herein. Interest on the Series 2026 Bonds will be payable semiannually on February 1 and August 1 of each calendar year, commencing on February 1, 2027. U.S. Bank Trust Company, National Association, Jacksonville, Florida, shall serve as initial Bond Registrar and Paying Agent for the Series 2026 Bonds.

The Series 2026 Bonds are being issued pursuant to Resolution No. 2026-22, adopted by the City Council of the City on August 18, 2026 (the "Resolution") to (i) currently refund the principal amount drawn on the City's Redevelopment Revenue Note, Series 2025, (ii) fund any additional costs of the Project (as defined herein) if deemed necessary by the City Manager, and (iii) pay transaction costs and expenses relating to the issuance and sale of the Series 2026 Bonds.

The Series 2026 Bonds are subject to redemption prior to maturity, as described herein.

The Series 2026 Bonds are payable from the Non-Ad Valorem Revenues (as defined herein) budgeted and appropriated by the City for purpose of payment of the debt service on the Series 2026 Bonds in the manner and to the extent provided in the Resolution and deposited into the Debt Service Fund created under the Resolution (collectively, the "Pledged Revenues"). "Non-Ad Valorem Revenues" means all revenues of the City other than revenues generated from ad valorem taxation on real or personal property, which are legally available to make the payments on the Series 2026 Bonds. The City has covenanted and agreed in the Resolution to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and deposit into the Debt Service Fund, amounts of Non-Ad Valorem Revenues to pay principal of and interest on the Series 2026 Bonds not being paid from other amounts, as the same shall become due, after satisfaction of funding requirements for obligations having an express lien on or pledge of such revenues, payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City, and the provisions of Section 166.241, Florida Statutes.

THE SERIES 2026 BONDS SHALL NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AND THE ANY HOLDERS OF ANY SERIES 2026 BOND SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE LEVY OF TAXES ON ANY PROPERTY OF OR IN THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON ANY SERIES 2026 BOND.

This cover page contains certain information for quick reference only. It is not, and is not intended to be, a summary of this issue. Investors must read the entire Official Statement, and Appendices hereto, to obtain information essential to making an informed investment decision.

The Series 2026 Bonds are offered when, as and if issued, subject to the approving legal opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel to the City. Certain legal matters will be passed upon for the City by Shepard, Smith, Hand & Brackins, P.A., City Attorney and Bryant Miller Olive P.A., Orlando, Florida, Disclosure Counsel. Hilltop Securities Inc., Orlando, Florida, is acting as Municipal Advisor to the City in regard to the issuance of the Series 2026 Bonds. The Series 2026 Bonds are expected to be available for delivery through the facilities of DTC, in definitive form on or about September 17, 2026.

As set forth in the Official Notice of Sale, the purchase of a municipal bond insurance policy (the "Policy") will be at the option and expense of the bidder. The successful bidder will be responsible for procuring any such Policy and the payment of all costs associated with such Policy, including the premium charged by the municipal bond insurer (the "Insurer"). Insured ratings must be paid at the successful bidder's expense. See "Municipal Bond Insurance" in the Official Notice of Sale. In the event the successful bidder procures such Policy, disclosure regarding the Insurer and the Policy will be included in the final Official Statement, the "RATINGS" section will be updated to disclose the rating or ratings on any insured Series 2026 Bonds, and a specimen municipal bond insurance policy will be attached as an appendix to the final Official Statement.

Electronic bids for the Series 2026 Bonds will be received through *PARITY*® electronic bid submission system as described in the Official Notice of Sale.

Dated: __________, 2026

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* Preliminary, subject to change.

$15,885,000*
CITY OF MOUNT DORA, FLORIDA
Non-Ad Valorem Refunding Revenue Bonds,
Series 2026

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES AND INITIAL CUSIP NUMBERS

$15,885,000* Serial Bonds

Maturity (August 1)*	Principal Amount*	Interest Rate	Yield	Price	Initial CUSIP Number**
2027	$440,000				
2028	405,000				
2029	425,000				
2030	445,000				
2031	470,000				
2032	490,000				
2033	515,000				
2034	540,000				
2035	570,000				
2036	600,000				
2037***	630,000				
2038***	660,000				
2039***	690,000				
2040***	725,000				
2041***	765,000				
2042***	800,000				
2043***	840,000				
2044***	875,000				
2045***	915,000				
2046***	955,000				
2047***	1,000,000				
2048***	1,040,000				
2049***	1,090,000				

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* Preliminary, subject to change.

** Neither the City nor the Underwriter is responsible for the use of the CUSIP Numbers referenced herein nor is any representation made by the City or the Underwriter as to their correctness. The CUSIP Numbers provided herein are included solely for the convenience of the readers of this Official Statement.

*** Subject to Term Bond Option as described in the Official Notice of Sale.

CITY OF MOUNT DORA, FLORIDA

MEMBERS OF THE CITY COUNCIL
James Homich, Mayor
John Cataldo, Vice-Mayor
Doug Bryant, Councilmember
Marc Crail, Councilmember
Dennis Dawson, Councilmember
Cal Rolfson, Councilmember
Nate Walker, Councilmember

CITY MANAGER
Vince Sandersfeld

FINANCE DIRECTOR
Jennifer Gates

CITY CLERK
Jeanann Hand

CITY ATTORNEY
Shepard, Smith, Hand & Brackins, P.A.
Maitland, Florida

BOND COUNSEL
Bryant Miller Olive P.A.
Orlando, Florida

DISCLOSURE COUNSEL
Bryant Miller Olive P.A.
Orlando, Florida

MUNICIPAL ADVISOR
Hilltop Securities Inc.
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the City or the underwriter listed in the section entitled "UNDERWRITING" herein (the "Underwriter") to give any information or to make any representations in connection with the Series 2026 Bonds other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from the City, DTC, and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the City with respect to any information provided by others. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2026 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2026 BONDS HAS BEEN FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR WITH ANY STATE SECURITIES COMMISSION. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2026 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, SUBJECT TO ANY CONTRACTUAL OR LEGAL RESPONSIBILITIES TO THE CONTRARY.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE CITY AND ANY ONE OR MORE OF THE HOLDERS OF THE SERIES 2026 BONDS.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION OF ANY PROVISIONS OR SECTIONS IN THIS OFFICIAL STATEMENT. THE OFFERING OF THE SERIES 2026 BONDS IS MADE BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

REFERENCES TO WEBSITE ADDRESSES PRESENTED IN THIS OFFICIAL STATEMENT ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM THE AFOREMENTIONED WEBSITES.

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OFFICIAL STATEMENT
relating to the issuance of

$15,885,000*
CITY OF MOUNT DORA, FLORIDA
Non-Ad Valorem Refunding Revenue Bonds,
Series 2026

INTRODUCTION

This Official Statement, including the cover page and Appendices, is provided by the City of Mount Dora, Florida (the "City"), in order to set forth certain information regarding the City, and the issuance and sale of its $15,885,000* aggregate principal amount of Non-Ad Valorem Refunding Revenue Bonds, Series 2026 (the "Series 2026 Bonds") authorized pursuant to Resolution No. 2026-22 adopted by the City Council of the City (the "City Council") on August 18, 2026 (the "Resolution"). The Resolution is included as "APPENDIX C – COPY OF RESOLUTION" hereto.

The Series 2026 Bonds are being issued to (i) currently refund the principal amount drawn on the City's Redevelopment Revenue Note, Series 2025 (the "Series 2025 Note"), (ii) fund any additional costs of the Project if deemed necessary by the City Manager, and (iii) pay transaction costs and expenses related to the issuance of the Series 2026 Bonds. The Series 2026 Bonds are being issued pursuant to the Constitution and laws of the State of Florida (the "State"), including Chapter 163, Part III, Florida Statutes, Chapter 166, Parts I and II, Florida Statutes, the Charter of the City, and other applicable provisions of law and the Resolution. See "THE PROJECT" and "THE REFUNDING PLAN" herein.

The Series 2026 Bonds are payable from the Non-Ad Valorem Revenues (as defined herein) budgeted and appropriated by the City for purpose of payment of the debt service on the Series 2026 Bonds in the manner and to the extent provided in the Resolution and deposited into the Debt Service Fund created under the Resolution (collectively, the "Pledged Revenues"). "Non-Ad Valorem Revenues" means all revenues of the City other than revenues generated from ad valorem taxation on real or personal property, which are legally available to make the payments on the Series 2026 Bonds. The City has covenanted and agreed in the Resolution to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and deposit into the Debt Service Fund, amounts of Non-Ad Valorem Revenues to pay principal of and interest on the Series 2026 Bonds not being paid from other amounts, as the same shall become due, after satisfaction of funding requirements for obligations having an express lien on or pledge of such revenues, payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City, and the provisions of Section 166.241, Florida Statutes.

THE SERIES 2026 BONDS SHALL NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AND THE HOLDERS OF ANY SERIES 2026 BOND SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE LEVY OF TAXES ON ANY PROPERTY OF OR IN THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON ANY SERIES 2026 BOND.

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* Preliminary, subject to change.

The City has covenanted to provide certain continuing disclosure information relating to the Series 2026 Bonds pursuant to Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "SEC"). See "CONTINUING DISCLOSURE" herein.

Certain capitalized terms used in this Official Statement have the meanings assigned to such terms in the Resolution, except as otherwise indicated herein. The Resolution is attached to this Official Statement as "APPENDIX C – COPY OF RESOLUTION". The descriptions of the Series 2026 Bonds, the documents authorizing and securing the same, and the information from various reports and statements contained herein are not comprehensive or definitive. All references herein to such documents, reports and statements are qualified by the entire, actual content of such documents, reports and statements. Copies of such documents, reports and statements referred to herein that are not included in their entirety in this Official Statement may be obtained from the City Manager, 510 N. Baker Street, Mount Dora, Florida 32757, (352) 735 7126.

THE PROJECT

The Project shall mean the design, construction, acquisition, improvement and equipping of a community resource and recreation center to be located in the Northeast Community Redevelopment Area (the "Project").

THE REFUNDING PLAN

The City has determined to currently refund the Series 2025 Note issued as interim construction financing for the Project, in anticipation of the issuance of the Series 2026 Bonds as long-term financing of the Project. The Series 2025 Note is expected to be prepaid on the date of the issuance of the Series 2026 Bonds (the "Redemption Date"), at a Redemption Price equal to 100% of the outstanding principal amount of the Series 2025 Note, plus accrued interest to the Redemption Date.

DESCRIPTION OF THE SERIES 2026 BONDS

General

The Series 2026 Bonds are issuable only in the form of fully registered bonds in the denomination of $5,000 each or any integral multiple thereof. The Series 2026 Bonds will be dated their date of delivery and will bear interest at the rates and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2026 Bonds is payable semiannually on February 1 and August 1 of each calendar year, commencing on February 1, 2027 (each, an "Interest Date"). Interest on the Series 2026 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Principal shall be payable annually on August 1 of the years and in the amounts set forth on the inside cover hereof. Principal of and interest on the Series 2026 Bonds will be payable in the manner described under "Book-Entry Only System" herein. U.S. Bank Trust Company, National Association, Jacksonville, will act as Paying Agent and Bond Registrar for the Series 2026 Bonds (the "Paying Agent" or "Bond Registrar").

Redemption Provisions

<u>Optional Redemption</u>. The Series 2026 Bonds maturing on or prior to August 1, 2036, are not subject to redemption prior to maturity. The Series 2026 Bonds maturing after August 1, 2036, are subject to redemption prior to their respective dates of maturity on or after August 1, 2036, in whole or in part at any

time, in any order of maturity selected by the City and by lot within a maturity at a redemption price of 100% of the principal amount of the Series 2026 Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption (applicable if Term Bond Option is selected). The Series 2026 Bonds maturing on August 1, 20__ are subject to mandatory redemption in part at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon without premium from Amortization Installments on the dates and in the principal amounts set forth below:

Redemption Dates (August 1)	**Principal Amounts**
	$
*	

* Final Maturity

Selection of Series 2026 Bonds to be Redeemed. The Series 2026 Bonds shall be redeemed only in the principal amount of $5,000 each and integral multiples thereof. The City shall, at least sixty (60) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount of the Series 2026 Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Series 2026 Bonds of a single maturity, the particular Series 2026 Bonds or portions of the Series 2026 Bonds to be redeemed shall be selected not more than forty-five (45) days prior to the redemption date by the Bond Registrar from the Outstanding Series 2026 Bonds of the maturity or maturities designated by the City by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for redemption of the Series 2026 Bonds or portions of the Series 2026 Bonds in principal amounts of $5,000 and integral multiples thereof. Notwithstanding the foregoing, in the event that less than the entire principal amount of a Term Bond is to be optionally redeemed, the City shall determine how the principal amount of such refunded Term Bond is to be allocated to the Amortization Installments for the Term Bond and shall notify the Paying Agent and Bond Registrar of such allocation.

If less than all of the Outstanding Series 2026 Bonds of a single maturity are to be redeemed, the Bond Registrar shall promptly notify the City and Paying Agent (if the Bond Registrar is not the Paying Agent for such Bonds) in writing of the Series 2026 Bonds or portions of the Series 2026 Bonds selected for redemption and, in the case of any Series 2026 Bond selected for partial redemption, the principal amount thereof to be redeemed.

Notice of Redemption. Unless waived by any Holder of the Series 2026 Bonds to be redeemed, notice of any redemption made pursuant to this section shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Holder of the Series 2026 Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Bond Registrar or at such other address as shall be furnished in writing by such Holder to the Bond Registrar; provided, however, that no defect in any notice given pursuant to the Resolution to any Holder of the Series 2026 Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Owners of the Series 2026 Bonds to be redeemed.

Every official notice of redemption shall be dated and shall state: (i) the redemption date, (ii) the Redemption Price, (iii) if less than all Outstanding Series 2026 Bonds are to be redeemed, the number (and, in the case of a partial redemption of any Series 2026 Bond, the principal amount) of each Series 2026 Bond to be redeemed, (iv) that, on the redemption date, the Redemption Price will become due and payable upon each such Series 2026 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (v) that such Series 2026 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Bond Registrar.

Prior to any redemption date, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the Redemption Price of all the Series 2026 Bonds or portions of the Series 2026 Bonds which are to be redeemed on that date. The City may provide that a notice of redemption may be contingent upon the occurrence of condition(s) and that if such condition(s) do not occur, the notice will be rescinded; provided notice of such rescission shall be mailed in the manner described herein to all Series 2026 Bondholders as soon as practicable after the City has determined to rescind the redemption. All notices with respect to the Series 2026 Bonds shall be made or given to DTC.

Redemption of Portions of Series 2026 Bonds. Any Series 2026 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to, the Bond Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the City shall execute and the Bond Registrar shall authenticate and deliver to the Holder of such Series 2026 Bond, without service charge, a new Series 2026 Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2026 Bonds so surrendered.

Payment of Redeemed Series 2026 Bonds. Notice of redemption having been given substantially as aforesaid, the Series 2026 Bonds or portions of the Series 2026 Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Series 2026 Bonds or portions of the Series 2026 Bonds shall cease to bear interest. Upon surrender of such Series 2026 Bonds for redemption in accordance with said notice, such Series 2026 Bonds shall be paid by the Bond Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Series 2026 Bonds which have been redeemed shall be cancelled by the Bond Registrar and shall not be reissued.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY BELIEVES TO BE RELIABLE, BUT THE CITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED HOLDER OF THE SERIES 2026 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2026 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2026 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2026 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2026 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER

DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2026 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2026 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2026 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2026 Bond certificate will be issued for each maturity of the Series 2026 Bonds as set forth in the inside cover of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has a S&P Global Ratings ("S&P") rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, and distributions on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2026 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the City or paying agent. Under such circumstances, in the event that a successor depository is not obtained, the Series 2026 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Series 2026 Bond certificates will be printed and delivered to DTC.

Negotiability, Registration and Transfer of Series 2026 Bonds

The Bond Registrar and Paying Agent shall keep books for the registration of transfers of Series 2026 Bonds as provided in the Resolution. The transfer of any Series 2026 Bonds may be registered only upon such books and only upon surrender thereof to the Bond Registrar and Paying Agent together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar and Paying Agent. Upon any such registration of transfer, the City shall execute, and the Bond Registrar and Paying Agent shall authenticate and deliver in exchange for such Series 2026 Bond, a new Series 2026 Bond or Series 2026 Bonds registered in the name of the transferee, and in an aggregate principal amount equal to the principal amount of such Series 2026 Bond or Series 2026 Bonds so surrendered.

In all cases in which Series 2026 Bonds shall be exchanged, the City shall execute, and the Bond Registrar and Paying Agent shall authenticate and deliver, at the earliest practicable time, Series 2026 Bonds in accordance with the provision of the Resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar and Paying Agent. The City or the Bond Registrar and Paying Agent may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Bondholder for the privilege of exchanging or registering the transfer of Series 2026 Bonds under the provisions of the Resolution. Neither the City nor the Bond Registrar and Paying Agent shall be required to make any such exchange or registration of transfer of Series 2026 Bonds during fifteen (15) days immediately preceding any Bond Service Payment Date or, in the case of any proposed redemption of the Series 2026 Bonds then, for the Series 2026 Bonds called for redemption, during the fifteen (15) days preceding the date of the mailing of notice of such redemption and continuing until such redemption date.

The person in whose name any Series 2026 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Series 2026 Bond, and the interest on any such Series 2026 Bonds, shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2026 Bond including the premium, if any, and interest thereon to the extent of the sum or sums so paid.

Series 2026 Bonds Mutilated, Destroyed, Stolen or Lost

In case any Series 2026 Bond shall become mutilated, or be destroyed, stolen or lost, the City may, in its sole discretion, cause to be executed, and the Bond Registrar and Paying Agent shall authenticate and deliver, a new Series 2026 Bond of like date and tenor as the Series 2026 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2026 Bond upon surrender and cancellation of such mutilated Series 2026 Bond or in lieu of and substitution for the Series 2026 Bond destroyed, stolen or lost, and upon the Holder furnishing the City and the Bond Registrar and Paying Agent proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City and the Bond Registrar and Paying Agent may prescribe and paying such expenses as the City and the Bond Registrar and Paying Agent may incur. All Series 2026 Bonds so surrendered shall be canceled by the City. If any of the Series 2026 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2026 Bond, the City may pay the same, upon being indemnified as aforesaid, and if such Series 2026 Bond is lost, stolen or destroyed, without surrender thereof.

SECURITY FOR THE SERIES 2026 BONDS

Series 2026 Bonds Not General Obligations

THE SERIES 2026 BONDS SHALL NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AND THE HOLDERS OF ANY SERIES 2026 BOND SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE LEVY OF TAXES ON ANY PROPERTY OF OR IN THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON ANY SERIES 2026 BOND.

Pledged Revenues

The Series 2026 Bonds are payable from and secured by the Pledged Revenues which consist of Non-Ad Valorem Revenues budgeted, appropriated and deposited by the City into the Debt Service Fund for the purpose of payment of principal of and interest on the Series 2026 Bonds, together with other amounts from time to time on deposit in the Debt Service Fund and earnings thereon, in the manner and to the extent provided in the Resolution. The City has covenanted and agreed in the Resolution to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund amounts sufficient to pay principal of and interest on the Series 2026 Bonds not being paid from other amounts as the same shall become due.

Covenant to Budget and Appropriate

Subject to the next paragraph, in the Resolution the City has covenanted and agreed and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund created in the Resolution, amounts sufficient to pay principal of and interest on the Series 2026 Bonds not being paid from other amounts as the same shall become due. Such covenant and agreement on the part of the City to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided in the Resolution. The City further acknowledges and agrees that the obligations of the City to include the amount of such amendments in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth in the Resolution.

Until such monies are budgeted, appropriated and deposited as provided in the Resolution, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the

Registered Owner a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a lien on and pledge of specific components of the Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in the Resolution to the contrary notwithstanding, it is understood and agreed that all obligations of the City thereunder shall be payable solely from the portion of Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided for in the Resolution and nothing therein shall be deemed to pledge ad valorem taxing power or ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the City and no Registered Owner of the Series 2026 Bonds nor any other person, may compel the levy of ad valorem taxes on any real or personal property within the boundaries of the City or the use or application of ad valorem tax revenues in order to satisfy any payment obligations under the Resolution or to maintain or continue any of the activities of the City which generate user service charges, regulatory fees, or any other Non-Ad Valorem Revenues. Notwithstanding any provisions of the Resolution or the Series 2026 Bonds to the contrary, the City shall never be obligated to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any other Non-Ad Valorem Revenues. The City is prohibited by law from expending moneys not appropriated or in excess of its current budgeted revenues and surpluses. Until such monies are budgeted, appropriated and deposited as provided in the Resolution, neither the Resolution nor the obligations of the City under the Resolution shall be construed as a pledge of or a lien on all or any Non-Ad Valorem Revenues of the City, but shall be payable solely as provided therein subject to the availability of Non-Ad Valorem Revenues after satisfaction of funding requirements for obligations having an express lien on or pledge of such revenues, payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City, and the provisions of Section 166.241, Florida Statutes.

Debt Service Fund

The Resolution establishes the Non-Ad Valorem Refunding Revenue Bonds, Series 2026 Debt Service Fund (the "Debt Service Fund"), which is required to be maintained on the books of the City as a separate account (but need not be maintained as a separate bank or deposit account). Moneys in the Debt Service Fund shall be used only to pay principal of and interest on the Series 2026 Bonds and for no other purpose.

Amounts on deposit in the Debt Service Fund may be invested and reinvested by the City in Authorized Investments maturing or redeemable at the option of the City not later than the date such amounts are needed for the payments required under the Resolution. All income from the investment of moneys in the Debt Service Fund shall be retained therein and used for the purposes thereof.

The City shall not be required to make any further payments into the Debt Service Fund when the aggregate amount of money and Authorized Investments therein is at least equal to the maximum principal amount outstanding on the Series 2026 Bonds plus accrued interest thereon through maturity.

The designation of the Debt Service Fund as a special fund shall not be construed to require the establishment of a completely independent, self-balancing fund, as such term is commonly used and defined in governmental accounting, but is intended solely to constitute an earmarking of certain moneys and investments for certain purposes and to establish certain priorities for application of such moneys and investments as provided in the Resolution. The moneys and investments required to be accounted for in such funds may be pooled with other moneys in a single fund or account, provided that adequate accounting records are maintained to reflect the allocation of the moneys and investments on deposit therein to the respective funds and to control the restricted uses of such moneys and investments for the various purposes as therein provided.

Until applied in accordance with the Resolution, the Non-Ad Valorem Revenues of the City on deposit in the Debt Service Fund and other amounts on deposit from time to time therein, plus any earnings thereon, are pledged to the repayment of the Series 2026 Bonds as Pledged Revenues.

Project Fund

The Resolution establishes the City of Mount Dora, Florida Non-Ad Valorem Refunding Revenue Bonds, Series 2026 Project Fund (the "Project Fund"), to be created and held by the City to be used to pay the remaining costs of the Project.

Redemption Account

Within the Debt Service Fund there may be established a redemption account in the event any Series 2026 Bonds are issued as Term Bonds (the "Redemption Account"). If applicable, an amount each Bond Year equal to the Amortization Installments for any Series 2026 Bonds issued as Term Bonds is required to be deposited to the Redemption Account to provide for redemption of such Term Bonds as the same become due.

No Debt Service Reserve Fund

The Series 2026 Bonds are not secured by a debt service reserve fund.

Rebate Fund

The City has created and established pursuant to the Resolution a special fund to be known as the "City of Mount Dora, Florida Non-Ad Valorem Refunding Revenue Bonds, Series 2026 Rebate Fund." Moneys in the Rebate Fund are not subject to a lien and charge in favor of the Holders of the Series 2026 Bonds.

Books and Records; Annual Audit

Books and records of the City shall be kept in which complete and correct entries shall be made, in accordance with generally accepted accounting principles. Pursuant to the Resolution, the City shall require that an annual audit of the books, records and accounts of the City be completed as soon as reasonably practicable after the end of each Fiscal Year by a qualified independent certified public accountant. The results of such audit shall be mailed, upon request, and made available, at all reasonable times, to any Holder or Holders of Bonds or anyone acting for and on behalf of the Holders of such Bonds; provided, however that any such costs shall be borne by such Holder or Holders as the case may be.

Special Funds; Investments

Each of the funds and accounts established and created under the Resolution constitute trust funds for the purposes provided herein for such funds and accounts, respectively. All such funds are required to be continuously secured in the manner by which the deposit of City funds are authorized to be secured by the laws of the State of Florida. Amounts on deposit in the funds and accounts created under the Resolution may be invested and reinvested in Authorized Investments. Earnings on such Authorized Investments shall be retained in the respective funds and accounts from which such earnings derive.

The moneys required to be accounted for in each of the foregoing funds and accounts established in the Resolution may be deposited in a single bank account, and funds allocated to the various funds and accounts established in the Resolution may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as provided in the Resolution.

The designation and establishment of the various funds and accounts in and by the Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as provided in the Resolution.

GENERAL INFORMATION REGARDING NON-AD VALOREM REVENUES

General

The City generally receives two primary sources of revenue: ad valorem taxes and non-ad valorem revenues. Ad valorem taxes may not be pledged for the payment of debt obligations of the City maturing more than twelve months from the date of issuance thereof without approval of the electorate of the City. The ad valorem taxes of the City are not pledged as security for the payment of the Series 2026 Bonds. Non-Ad Valorem Revenues include several major categories described below.

As more fully described herein under "SECURITY FOR THE SERIES 2026 BONDS," the City has covenanted and agreed in the Resolution, subject to certain restrictions and limitations, to budget and appropriate from Non-Ad Valorem Revenues in each Fiscal Year an amount sufficient to pay debt service on the Series 2026 Bonds. The term "Non-Ad Valorem Revenues" does not include all non-ad valorem revenues of the City, but instead includes only those which are legally available to make the payments required under the Resolution, which analysis is based upon the components of the Project and the source of the Non-Ad Valorem Revenues. As described herein under "SECURITY FOR THE SERIES 2026 BONDS," the obligation of the City to budget and appropriate Non-Ad Valorem Revenues is subject to a variety of factors, including the payment of essential governmental services of the City and the obligation of the City to have a balanced budget. See "SECURITY FOR THE SERIES 2026 BONDS – Covenant to Budget and Appropriate" herein and "APPENDIX C – COPY OF RESOLUTION" attached hereto for the full definition of "Non-Ad Valorem Revenues".

The Holders of the Series 2026 Bonds do not have a lien on any specific Non-Ad Valorem Revenues of the City and the City currently has, and may have in the future, outstanding certain other debt obligations payable from, and secured by a prior lien upon and pledge of, certain of the Non-Ad Valorem Revenues of the City. In addition, the City currently has, and may have in the future, certain other debt obligations payable in the same manner as the Series 2026 Bonds. See "— Other Debt of the City" and "GENERAL FUND AND HISTORICAL NON-AD VALOREM REVENUES" below.

A large percentage of the revenues of the City (other than enterprise fund revenues), including ad valorem taxes and Non-Ad Valorem Revenues, are deposited in the General Fund. The General Fund is the general operating fund of the City. It accounts for all financial resources except for those required to be accounted for in another fund. Revenues deposited in the General Fund do not directly correspond to the Non-Ad Valorem Revenues from which debt service on the Series 2026 Bonds is payable as some General Fund revenues are ad valorem taxes or Non-Ad Valorem Revenues not legally available to pay debt service on the Series 2026 Bonds. Although the Series 2026 Bonds are not payable from ad valorem taxation, approximately 41.4% of General Fund revenues collected by the City came from ad valorem taxes in Fiscal Year ended September 30, 2025. To the extent that the future collection of ad valorem taxes is adversely affected, a larger portion of Non-Ad Valorem Revenues could be required to balance the budget and provide for the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of the inhabitants of the City or which are mandated by applicable law. See "PROPERTY TAX REFORM" herein for information on legislation affecting ad valorem tax exemptions.

The major sources of the City's Non-Ad Valorem Revenues are described below organized under six major categories of local government revenues: taxes, intergovernmental revenues, permits, fees and special assessments, charges for services, fines and forfeitures, and miscellaneous revenues.

Taxes

Utility Tax. The "Utility Tax" (also commonly referred to as the "Public Service Tax") is imposed by the City pursuant to the Constitution of the State, Section 166.231, Florida Statutes, the Utility Tax Ordinance (hereinafter defined) and other applicable provisions of law. Florida law authorizes any municipality in the State to levy a public service tax on the purchase within such municipality of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service. Pursuant to Ordinance No. 775 enacted by the City on November 7, 2000, as amended (the "Utility Tax Ordinance"), codified in Chapter 40, Article IV of the City Code of Ordinances (the "City Code"), the City levies a public service tax on the purchase of electricity, metered or bottled gas (natural, liquefied petroleum gas, or manufactured), and water service, at a rate of ten percent (10%) of the charge made by the seller of such service or commodity. This tax is required to be paid by the purchaser thereof to the seller at the time of paying the charge therefor, but not less than monthly.

State law provides that a municipality may exempt from the public service tax the first 500 kilowatts of electricity per month purchased for residential use. The City has not exempted the first 500 kilowatt hours of electricity purchased for residential use.

The amount of Utility Tax collected by the City may fluctuate as the price of water, gas and/or electricity fluctuates and a sustained increase in the price thereof may have an adverse effect on the amount of revenues collected from the Utility Tax.

Business Tax. The City is authorized to levy and collect a business tax (also commonly referred to as the "Occupational License Tax") for the privilege of engaging in or managing any business, profession or occupation within the jurisdiction of the City pursuant to Section 205.042, Florida Statutes, and Section Chapter 40, Article II of the City Code (the "Business Tax Ordinance").

Each person engaged in a business, occupation or profession within the City is required to obtain an occupational license on an annual basis on or prior to September 30 of, each year. Fees charged to those obtaining a business license vary by occupation as set forth in the Business Tax Ordinance. After September 30, receipts that are not renewed when due and payable are delinquent and subject to a delinquency penalty of 10% for the month of October, plus an additional 5% penalty for each subsequent month of delinquency until paid. However, the total delinquency penalty may not exceed 25% of the business tax for the delinquent establishment.

Any person who engages in or manages any business, occupation, or profession without first obtaining a local business tax receipt, if required, is subject to a penalty of 25% of the tax due, in addition to any other penalty provided by law or ordinance. Any person who engages in any business, occupation, or profession covered by Chapter 205, Florida Statutes, who does not pay the required business tax within 150 days after the initial notice of tax due, and who does not obtain the required business tax receipt, is subject to civil actions and penalties, including court costs, reasonable attorneys' fees, additional administrative costs incurred as a result of collection efforts, and a penalty of up to $250.

Chapter 205, Florida Statutes provides that the City may only increase by ordinance the rates of business taxes every other year by up to 5%. The increase, however, may be enacted only by a majority plus one vote of City Council.

Communications Services Tax. Pursuant to Chapter 202, Florida Statutes (the "Communications Services Tax Act"), counties and municipalities may levy a discretionary communications services tax (the "Local CST") on "Communications Services". The rate set can be adjusted for cities, such as the City, that do not levy a permit fee to service providers. The City levies the Local CST in accordance with Chapter 202, Florida Statutes. The current rate is 5.22%, which includes the 0.12% add-on permitted by Section 337.401, Florida Statutes, and established by the City for waiving the right to collect permit fees for the use of the rights-of-way by communications providers.

Communication Services are defined in the Communications Services Tax Act as the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including video services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of the protocol used for such transmission or conveyance. The term includes such transmission, conveyance or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission , conveyance or routing without regard to whether such service is referred to as voice-over-Internet-protocol ("VoIP") services or is classified by the Federal Communications Commission as enhanced or value-added. The term does not include, (a) information services, (b) installation or maintenance of wiring or equipment on a customer's premises, (c) the sale or rental of tangible personal property, (d) the sale of advertising, including, but not limited to, directory advertising, (e) bad check charges, (f) late payment charges, (g) billing and collection services, and (h) internet access service, electronic mail service, electronic bulletin board service, or similar on-line computer services.

The sale of Communications Services to (i) the federal government, or any instrumentality or agency thereof, or any entity that is exempt from State taxes under federal law, (ii) the State or any county, municipality or political subdivision of the State when payment is made directly to the dealer by the governmental entity, and (iii) any home for the aged or educational institution (which includes state tax-supported and nonprofit private schools, colleges and universities and nonprofit libraries, art galleries and museums, among others) or religious institutions (which includes, but is not limited to, organizations having an established physical place for worship at which nonprofit religious services and activities are regularly conducted) that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), are exempt from the Local CST. In addition, the Local CST does not apply to any direct home satellite service.

Under the Communications Services Tax Act, local governments must work with the Florida Department of Revenue (the "FDOR") to properly identify service addresses in each municipality and county. If a jurisdiction fails to provide the FDOR with accurate service address information, the local government risks losing tax proceeds that it should properly receive. The City believes it has provided the FDOR with all information that the FDOR has requested as of the date hereof and that such information is accurate.

Providers of Communications Services collect the Local CST and may deduct 0.75% as a collection fee (or 0.25% in the case of providers who do not employ an enhanced zip code data base or a data base that is either supplied or certified by the FDOR). The communications services providers remit the remaining proceeds to the FDOR for deposit into the Local Communications Services Tax Clearing Trust Fund (the "CST Trust Fund") and the FDOR then makes monthly contributions from the CST Trust Fund to the appropriate local governments after deducting up to 1% of the total revenues generated as an administrative fee.

The Communications Services Tax Act provides that, to the extent that a provider of Communications Services is required to pay to another state or a local taxing jurisdiction a tax, charge, or other fee under any franchise agreement or ordinance with respect to the services or revenues that are also subject to the Local CST, such provider is entitled to a credit against the amount of such Local CST payable to the State in the amount of such tax, charge, or fee with respect to such service or revenues. The amount of such credit is deducted from the amount that such state or local taxing jurisdiction is entitled to receive.

The amount of Local CST revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the City, (ii) legislative changes, and/or (iii) technological advances which could affect consumer preferences, such as VoIP. VoIP is a less expensive technology that allows telephone calls to be made in digital form using a broadband internet connection, rather than an analog phone line, and has the potential to supplant traditional telephone service. It is possible that VoIP could either reduce the dollar volume of taxable sales within the City or will be a non-taxable service altogether. The amount of the Local CST revenues collected within the City may also be adversely affected by de-annexation. Such de-annexation would decrease the number of addresses contained within the City. At this time there are no de-annexations anticipated within the City.

Intergovernmental Revenues

All revenues received by a local government unit from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes would be included in the intergovernmental revenues category. The category is further classified into eight subcategories: federal grants, federal payments in lieu of taxes (PILOT), state grants, state shared revenues, state PILOT, local grants, local shared revenues, and local PILOT. If a particular grant is funded from separate intergovernmental sources, then the revenue is recorded proportionately. The largest component is the Local Government Half-Cent Sales Tax.

<u>Local Government Half-Cent Sales Tax</u>. Section 212.05, Florida Statutes (the "Sales Tax Act") authorizes the levy and collection by the State of a sales tax upon, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exceptions and dealer allowances. In 1982, with the enactment of Chapter 218, Part VI, Florida Statutes, the Florida Legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program") which distributes a portion of the sales tax revenue and money from the State's General Revenue

Fund to counties and municipalities that meet strict eligibility requirements. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Half-Cent Sales Tax Program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized. As of October 1, 2001, the Half-Cent Sales Tax Trust Fund (hereinafter defined) began receiving a portion of certain taxes imposed by the State on Communications Services pursuant to Chapter 202, Florida Statutes. Accordingly, moneys distributed from the Half-Cent Sales Tax Trust Fund now consist of funds derived from both general sales tax proceeds and certain taxes imposed by the State on the sales of communications services required to be deposited into the Half-Cent Sales Tax Trust Fund.

The Half-Cent Sales Tax is collected on behalf of the State by businesses at the time of sale at retail, use, consumption, or storage for use or consumption, of taxable property and remitted to the State on a monthly basis. The Sales Tax Act provides for penalties and fines, including criminal prosecution, for non-compliance with the provisions thereof.

The general rate of sales tax in the State is currently 6%. Section 212.20, Florida Statutes, provides for the distribution of 8.9744% of sales tax revenues to the Half-Cent Sales Tax Clearing Trust Fund (the "Half-Cent Sales Tax Trust Fund"), after providing for certain transfers to the State's General Revenue Fund and Public Employees Relations Commission Trust Fund. Such amount deposited in the Half-Cent Sales Tax Trust Fund is earmarked for distribution to the governing body of each county and each participating municipality within that county pursuant the following distribution formula:

County Share

$$\text{(percentage of total Half-Cent Sales Tax receipts)} = \frac{\text{unincorporated area population} + \text{2/3 incorporated area population}}{\text{total county population} + \text{2/3 incorporated area population}}$$

Municipality Share

$$\text{(percentage of total Half-Cent Sales Tax receipts)} = \frac{\text{municipality population}}{\text{total county population} + \text{2/3 incorporated area population}}$$

For purposes of the foregoing formula, "population" is based upon the latest official State estimate of population certified prior to the beginning of the local government fiscal year. Should the City annex any area or should any area of the City de-annex from the City, the share of the Half-Cent Sales Tax received by the City would be respectively increased or decreased according to the foregoing formula. The City has no de-annexation plans at this time.

The Half-Cent Sales Taxes are distributed from the Half-Cent Sales Tax Trust Fund on a monthly basis to participating units of local government in accordance with the Sales Tax Act. The Sales Tax Act permits the City to pledge its share of the Half-Cent Sales Tax for the payment of principal of and interest on any capital project.

To be eligible to participate in the Half-Cent Sales Tax Program, each municipality and county is required to have satisfied the Eligibility Requirements (defined below). Those requirements include, but are not limited to, the following: (i) reported its finances for its most recently completed fiscal year to the

Florida Department of Financial Services ("FDFS") as required by Florida law; (ii) made provisions for annual post audits of financial accounts in accordance with provisions of law; (iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the revenue equivalent to a millage rate of 3 mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such 3 mill ad valorem tax, to have received certain revenues from a county (in a case of a municipality), collected an occupational license tax or utility tax, or levied an ad valorem tax, or any combination of those four sources; (iv) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation; (v) certified that persons in its employ as firefighters meet certain employment qualifications and are eligible for certain compensation; (vi) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual post audit of its financial accounts in accordance with law; and (vii) certified to the FDOR that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of the county or municipality as required by law. The requirements described in (i) through (vii) are referred to herein as the "Eligibility Requirements".

If the City does not comply with the Eligibility Requirements, the City would lose its Half-Cent Sales Tax Trust Fund distributions for twelve (12) months following a "determination of noncompliance" by FDOR. The City has continuously maintained eligibility to receive the Half-Cent Sales Tax.

Although the Sales Tax Act does not impose any limitation on the number of years during which the City can receive distribution of the Half-Cent Sales Tax from the Half-Cent Sales Tax Trust Fund, there may be amendments to the Sales Tax Act in subsequent years imposing additional requirements of eligibility for counties and municipalities participating in the Half-Cent Sales Tax Program, or the distribution formulas may be revised.

The amount of Half-Cent Sales Tax received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within Lake County, Florida (the "County"), (ii) legislative changes relating to the overall sales tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Half-Cent Sales Tax Trust Fund, (iii) changes in the relative population of the City, which affect the percentage of Half-Cent Sales Tax received by the City, and (iv) other factors which may be beyond the control of the City, including but not limited to the potential for increased use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of sales tax collected by the State and then distributed to the City.

Infrastructure Sales Surtax. Pursuant to Chapter 212, Florida Statutes, counties are authorized to levy a local discretionary sales surtax of an additional one-half percent (1/2%) or one percent (1%) pursuant to ordinance enacted by a majority of the members of the board of county commissioners and approved by referendum. Chapter 212, Florida Statutes, provides that the levy on such surtax may be extended upon approval of a majority of the electors of the County voting in a referendum on the discretionary sales surtax.

Pursuant to a successful vote of the electors of the County held on November 3, 2015, the County authorized an extension of the levy of a local one-half percent (1/2%) discretionary sales surtax for a period ending December 31, 2032 (the "Infrastructure Sales Surtax").

The discretionary sales surtax is distributed by the FDOR pursuant to an Interlocal Agreement effective June 18, 2015, entered into between the County, the City, City of Tavares, City of Umatilla, City of

Astatula, City of Eustis, City of Clermont, City of Groveland, City of Minneola, City of Fruitland Park, City of Leesburg, City of Montverde, City of Mascotte, City of Howey-in-the-Hills, City of Lady Lake, and the School Board of the County (the "2015 Interlocal Agreement"). Pursuant to the terms of the 2015 Interlocal Agreement, the proceeds of the Infrastructure Sales Surtax are to be distributed as follows: a) the School Board of the County shall receive one-third (33.33%) of the net proceeds of the Infrastructure Sales Surtax revenue per year; b) the County shall receive one-third (33.33%) of the net proceeds of the Infrastructure Sales Surtax revenue per year; c) the combined municipalities referenced above shall receive one-third (33.33%) of the net proceeds of the Infrastructure Sales Surtax revenue per year to be divided among them based on population as set forth in Section 212.055(2)(c), Florida Statutes, and Section 218.62, Florida Statutes.

The proceeds of the Infrastructure Sales Surtax may only be expended to finance, plan and construct "infrastructure" which is defined as any fixed capital expenditure or fixed capital costs associated with the construction, reconstruction or improvement of public facilities which have a life expectancy of five or more years and any land acquisition, land improvement, design and engineering costs related thereto. Pursuant to Section 212.055(2)(e), Florida Statutes, as amended, municipalities receiving discretionary sales surtax proceeds may pledge such proceeds for the purpose of servicing new bond indebtedness incurred pursuant to law.

The FDOR has the responsibility to administer, collect, and enforce the Infrastructure Sales Surtax. Pursuant to Section 212.054(4)(b), Florida Statutes, the proceeds of the County's discretionary sales surtax collections are transferred to the Discretionary Sales Surtax Clearing Trust Fund. A separate account in the trust fund is established for each county imposing such a surtax. FDOR is authorized to deduct 3% of the total revenue generated for all counties levying a surtax for administrative costs. The amount deducted for administrative costs is required to be used only for those costs solely and directly attributable to the surtax. The total administrative costs are prorated among those counties levying the surtax on the basis of the amount collected for a particular county to the total amount collected for all counties. Historically the FDOR has deducted less than 1.0% for administrative costs.

Section 212.055(2)(d), Florida Statutes, expressly states that neither the proceeds from the infrastructure sales surtax nor the interest accrued thereon shall be used for operational expenses of any infrastructure, except a county that has a population of fewer than 75,000 and that is required to close a landfill may use such proceeds or interest for long-term maintenance costs associated with landfill closure. Further restrictions prohibit counties from using the infrastructure sales surtax to replace or supplant user fees or to reduce ad valorem taxes. The surtax applies to all transactions in the County that are subject to the State sales tax imposed on sales, use, rentals, admissions, and other transactions under Chapter 212, Florida Statutes. The surtax does not apply to the sales amount of tangible personal property greater than $5,000 or to long distance telephone service.

Pursuant to Section 212.15, Florida Statutes, vendors are required to remit sales tax receipts (including proceeds of any discretionary sales surtax) by the twentieth (20th) day of the month immediately following the month of collection. No statute prescribes a deadline for remitting surtax proceeds from FDOR to the local governing bodies. However, according to the accounting division of FDOR, FDOR consistently remits the surtax proceeds to such local governing bodies by the end of the month immediately following receipt by FDOR.

The share of the Infrastructure Sales Surtax that is to be distributed to the City will be affected by changes in the relative populations of the unincorporated and incorporated areas within the County. Such relative populations are subject to change through normal increases and decreases of population within the existing unincorporated and incorporated areas of the County and are also subject to change by annexation and de-annexation by municipalities such as the City.

The total amount of Infrastructure Sales Surtax collected within the County and distributed to the City is also subject to increase or decrease due to increases or decreases in the dollar volume of taxable sales within the County, which, in turn, is subject to among other things, (i) legislative changes which may include or exclude from taxation sales of particular goods or services, and (ii) changes in the dollar volume of purchases in the County, which is affected by changes in population and economic conditions.

The potential for increased use of electronic commerce and other Internet-related sales activity could have a material adverse impact upon the amount of Infrastructure Sales Surtax revenues collected by the County and distributed to the City.

State Revenue Sharing. A portion of certain taxes levied and collected by the State is shared with local governments under provisions of Chapter 218.215, Florida Statutes, from amounts deposited by the State into a fund held by the State referred to as the Revenue Sharing Trust Fund for Municipalities ("State Revenue Sharing Trust Fund for Municipalities").

The amount of the State Revenue Sharing Trust Fund for Municipalities distributed to any one municipality is based on an apportionment factor using a formula consisting of three equally weighted factors: (i) adjusted municipal population; (ii) derived municipal sales tax collections; and (iii) a municipality's relative ability to raise revenue, all as more fully described in Section 218.245, Florida Statutes. Finally, after making these adjustments, any remaining State Revenue Sharing Trust Fund monies are distributed on the basis of the additional money of each qualified municipality in proportion to the total additional money for all qualified municipalities.

The following are sources of revenues that are deposited into the State Revenue Sharing Trust Fund for Municipalities.

Sales Tax Revenues. The amount deposited by the FDOR into the State Revenue Sharing Trust Fund for Municipalities is 1.3653% of available sales and use tax collections after certain required distributions, and the net collections from the one-cent municipal fuel tax.

The sales and use tax provides the majority of the receipts for the guaranteed entitlement from the Revenue Sharing Trust Fund for Municipalities. For the State's 2025 fiscal year, approximately 82.1% of the total program funding of the Revenue Sharing Trust Fund for Municipalities were from the sales and use tax, and approximately 17.9% were from the municipal fuel tax.

Municipal Fuel Tax. The proceeds of the municipal fuel tax imposed pursuant to Section 206.41(1)(c), Florida Statutes, after deducting certain service charges and administrative costs, is transferred into the Revenue Sharing Trust Fund for Municipalities. Funds derived from the municipal fuel tax on motor fuel may only be used to pay debt service allocable to transportation facilities and therefore, are not available to pay debt service on the Series 2026 Bonds.

To be eligible for State Revenue Sharing funds beyond the minimum entitlement (defined as the amount necessary to meet obligations to which the City has pledged amounts received from the State Revenue Sharing Trust Fund for Municipalities), a local government must have satisfied the Eligibility Requirements. If the City fails to comply with the Eligibility Requirements, the FDOR may utilize the best information available to it, if such information is available, or take any necessary action including disqualification, either partial or entire, and the City shall further waive any right to challenge the determination of the FDOR as to its distribution, if any. No unit of local government which was eligible to participate in revenue sharing in the 3 years prior to initially participating in the Half-Cent Sales Tax shall be ineligible to participate in revenue sharing solely due to a millage or utility tax reduction afforded by the Half-Cent Sales Tax.

Six-Cent Local Option Gas Tax. Pursuant to Section 336.025, Florida Statutes, each county may impose a tax of one to six cents per gallon on motor and diesel fuel sold within the county's jurisdiction (the "Six Cent Local Option Gas Tax") and distribute the Six Cent Local Option Gas Tax to its municipalities pursuant to an interlocal agreement. The City may only use the proceeds from the Six Cent Local Option Gas Tax received from the County for certain transportation expenditures and to pay debt service on bonds that financed such transportation expenditures and therefore, the Six-Cent Local Option Gas Tax proceeds are not available to pay debt service on the Series 2026 Bonds.

Northeast CRA Tax Increment Revenues

Northeast Redevelopment Area and County Interlocal Agreement.

The Northeast Redevelopment Area was established pursuant to Chapter 163, Part III, Florida Statutes, City Resolution No. 89-19 and City Ordinance No. 546. Ordinance No. 2020-11 of the City modified the boundary of the Northeast Redevelopment Area to encompass approximately 469 acres of land in the City. The Northeast Redevelopment Area was expanded again pursuant to Ordinance No. 2024-20 to add an area of 80 acres of land in the City (the "Expansion Area") and references herein to the Northeast Redevelopment Area are as expanded.

In connection with the expansion into the Expansion Area, the City and the County entered into an Interlocal Agreement Regarding Tax Increment Revenues dated March 27, 2026 (the "County Interlocal Agreement") pursuant to which the County and City agreed that the County would retain 45% of the Northeast Increment Revenues attributable to the Expansion Area and allocate 55% of Northeast Increment Revenues attributable to the Expansion Area to the Redevelopment Trust Fund. The County Interlocal Agreement was entered into in connection with a joint stipulation of voluntary dismissal with prejudice of a complaint filed by the County in the Circuit Court for the 5th Judicial Circuit (the "Court") against the City and the Northeast CRA seeking to invalidate the expansion into the Expansion Area. On May 27, 2026, the Court entered a judgment closing the case.

Northeast CRA Interlocal Agreements.

The City and the Northeast Community Redevelopment Agency (the "Northeast CRA") entered into an Interlocal Agreement dated January 24, 2025 (the "Series 2025 Interlocal Agreement") to provide for the Northeast CRA's payments from tax increment revenues ("Northeast Increment Revenues") deposited into the Northeast Redevelopment Trust Fund (the "Redevelopment Trust Fund") to the City for annual principal and interest payment on the Series 2025 Note and all other amounts due and owning by the City under the Loan Agreement entered into between the City and the holder of the Series 2025 Note. Simultaneously to the issuance of the Series 2026 Bonds, the City and the Northeast CRA will enter into a new Interlocal Agreement (the "Series 2026 Bonds Interlocal Agreement"), which will supersede the Series 2025 Interlocal Agreement, pursuant to which the Northeast CRA will covenant to fund, pay, reimburse and repay the City the amounts due under the Series 2026 Bonds and the Resolution, including payment of the principal of, interest on and all other amounts due on the Series 2026 Bonds from the Northeast Increment Revenues deposited into the Redevelopment Trust Fund. To the extent that the Northeast Increment Revenues are insufficient to fully pay the principal of and interest on the Series 2026 Bonds all in accordance with the Resolution, and the City has applied other Non-Ad Valorem Revenues for the payment thereof (an "Advance"), the Northeast CRA is required to repay such Advance and pay interest on such Advance at the same interest rate due on the Series 2026 Bonds. The obligations of the Northeast CRA described in the Series 2026 Bonds Interlocal Agreement are cumulative and shall continue until amounts due under the Series 2026 Bonds Interlocal Agreement and under the Resolution are fully paid by the Northeast CRA. The obligation to transfer the Northeast Increment Revenues to the City to pay the amounts due on the Series 2026 Bonds shall survive until the date on which the Series 2026 Bonds are no longer outstanding under the Resolution. The Northeast CRA will consent to the exercise of full and complete control and custody of the Redevelopment Trust Fund, and any and all moneys therein, by the City for the purpose provided in the Series 2026 Bonds Interlocal Agreement, including payment of the Series 2026 Bonds.

While the Northeast Increment Revenues paid to the City under the Series 2026 Interlocal Agreement shall be a Non-Ad Valorem Revenue source available to the City to pay the principal and interest payments on the Series 2026 Bonds, such Northeast Increment Revenues are not pledged as a source of security and payment for such Series 2026 Bonds and the holders of the Series 2026 Bonds do not have a lien on the Northeast Increment Revenues.

<u>Redevelopment Trust Fund Revenues</u>.

Each taxing authority that is required to make payments to the Redevelopment Trust Fund is by law required to do so on or before January 1st of each year. The taxing authorities required under the Act to make payments to the Redevelopment Trust Fund are the City and the County.

Required payments by the taxing authorities to the Redevelopment Trust Fund are based on the assessed valuation of taxable real property as of the previous January 1. On or before each January 1, each such taxing authority levying taxes in the Northeast Redevelopment Area must appropriate and pay to the Redevelopment Trust Fund an amount equal to 95% of the difference between:

(a) The amount of ad valorem taxes levied each year by that taxing authority, exclusive of any amount from any debt service millage, on taxable real property contained within the geographic boundaries of the Northeast Redevelopment Area; and

(b) The amount of ad valorem taxes which would have been produced by the rate upon which the tax is levied each year by or for each taxing authority, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the Northeast Redevelopment Area as shown upon the most recent assessment roll used in connection with the taxation of such property by each taxing authority prior to the effective date of the ordinance providing for the funding of the trust fund.

Notwithstanding the foregoing, as described under "-<u>Northeast Redevelopment Area and County Interlocal Agreement</u>" above with respect to the Expansion Area, pursuant to the County Interlocal Agreement, the County and City agreed that the County would retain 45% of the Northeast Increment Revenues attributable to the Expansion Area and allocate 55% of Northeast Increment Revenues attributable to the Expansion Area to the Redevelopment Trust Fund.

The following table shows amounts deposited into the Redevelopment Trust Fund for Fiscal Years ended 2021 through and including 2025. During Fiscal Year ending September 30, 2026 (tax year 2025-26), $1,635,794.50 (unaudited) has been deposited into the Redevelopment Trust Fund. The 2025-26 tax year was the first year for collection of Northeast Increment Revenues in the Expansion Area.

CITY OF MOUNT DORA, FLORIDA
NORTHEAST COMMUNITY REDEVELOPMENT AGENCY
NORTHEAST REDEVELOPMENT AREA
TAX INCREMENT REVENUES DEPOSITED IN THE REDEVELOPMENT TRUST FUND
FOR FISCAL YEARS ENDED SEPTEMBER 30, 2021 THROUGH 2025

Fiscal Year Ended September 30	Tax Increment Revenues[1]
2025	$1,396,348
2024	1,204,396
2023	963,138
2022	745,946
2021	595,075

(1) Northeast Increment Revenues are legally available to pay up to the annual debt service on the Series 2026 Bonds. Funds remaining in the Redevelopment Trust Fund are allocated to other projects as set forth in the Redevelopment Plan and to fund a number of programs, repair and maintenance and the operational costs of the Nathaniel Bell Community Resource and Recreation Center.

Source: City of Mount Dora, Florida Annual Comprehensive Financial Reports for Fiscal Years Ended September 30, 2021 through 2025.

Northeast Redevelopment Area Assessed Values.

Current and future Northeast Increment Revenues are predicated upon increases in assessed real property valuations in excess of taxable values recognized for a specific base year. With respect to the Northeast Redevelopment Area, increases are measured in terms of the base year of 1990 for the original Northeast Redevelopment Area, 2020 for the first expansion of the Northeast Redevelopment Area, and 2025 for the second expansion of the Northeast Redevelopment Area as shown in the following table:

Northeast Redevelopment Area	Base Year	Base Year Assessed Value	Assessed Value 2026
Mount Dora Northeast	1990	$11,370,766	$159,485,297
Mount Dora Northeast Expanded	2020	$2,100	$2,100
Mount Dora Northeast 2nd Expanded	2025	$213,562	$28,717,328

The incremental increase in assessed taxable values is used to measure the amount of the contribution which must be appropriated and contributed by each taxing authority which is required to make payments. The taxing authorities cannot be compelled to levy ad valorem taxes to make such payments. The statutory obligation of a taxing authority to make the required payments to a community redevelopment trust fund continues for so long as a community redevelopment agency has indebtedness pledging tax increment revenues to the payment thereof outstanding, but not to exceed thirty (30) years from the date the redevelopment plan is last amended, but no later than sixty (60) years after the fiscal year in which the plan was initially approved or adopted. Additionally, the obligation of the governing body which established the community redevelopment agency to fund the community redevelopment trust fund annually continues until all loans, advances and indebtedness, if any, and interest thereon, of a community redevelopment agency incurred as a result of redevelopment in a community redevelopment area have been paid. See "PROPERTY TAX REFORM – Recent Proposed Amendments to State Constitution to Reduce Certain Ad Valorem Taxes" herein.

Permits, Fees and Special Assessments

General. These are revenues derived from the issuance of landlord licenses plus other miscellaneous licenses, permit fees and franchise fees.

The City charges franchise fees to entities providing certain utility services in the City pursuant to franchise agreements. The following franchisees currently provide services pursuant to franchise agreements discussed below:

Franchisee	Ordinance No.	Term of Franchise	Expiration Date
SECO	2016-03	20 years	April 5, 2036
Duke Energy (formerly known as Progress Energy Florida, Inc.)	2010-04	20 years	March 16, 2030
Peoples Gas System	2013-04	30 years	April 2, 2043
Waste Management, Inc.	696	7 years	September 30, 2027

The franchises described above expire prior to the final maturity of the Series 2026 Bonds. There can be no assurance that replacement or extensions of such franchises will be enacted.

Electric Utility Franchise Agreements.

SECO. On April 5, 2016, the City Council approved an agreement with Sumter Electric Cooperative, Inc. (SECO) pursuant to Ordinance No. 2016-03. The agreement grants a non-exclusive right to SECO to provide electric services to the City. The agreement is for twenty (20) years. Pursuant to the agreement, the City receives a monthly franchise amount that equals six percent (6%) of revenues collected by SECO.

Duke Energy. On March 16, 2010, the City Council approved an agreement with Duke Energy (formerly known as Progress Energy Florida, Inc.) pursuant to Ordinance No. 2010-04. The agreement grants a non-exclusive right to Duke Energy to provide electric services to the City. The agreement is for twenty (20) years. Pursuant to the agreement, the City receives a monthly franchise amount that equals six percent (6%) of revenues collected by Duke Energy.

Solid Waste Franchise Agreement. On July 15, 1997, the City Council established the municipal refuse collection service pursuant to Ordinance No. 696. On August 18, 2013, the City Council approved an agreement with Waste Management, Inc. The agreement grants exclusive rights to Waste Management, Inc. to collect solid waste within the City, such agreement commenced on October 1, 2013, subject to termination upon default. The agreement was extended through September 30, 2027 pursuant to Resolution

No. 2018-53 adopted by the City Council on July 17, 2018. The City continues to bill and collect from sanitation customers. The City retains $4.26 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.

Gas Franchise Agreement. On April 2, 2013, the City approved an agreement with Peoples Gas System, a division of Tampa Electric Company, pursuant to Ordinance 2013-04. The agreement grants to Peoples Gas System a non-exclusive right to lay, erect, construct and maintain structures used in the sale, distribution, transportation or delivery of natural gas within the City. The agreement is for thirty (30) years. Pursuant to the agreement, the City receives a monthly franchise amount that equals six percent (6%) of net revenues collected by Peoples Gas System.

Fire Services Special Assessment

In 2016, the City established a supplemental dedicated funding source for the provision of fire-protection services and facilities through the imposition of a non-ad valorem special assessment (the "Fire Services Special Assessment"). The City may only use the Fire Services Special Assessment to pay that portion of debt service attributable to fire-protection services. The Fire Services Special Assessment is not available to pay debt service on the Series 2026 Bonds**.**

Charges for Services

Charges for various services provided by the City to residents, property owners, and grants received from other governments, including the following:

(a) Public Safety: fees for police services, false alarm charges and extra duty charges.
(b) Planning and Zoning: fees for inspections such as plumbing, electrical, elevator and mechanical inspections.
(c) Recreational Department: fees for parks and recreation activities and events.
(d) Other: fees for services not specifically mentioned above, i.e. traffic signal maintenance fees; site rental fees; median rental fees; and fuel tax refunds.
(e) Environmental (solid waste disposal fees).

Fines and Forfeitures

Fines and forfeitures reflect those penalties and fines imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, and for neglect of official duty. Forfeitures include revenues resulting from ordinance violation fines, filing fees and tax billed penalties.

Miscellaneous Revenues

This category includes a variety of revenues and transfers from other funds, including, but not limited to, donations, COBRA health insurance reimbursements, administrative copies, penalties, interest income, vending machine revenue, disposition of surplus equipment and legal settlements.

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General Fund and Historical Non-Ad Valorem Revenues

The following chart shows information regarding the General Fund and historical Non-Ad Valorem Revenues for the City's Fiscal Years ended September 30, 2021, through and including September 30, 2025:

GENERAL FUND AND HISTORICAL NON-AD VALOREM REVENUES

	As of the Fiscal Year Ended September 30				
	2021	**2022**	**2023**	**2024**	**2025**
REVENUES					
Taxes					
Ad Valorem[(1)]	$7,500,167	$7,983,744	$8,911,274	$10,358,693	$12,010,087
Local Option Gas Tax (Six-Cent Local Option Gas Tax)[(2)]	246,882	254,591	267,116	281,433	262,245
Communication Service Tax[(3)]	498,062	500,780	530,770	583,649	632,411
Utility Tax[(3)]	1,680,986	1,917,239	2,155,549	2,111,482	2,279,575
Local Business Tax	25,038	27,766	44,260	28,703	20,159
Total Taxes	**$9,951,135**	**$10,684,120**	**$11,908,969**	**$13,363,960**	**$15,204,477**
Permits and Fees					
Franchise Fees:					
Electric	$655,342	$717,295	$921,924	$865,746	$1,016,441
Gas	62,496	73,004	59,996	81,337	77,960
Solid Waste	228,956	231,628	244,395	259,763	294,525
Other	6,240	6,597	8,528	6,667	8,090
Other Permits	381,524	325,843	345,466	323,267	528,940
Total Permits and Fees	**$1,334,558**	**$1,354,367**	**$1,580,309**	**$1,536,780**	**$1,925,956**
Intergovernmental Revenue					
Grants[(4)]	$422,683	$281,104	$1,424,217	$1,011,880	$1,930,061
State Revenue Sharing[(2)]	791,164	959,437	1,071,049	1,165,908	1,237,234
Local Option Sales Tax	1,022,427	1,151,441	1,243,806	1,251,074	1,269,107
Infrastructure Sales Surtax[(5)]	1,573,560	1,874,300	1,961,446	2,105,860	2,338,478
County Revenue Sharing	45,981	17,717	38,904	180	138
County Voted One-Cent Gas Tax[(2)]	98,762	104,479	110,685	116,881	119,273
School Resource Officers Funding[(4)]	190,495	468,628	197,807	241,740	255,080
County Library Funding[(4)]	230,537	232,629	232,948	267,583	278,641
Total Intergovernmental Revenue	**$4,375,609**	**$5,089,735**	**$6,280,862**	**$6,161,106**	**$7,428,012**
Charges for Services					
Development Review and Service Fees	$760,394	$303,347	$387,489	$283,308	$243,439
Public Safety Revenue	190,255	295,089	424,507	352,101	270,397
Recreation Fees	64,856	1,054,159	1,085,069	944,964	1,056,533
Finance Fees	-	-	-	-	
Total Charges for Services	**$1,015,505**	**$1,652,595**	**$1,897,065**	**$1,580,373**	**$1,570,369**
Fines and Forfeitures					
Court and Parking Fines	$30,146	$28,322	$27,359	$21,619	$39,533
Library Fines	9,165	12,795	19,107	22,776	26,710
Code Enforcement Fines	61,311	22,255	19,229	108,481	137,469
Total Fines and Forfeitures	**$100,622**	**$63,372**	**$65,695**	**$152,876**	**$203,712**
Miscellaneous Revenue					
Miscellaneous Billings	$69,865	$42,537	$47,734	$59,937	$129,450
Investment Earnings (Losses)	11,014	(15,077)	145,603	505,402	485,984
Real Estate Rent	163,953	94,116	84,712	88,335	70,232

	As of the Fiscal Year Ended September 30				
	2021	2022	2023	2024	2025
Sale of Surplus Property	9,791	81,291	36,028	57,855	99,002
Contributions	34,978	18,501	45,520	42,928	119,033
Other Revenues	108,172	127,724	132,744	98,568	266,523
Total Miscellaneous Revenue	**$397,773**	**$349,092**	**$492,341**	**$853,025**	**$1,170,224**
Interfund Charges	**$4,894,366**	**$4,047,051**	**$3,863,068**	**$3,503,844**	**$3,874,673**
Other Financing Sources[(6)]	**$2,880,654**	**$1,178,150**	**$1,927,976**	**$2,046,648**	**$2,547,122**
Northeast Increment Revenues[(8)]	**$595,075**	**$745,946**	**$963,138**	**$1,204,396**	**$1,396,348**
Total Revenues[(7)]	**$25,545,297**	**$25,164,428**	**$28,979,423**	**$30,403,008**	**$35,320,893**
Less Ad Valorem Taxes	($7,500,167)	($7,983,744)	($8,911,274)	($10,358,693)	($12,010,087)
Total Non-Ad Valorem Revenues[(7)]	**$18,045,130**	**$17,180,684**	**$20,068,149**	**$20,044,315**	**$23,310,806**
Less Legally Restricted Revenues Not Available for Debt Service	**($1,296,251)**	**($1,472,050)**	**($2,371,341)**	**($2,046,923)**	**($2,979,491)**
Total Non-Ad Valorem Revenues Legally Available for Debt Service[(9)]	**$16,748,879**	**$15,708,634**	**$17,696,808**	**$17,997,392**	**$20,331,315**
GENERAL FUND EXPENDITURES[(10)]					
Total General Government	$7,995,818	$6,914,006	$9,246,893	$9,102,453	$11,018,338
Total Public Safety	9,174,190	9,083,158	8,904,881	9,988,818	11,950,494
Total Transportation	969,632	945,154	1,169,951	1,775,099	2,112,663
Total Culture and Recreation	3,332,133	3,941,448	4,235,194	4,920,083	5,356,685
Total Expenditures	**($21,471,773)**	**($20,883,766)**	**($23,556,919)**	**($25,786,453)**	**($30,438,180)**
Net Change in Fund Balances	**$1,904,889**	**$1,318,913**	**$2,259,973**	**$1,079,705**	**$990,523**
General Fund Balance, Beginning of Year	**$5,285,047**	**$7,189,936**	**$8,508,849**	**$10,768,822**	**$11,848,527**
General Fund Balance, End of Year	**$7,189,936**	**$8,508,849**	**$10,768,822**	**$11,848,527**	**$12,839,050**

(1) The City cannot be legally compelled to appropriate ad valorem tax revenues.

(2) The gas taxes and municipal fuel tax portion of the State Revenue Sharing may only be used to pay debt service for transportation-related projects and therefore, are not available to pay debt service on the Series 2026 Bonds.

(3) The City's outstanding Community Redevelopment Agency Redevelopment Revenue Note, Series 2013 (Downtown CRA) (the "Series 2013 Note") is secured by tax increment revenues and in the event such revenues are insufficient, by Public Service Tax revenues and Communications Services Tax revenues. Therefore, the Public Service Tax revenues and Communications Services Tax revenues will only be available to pay annual debt service on the Series 2026 Bonds after annual debt service on the Series 2013 Note has been paid.

(4) This non-ad valorem revenue source is restricted and may not be used to pay debt service on the Series 2026 Bonds.

(5) The current Infrastructure Sales Surtax period ends December 31, 2032 which is prior to the maturity date of the Series 2026 Bonds.

(6) Includes (i) Electric, Water and Wastewater, Sanitation, Fire Assessments and Stormwater transfers into the General Fund and (ii) tax increment, general construction and fleet/warehouse transfers out of the General Fund.

(7) Includes all non-ad valorem revenues, some of which are not legally available to pay debt service on the Series 2026 Bonds.

(8) Northeast Increment Revenues are only legally available to pay up to the annual debt service on the Series 2026 Bonds. Funds remaining in the Redevelopment Trust Fund are allocated to other projects as set forth in the Redevelopment Plan and to fund a number of programs, repair and maintenance and the operational costs of the Nathaniel Bell Community Resource and Recreation Center.

(9) Excludes non-ad valorem revenues which are not legally available to pay debt service on the Series 2026 Bonds.

(10) General Fund expenditures are shown for informational purposes only.

Source: Department of Finance, City of Mount Dora, Florida.

The table above is only an indication of the relative amounts of Non-Ad Valorem Revenues of the City which may be available for the payment of principal of and interest on the Series 2026 Bonds and other general governmental expenditures. The ability of the City to appropriate Non-Ad Valorem Revenues in sufficient amounts to pay the principal of and the interest on the Series 2026 Bonds is subject to a variety of factors, including the City's satisfaction of funding requirements for obligations having an express lien on or pledge of such revenues and after satisfaction of funding requirements for essential governmental services of the City. See "Other Debt of the City" below. No representation is being made by the City that any particular Non-Ad Valorem Revenues will be available in future years, or if available, will be budgeted to pay debt service on the Series 2026 Bonds.

Continued consistent receipt of Non-Ad Valorem Revenues is dependent upon a variety of factors, including annexation and/or de-annexation policies by the City, continued eligibility to receive the Non-Ad Valorem Revenues, or greater growth in the unincorporated areas of the County as compared to the City which could have an adverse effect on Non-Ad Valorem Revenues. The amounts and availability of any of the Non-Ad Valorem Revenues to the City are also subject to change, including reduction or elimination by change of State law or changes in the facts or circumstances according to which certain of the Non-Ad Valorem Revenues are allocated. In addition, the amount of certain Non-Ad Valorem Revenues collected by the City is directly related to the general economy of the City. Accordingly, adverse economic conditions could have a material adverse effect on the amount of Non-Ad Valorem Revenues collected by the City. The City may also specifically pledge certain of the Non-Ad Valorem Revenues or covenant to budget and appropriate Non-Ad Valorem Revenues of the City to future obligations. In the case of a specific pledge, such Non-Ad Valorem Revenues would be required to be applied to such obligations prior to paying the principal of and interest on the Series 2026 Bonds.

Other Debt of the City

Covenant to Budget and Appropriate Debt.

On November 22, 2024, the City entered into a loan agreement with Webster Bank, National Association ("Webster"), authorizing the issuance of its Non-Ad Valorem Revenue Note, Series 2024 (the "Series 2024 Note") in an aggregate principal amount of $8,000,000. The Series 2024 Note was outstanding in the principal amount of $8,000,000 as of September 30, 2025, the final maturity of the Series 2024 Note is November 1, 2039, and the Series 2024 Note bears a fixed interest rate of 4.26%, subject to adjustments as provided in the Loan Agreement by and between the City and Webster dated November 22, 2024. The Series 2024 Note is secured by only a covenant to budget and appropriate Non-Ad Valorem Revenues

On November 30, 2018, the City issued its Capital Improvement Revenue Bonds, Series 2018 (the "Series 2018 Bonds") in an aggregate principal amount of $12,160,000. The Series 2018 Bonds were outstanding in the principal amount of $10,740,000 as of September 30, 2025, the final maturity of the Series 2018 Bonds is November 1, 2048 and the Series 2018 Bonds bear a fixed interest rate of 4%. The Series 2018 Bonds are secured by only a covenant to budget and appropriate Non-Ad Valorem Revenues.

On August 30, 2018, the City entered into a loan agreement with CenterState Bank, N.A. authorizing the issuance of its Capital Improvement Revenue Note, Series 2018 (the "Series 2018 CIP Note") as a draw-down note in the maximum principal amount of $4,000,000. The Series 2018 CIP Note was outstanding in the principal amount of $620,000 as of September 30, 2025. The final maturity of the Series 2018 CIP Note is September 30, 2028 and the Series CIP Note bears a fixed interest rate of 3.58%. The Series 2018 CIP Note is secured by only a covenant to budget and appropriate Non-Ad Valorem Revenues.

In addition, the City has entered into (i) the State Revolving Loan #WW351440 with the final funding amount of $2,159,423, (ii) the State Revolving Loan #DW351450 with the final funded amount of $1,591,322, (iii) the State Revolving Loan #WW351470 with the maximum funding amount of $2,727,681, (iv) the State Revolving Loan #WW351490 with the maximum funding amount of $2,371,690, and (v) the State Revolving Loan #DW3514AO with the maximum funding amount of $1,621,926. The State Revolving Loans are payable from water and sewer system revenues and contain a covenant to budget and appropriate from Non-Ad Valorem Revenues in the event the pledged revenue source, as indicated, is not sufficient to pay amounts due.

Specific Lien Debt.

The City has certain debt outstanding that has a lien upon and a pledge of a specific Non-Ad Valorem Revenue (the "Specific Lien Debt"). A description of such Specific Lien Debt is included in the table below:

Specific Lien Debt[1]

Description	Source of Security	Amount Outstanding[4]
Redevelopment Revenue Note, Series 2013[2]	Tax Increment Revenues and as a secondary source Public Service Tax (Utilities Tax) Revenues and Communications Services Tax Revenues	$567,000
Redevelopment Revenue Note, Series 2025[3]	Tax Increment Revenues	$6,081,000
Fire Protection Assessment Revenue Bonds, Series 2018	Fire Services Special Assessments[5]	$18,350,000

(1) Does not include debt secured solely by enterprise funds of the City.

(2) Bears a fixed interest rate of 2.17% subject to adjustment in the event of determination of taxability or default, matures on July 1, 2028 and is subject to mandatory sinking fund redemption on each January 1 until maturity.

(3) Being refunded with proceeds of the Series 2026 Bonds. In addition to the specific lien on Tax Increment Revenues, the Series 2025 Note has a back-up covenant to budget and appropriate non-ad valorem revenues of the City.

(4) As of September 30, 2025.

(5) This revenue source is not legally available to pay debt service on the Series 2026 Bonds.

Source: Department of Finance, City of Mount Dora, Florida.

Financial Management Policies

The City established an Investment Policy pursuant to Resolution No. 2017-137 adopted September 21, 2017 (the "Investment Policy") pertaining to all general operating funds of the City other than pension funds and funds related to the issuance of debt governed by separate requirements. The Investment Policy established investment objectives to be managed by the City Manager to achieve safety of principal, maintenance of liquidity and return on investment. The Investment Policy requires the establishment of internal controls and operational procedures to prevent losses of funds as well as the completion of staff continuing education. The Investment Policy governs authorized investments and portfolio composition as well as performance measurements and reporting to the City Manager and allows for the use of an internal loan program to provide short to medium term financing for departments seeking to finance capital construction projects for which external financing is not available subject to the City's portfolio investment objectives and liquidity requirements.

The City established a Debt Issuance & Management Policy pursuant to Resolution No. 2021-108 adopted October 5, 2021 (the "Debt Policy") pertaining to the issuance and management of the City's debt. The Debt Policy prohibits the use of long-term debt to finance current operations or normal maintenance, the use of derivative products by the city, the use of variable rate debt to refinance fixed rate, long term debt. The Debt Policy provides parameters for, among other things, the term, amortization and prepayment rights relating to debt.

The City established a Fund Balance Policy pursuant to Resolution No. 2023-43 adopted September 21, 2023 (the "Debt Policy") for reservations of Fund Balance, defined in the Debt Policy to be the difference between assets and liabilities in a governmental fund. The Debt Policy establishes a spending order of fund balances that are restricted and unrestricted funds and committed, assigned and unassigned fund balances when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance could be used. The Debt Policy establishes a targeted minimum reserve balance of the unassigned fund balance for the General Fund of 17% based on current year operating expenditures and transfers out less non-recurring capital budgeted for the General Fund. If at the end of any fiscal year, the actual amount of unassigned fund balance falls below the targeted levels, a plan must be established to achieve the target by adding a designated amount to the budget to cover the deficiency over a period not to exceed three (3) years.

LIABILITIES OF THE CITY

Defined Contribution Plan

The City 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 plans described below, 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, 2025, the City contributed $701,334 to the defined contribution plan.

Defined Benefit Plans

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 and most full-time general employees hired before October 1, 2010. See "APPENDIX A - GENERAL INFORMATION - CITY OF MOUNT DORA, FLORIDA - Pension and Other Post Employment Benefit Liabilities" for more information regarding the City's defined benefit plans.

Other Post-Employment Benefits (OPEB)

The City administers a single-employer defined benefit healthcare plan that provides medical insurance to its employees and their eligible dependents. The City is required to provide eligible retirees the opportunity to participate in this plan at the same cost that is applicable to active employees. As of September 30, 2025, the plan had 206 active participants and 54 retirees, beneficiaries and disabled members receiving benefits. See "APPENDIX A - GENERAL INFORMATION - CITY OF MOUNT DORA, FLORIDA - Pension and Other Post Employment Benefit Liabilities" for more information regarding the City's OPEB liability.

PROPERTY TAX REFORM

General. Non-Ad Valorem Revenues do not include ad valorem tax revenues. Ad valorem revenues have historically been used, at least in part, by the City for payment of services and programs which are essential government services or which are legally mandated by applicable law. Therefore, a decrease in ad valorem tax revenues may in turn increase the amount of Non-Ad Valorem Revenues required for payment of services and programs which are essential government services or which are legally mandated by applicable law and thereby reduce the amount of Non-Ad Valorem Revenues available to be budgeted and appropriated to satisfy the obligation of the City under the Resolution. The City has provided the following discussion of property tax reform in the State, to illustrate the various initiatives put forth by the State Legislature and their respective impact, if any, on the City's financial and budgetary matters.

State law provides for numerous exemptions and limitations on ad valorem taxation of real property and tangible personal property. Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, literary, charitable, scientific, and governmental uses. Certain additional exemptions and limitations are described below. This description does not purport to describe all exemptions available to property owners in the State, and reference is made to the State Constitution and Chapter 196, Florida Statutes, for a full description of such exemptions. In addition, State law allows for, but does not mandate, the imposition of some exemptions by local governments by ordinance. Where applicable, it is noted where the City has imposed such optional exemptions or limitations.

Recent Proposed Amendments to State Constitution to Reduce Certain Ad Valorem Taxes. To address property tax reform with the goal of placing a property tax reform amendment on the upcoming November 2026 ballot, the Governor of the State issued a proclamation calling a special legislative session that began on Monday, June 1, 2026. Senate Joint Resolution 2-F was filed on May 28, 2026, as amended, and proposed amendments to the State Constitution to, among other things, revise the limitation on annual assessment increases from 10% to 5% for specified real property, increase the homestead exemption for non-school ad valorem taxes to the first $150,000 of assessed value of homestead properties in 2027 and to the first $250,000 of assessed value of homestead properties in 2028, with a mandate for the Florida Legislature to create a schedule for full elimination of ad valorem taxes, and impose other limitations on the use of ad valorem taxes levied by counties and municipalities. House Joint Resolution 1F, an identical bill to Senate Joint Resolution 2-F, was subsequently passed the Florida House and Florida Senate, placing such amendments on the November 2026 ballot. For such amendments to become effective, they require approval by at least 60% of voters in the statewide November general election. If approved, the reduction in the ad valorem tax base and the restriction of the use of ad valorem taxes would increase the amount of non-ad valorem revenues needed to fund existing and/or essential governmental functions and other operations which could materially and adversely affect local government finances and, to the extent not addressed through reductions in governmental expenditures, adversely affect the availability of non-ad valorem revenues to meet debt service obligations. There can be no assurance that the statewide referendum will pass.

Millage Rollback Legislation. In 2007, the State Legislature adopted a property tax plan which significantly impacted ad valorem tax collections for State local governments (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities and special districts to rollback their millage rates for the 2007-2008 Fiscal Year to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in Fiscal Year 2006-2007; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-2007 ad valorem tax revenues by zero to nine percent (0% to 9%). In addition, the Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body.

Exempt Entities/Exempt Purposes. The State Constitution provides that all property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the municipality, may be required by general law to make payment to the taxing unit in which the property is located. Such portions of property as are used predominantly for educational, literary, scientific, religious or charitable purposes (exempt purposes) may be exempted by general law from taxation. State law provides that all property owned by an exempt entity, including educational institutions, and used exclusively for exempt purposes shall be totally exempt from ad valorem taxation and all property owned by an exempt entity, including educational institutions, and used predominantly for exempt purposes (at least 50%) shall be exempted from ad valorem taxation to the extent of the ratio that such predominant use bears to the nonexempt use.

Homestead Exemption. In addition to the exemptions described above, the State Constitution also provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is eligible to receive a homestead exemption of up to $50,000. The first $25,000 applies to all property taxes, including school district taxes. The additional exemption, up to $25,000, applicable to the assessed value of the property greater than $50,000, applies to all levies other than school district levies, such amount shall be adjusted annually on January 1 of each year for inflation. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption. In addition to the general homestead exemption described in this paragraph, the following additional homestead exemptions are authorized by State law.

Household Goods and Personal Effects. The State Constitution provides that there shall be exempt from taxation, cumulatively, to every head of a family residing in the State, household goods and personal effects to the value fixed by general law, not less than one thousand dollars and to every widow or widower or person who is blind or totally and permanently disabled, property not less than five hundred dollars. State law exempts from taxation to every person residing and making his or her permanent home in the State, all household goods and personal effects and exempt property up to the value of $500 of every widow, widower, blind person, or totally and permanently disabled person who is a resident of the State.

Economic Development. The State Constitution provides that any county or municipality may, for the purpose of its respective tax levy and subject to the State Constitution and general law, grant community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses, as defined by general law. Such an exemption may be granted only by ordinance of the county or municipality, and only after the electors of the county or municipality voting on such question in a referendum authorize the county or municipality to adopt such ordinance. An exemption so granted shall apply to improvements to real property made by or for the use of a new business and improvements to real property related to the expansion of an existing business and shall also apply to tangible personal property of such new business and tangible personal property related to the expansion of an existing business. The amount or limits of the amount of such exemption shall be specified by general law (up to 100% in certain circumstances) and the period of time for which such exemption may be granted to a new business or expansion of an existing business shall be determined by general law. State law provides that the authority to grant such exemption shall expire ten years from the date of approval by the electors of the county or municipality, and may be renewable by referendum as provided by general law and that exemptions may be granted for up to 10 or 20 years depending on the use of the applicable facility. The City has not enacted an ordinance granting the exemption described in this paragraph.

Historic Preservation. The State Constitution provides that any county or municipality may, for the purpose of its respective tax levy and subject to the provisions of the State Constitution and general law, grant historic preservation ad valorem tax exemptions to owners of historic properties. This exemption may be granted only by ordinance of the county or municipality. The amount or limits of the amount of this exemption and the requirements for eligible properties must be specified by general law. State law provides that such exemption may be for an amount up to 50% of the assessed value of the property. The period of time for which this exemption may be granted may continue until the ordinance is repealed or the property no longer qualifies for the exemption. The City has not enacted an ordinance granting the exemption described in this paragraph.

Tangible Personal Property and Solar Devices. The State Constitution provides that by general law and subject to conditions specified therein, $25,000 of the assessed value of property subject to tangible personal property tax shall be exempt from ad valorem taxation. Effective January 1, 2018, through December 31, 2037, the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax may be exempt from ad valorem taxation, subject to limitations provided by general law.

Property Dedicated In Perpetuity for Conservation. The State Constitution provides that there shall be granted an ad valorem tax exemption for certain real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

Certain Persons 65 or Older. A board of county commissioners or the governing authority of any municipality may adopt an ordinance to allow an additional homestead exemption of (i) not exceeding $50,000 for persons who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner and has attained age 65 or older with household income that does not exceed the statutory income limitation of $20,000 (as increased by the percentage increase in the average cost of living index each year since 2001) or (ii) the assessed value of the property to a person who has the legal or equitable title to real estate with a just value less than $250,000, as determined the first tax year that the owner applies and is approved, for any person 65 or older who has maintained the residence as his or her permanent residence for not less than 25 years and whose household income does not exceed the statutory income. The City has not enacted an ordinance granting the exemption described in this paragraph.

In addition, veterans 65 or older who are partially or totally permanently disabled may receive a discount from tax on homestead property if the disability was combat related and the veteran was honorably discharged upon separation from military service. The discount is a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Department of Veteran's Affairs. A Surviving Spouse of a veteran who died from service while on active duty as a member of the United Stated Armed Forces is allowed the same ad valorem tax discount on homestead property for combat-disabled veterans age 65 or older to transfer to the surviving spouse of a veteran receiving the discount if the surviving spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry.

Deployed Military Personnel. The State Constitution provides that by general law and subject to certain conditions specified therein, each person who receives a homestead exemption who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature divided by the number of days in that year.

Certain Active Duty Military and Veterans. A military veteran who was honorably discharged, is a resident of the State, and who is disabled to a degree of 10% or more because of misfortune or while serving during wartime may be entitled to a $5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. A military veteran who was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on homestead property. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

Certain Totally and Permanently Disabled Persons. Real estate used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Survivors of First Responders. Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic), who died in the line of duty may be granted a total exemption on homestead property if the first responder and his or her surviving spouse were permanent residents of the State on January 1 of the year in which the first responder died.

Save Our Homes Portability Affected by Storm Damage (SOH). Owners of homestead property that was significantly damaged or destroyed as a result of a named tropical storm or hurricane can elect to have the property deemed abandoned if the owner establishes a new homestead by January 1 of the second year immediately following the storm or hurricane. This will allow the owner of the homestead property to keep their SOH benefit if they move from the significantly damaged or destroyed property to establish a new homestead by the end of the year following the storm.

Property Tax Relief for Natural Disasters. In light of the certain natural disasters, the state legislature created a property tax relief credit for homestead parcels. Section 197.319 Florida Statues provides for property tax relief for homestead parcels on which residential improvements are damaged or destroyed by a catastrophic event, including hurricanes. If a residential improvement is rendered uninhabitable for at least 30 days, the property owner may be eligible for a partial refund of ad valorem taxes for the applicable tax year.

Affordable Housing. The State has several statutes providing for property tax exemptions related to affordable and workforce housing including, but not limited to, Sections 196.1978, 196.19781, and 196.19782, Florida Statutes. The City Council has not enacted an ordinance to opt-out pursuant to Section 196.1978(3)(o), Florida Statute, of providing the property tax exemption for multifamily projects that are used to house natural persons or families whose annual household income is greater than 80% but not more than 120% of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county in which the person or family resides.

Other Exemptions. Other exemptions include, but are not limited to, nonprofit homes for the aged (subject to income limits for residents), proprietary continuing care facilities, not for profit sewer water/wastewater systems, certain hospital facilities and nursing homes for special services, charter schools, certain historic property used for commercial purposes and certain tangible personal property.

Recent Amendments Relating to Ad Valorem Taxation. During the 2021 State legislative session, State Senate Bill 7061 was passed by the Senate and the House and signed into law by the Governor. This law exempts fully from ad valorem taxation certain affordable housing properties that previously received a 50% discount from ad valorem taxes, along with certain other insignificant or indeterminate modifications to State law regarding ad valorem taxes.

During the 2022 State legislative session, State House Bill 7071 was passed by the Senate and the House and signed into law by the Governor. This law contains provisions for tax relief and changes to tax policy including, but not limited to, the following: providing property tax relief for residential property rendered uninhabitable for 30 days or more due to a catastrophic event; providing property tax relief for property owners affected by the sudden and unforeseen collapse of a residential building; increasing the widows, widowers, blind, or totally and permanently disabled property tax exemption from $500 to $5,000; providing an alternative assessment methodology for land used in the production of aquaculture products; clarifying the extent of the homestead exemption on classified lands; updating the qualifying operations for the deployed service member property tax exemption; and providing alternative dates from which to calculate the 15-year required term of an affordable housing agreement for establishing qualification for a property tax exemption. This law took effect on July 1, 2022. Further, State House Bill 777 was passed by the Senate and the House, which would require a local government seeking voter approval to levy certain optional local taxes to be held at a general election. The bill applies to the following local option taxes: tourist development taxes; tourist impact taxes; ad valorem taxes levied by a children's services independent special district; county, municipal and school district voted millage increase and local option fuel taxes and took effect on October 1, 2022.

During the 2023 State legislative session, State House Bill 7063 was passed by the Senate and the House and signed into law by the Governor. This law makes property tax exemptions for veterans, first responders, and surviving spouses more accessible by eliminating certain requirements related to residency and property ownership, and revises the definition of "first responder" to include federal law enforcement officers and their surviving spouses. Additionally, this law creates a property tax exemption for certain leased property used for educational purposes. State House Bill 7063 also provides that property that is used as a parsonage, burial grounds, or tomb and is owned by an exempt organization which owns a house of public worship is exempt for a religious purpose.

During the November 2024 general election, voters approved State House Joint Resolution 7017, Amendment 5, authorizing an amendment to Article VII, Section 6(a) of the State Constitution regarding the existing $25,000 homestead property tax exemption on property with an assessed valuation greater than $50,000 that is applicable to all ad valorem taxes except school district taxes. The amendment requires the homestead exemption to be adjusted annually for positive inflation growth. The State legislature passed and the Governor approved State House Bill 7019 during the 2024 legislative session which amended Section 196.031, Florida Statutes, to implement the annual positive inflation adjustment. The inflation adjustment began January 1, 2025. State House Bill 7019 also created Section 218.136, Florida Statutes, requiring the State legislature to appropriate funds to offset reductions in ad valorem revenue in fiscally constrained counties as a result of the annual positive inflation adjustment. The bill provides emergency rulemaking authority to the Department of Revenue to administer the provisions of the act.

During the 2025 State legislative session, the State legislature passed Committee Substitute for House Joint Resolution 1215 ("CS/HJR 1215") which would create a property tax exemption for certain agricultural tangible personal property from ad valorem taxation. CS/HJR 1215 is not subject to the Governor's veto power but is subject to approval by 60 percent of voters during the 2026 general election, if passed the bill will take effect on January 1, 2027. The State legislature also passed House Bill 7031 ("HB 7031") which includes new or expanded exemptions for affordable housing which will apply to the 2026 tax rolls.

<u>Future Potential Legislation and/or Constitutional Amendments Relating to Ad Valorem Taxation</u>.

Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced by the State legislature. Many of these proposals have provided for the elimination or phase-out of non-school ad-valorem taxes on homestead property, new or increased exemptions from ad valorem taxation, limiting increases in the assessed valuation of certain types of property or have otherwise restricted the ability of local governments in the State to levy ad valorem taxes at then current levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would have a material adverse effect on the collection of ad valorem taxes by the County, the County's finances in general or the County's ad valorem taxing power.

While the State Legislature is not currently in session, additional constitutional amendments relating to ad valorem taxation could be proposed by the State legislature in a special session or future regular session. Such measures, if adopted, could reduce the ad valorem tax base or affect the taxing authority of local governments. Constitutional amendments, if adopted, would require approval by at least 60% of voters at a statewide referendum before becoming effective, and there can be no assurance as to whether any such proposals will be passed by the State Legislature. The cumulative effect of current or future changes to ad valorem taxation could have a material adverse impact on local government finances, including the availability of revenues to fund operations or meet debt service obligations.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds received from the sale of the Series 2026 Bonds together with other legally available funds of the City, if any, are expected to be applied as follows:

SOURCES OF FUNDS:	
Principal Amount of Series 2026 Bonds	$
[Plus/Less] [Net] Original Issue [Premium/Discount]	
Legally Available Funds of the City	
TOTAL SOURCES	$
USES OF FUNDS:	
Refunding the Series 2025 Note	$
Deposit to the Project Fund	
Costs of Issuance[1]	
TOTAL USES	$

[1] Includes, without limitation, Underwriter's discount, rating agency fees, legal fees, municipal advisory fees, dissemination agent fees, printing fees and miscellaneous costs of issuance.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service on the Series 2026 Bonds.

Bond Year Ending September 30	Principal	Interest	Total Debt Service
	$	$	$
TOTAL	$	$	$

THE CITY

General

The City was incorporated as a town in 1910 and later incorporated as a city in 1953. The City, approximately 11 square miles in area, is located in the approximate center of the State of Florida, in the northeast section of Lake County, 25 miles northwest of Orlando. The City has an estimated population of 18,791 as of July 1, 2025. For additional information concerning the City, see "APPENDIX A – GENERAL INFORMATION - CITY OF MOUNT DORA, FLORIDA" hereto. The City operates under a council-manager form of government.

City Management

City Manager.

Vince Sandersfeld serves as City Manager for the City. As City Manager, he is the chief administrative officer responsible for carrying out the policies and priorities established by the City Council and overseeing the daily operations of the City.

Mr. Sandersfeld provides executive leadership across all municipal departments and services, including public safety, economic development, planning and development, public works and utilities, finance and budget, human resources, parks and recreation, library services, historic preservation, building and permitting, electric services, the Northeast CRA and the CRA.

Mr. Sandersfeld has more than 36 years of experience in local government. He earned a Bachelor of Science degree in Community and Regional Planning from Iowa State University. His professional affiliations include the International City/County Management Association, the Florida City and County Management Association, the Florida Redevelopment Association, and the Florida Planning and Zoning Association.

Finance Director.

Jennifer Gates serves as the Finance Director for the City. As Finance Director, she provides leadership over the City's financial operations and is responsible for ensuring public resources are managed effectively to support the City's services, infrastructure, and continued growth.

Ms. Gates has more than eight years of experience in municipal finance and has served in progressively responsible leadership roles, including Fiscal Analyst, Budget Manager, Grant Coordinator, Accounting Manager, Assistant Finance Director, and Deputy Finance Director. Throughout her career, she has led initiatives such as the implementation of a new chart of accounts, migration of the City's enterprise resource planning (ERP) system to a cloud-based platform, and conversion to a new payroll system.

Ms. Gates earned a Bachelor of Applied Science in Accounting from Indiana Tech. She is an active member of both the Florida Government Finance Officers Association (FGFOA) and the Government Finance Officers Association (GFOA).

Demographics

Demographic information regarding the City, including population and unemployment rate, is included in "APPENDIX A – GENERAL INFORMATION – CITY OF MOUNT DORA, FLORIDA – Demographics" hereto.

RISK FACTORS

The purchase of the Series 2026 Bonds involves a degree of risk, as is the case with all investments. Factors that could affect the City's ability to perform its obligations under the Resolution, including the timely payment of principal of and interest on the Series 2026 Bonds, include, but are not limited to, the following:

General

There is no assurance that any rating assigned to the Series 2026 Bonds by the rating agencies will continue for any given period of time or that it will not be lowered or withdrawn entirely by such rating agency, if in its judgment, circumstances warrant. A downgrade change in or withdrawal of any rating may have an adverse effect on the market price of the Series 2026 Bonds.

In the event of a default in the payment of principal of and interest on the Series 2026 Bonds, the remedies of the owners of the Series 2026 Bonds are limited under the Resolution.

The City is not required and does not covenant to maintain any services or programs which generate Non-Ad Valorem Revenues. Cancellation of any services or programs which are not essential services that generate Non-Ad Valorem Revenues could have an adverse effect on the City fulfilling its covenant obligations under the Resolution.

Legislative Risks

The State legislature, executive officers and agencies could enact legislation, executive orders or regulations that may have a material adverse effect on the City's and Northeast CRA's finances or the operation of the Northeast CRA. In addition, the United States Congress, federal executive officers and federal agencies could also enact legislation, executive orders or regulations that may have a material adverse effect on the City's and Northeast CRA's finances. There can be no assurance that such legislation, executive orders, regulations or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the Northeast CRA's finances or the operation of the Northeast CRA.

In addition, the City's receipt of State and federal grants and aid is subject to various laws, policies and regulations. To the extent of a reduction in such aid or grants compared to historical levels as a result of new or amended policies, regulations or laws, the financial condition of the State could be adversely affected.

Economic Considerations

The City's and Northeast CRA's financial performance can be affected by changes in the local, State, and national economy. Federal policies on local and international trade can have a negative impact on economy which can increase costs for the City and Northeast CRA, such as proposed or implemented tariffs on certain imports to the United States. High levels of inflation can negatively impact the cost of goods, including construction materials and products needed by the City and Northeast CRA. The City and Northeast CRA could encounter adverse effects resulting from labor shortages and supply chain issues, which can cause reduced operational capacity for the City and Northeast CRA and delays in necessary goods and construction materials for the completion of projects. As a result of various economic factors, the City and Northeast CRA may incur increased costs and longer project timelines. Therefore, for new projects that have not yet started, the County is taking these factors into account in budgeting and scheduling.

Climate Change and Natural Disasters

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on communities such as the City. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the City. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs. To mitigate against the effects of extreme weather events and natural disasters the City has performed trainings with the Florida Emergency Management Administration, has performed capital projects for weather mitigation and hardening, and conducted exercises with the Florida Emergency Operations Center.

On October 25, 2025, the City experienced a 1,000-year flash flood storm event that damaged roughly 1,000 linear feet of north Donnelly Street. This same event damaged a number of stormwater ponds throughout the city. Rebuilding and repairing of Donnelly Street has been completed with erosion mitigation infrastructure installed. All damaged stormwater ponds with the exception of one has been repaired. The City had approximately $2,622,500 in repairs, of which the City expects approximately $2,180,171 to be reimbursed through grants from the Florida Department of Transportation and Federal Emergency Management Agency ("FEMA").

Hurricane Milton made landfall on October 9, 2024, at Siesta Key, Florida, as a Category 3 hurricane with sustained winds of 120 miles per hour. The City incurred damages from this storm that resulted in expenditures of $2,204,874, of which $2,057,948 was reimbursed by the Federal Emergency Management Agency ("FEMA").

Hurricane Ian made landfall on September 28, 2022, near Cayo Costa, Florida, as a Category 4 hurricane. The City incurred damages from this storm that resulted in expenditures of $1,417,725, of which $1,290,872 was reimbursed by FEMA.

Cybersecurity

The City, like many other municipalities, relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant.

To mitigate against cybersecurity threats the City maintains a comprehensive cybersecurity program designed to reduce the risk of cyber threats and protect City systems and information. The program includes a dedicated Information Technology Department responsible for cybersecurity operations, policy development, system administration, incident response, and coordination with all City departments. In addition, the City has firewalls, network segmentation, secure remote access controls, and intrusion prevention capabilities. Email security, phishing protection, web filtering, and continuous system and network monitoring have been implemented. City computers and servers have endpoint detection and response protection. Multi-factor authentication is utilized for applicable systems and user accounts. The City conducts nightly backups of on-premises systems, frequent cloud-based backups of critical financial and business systems, and cloud-based email backups. Disaster recovery systems that perform automated backup verification and allow critical servers and data to be restored following an incident. All City employees are given cybersecurity trainings and the City performs vulnerability reviews, system updates, security assessments, and coordination with external cybersecurity and monitoring providers. The City has formal cybersecurity policies aligned with recognized standards, including the National Institute of Standards and Technology framework, and cybersecurity incident response procedures, including account containment, device isolation, forensic review, and required reporting and notification processes. The City also maintains cybersecurity insurance coverage through its insurance program. While the City routinely experiences phishing attempts and other common cyber threats, it has not experienced any data breach, ransomware attack, or other cybersecurity event that resulted in unauthorized access to City systems or data, disruption of operations, or a material financial or reporting impact.

Additionally, during the 2022 Florida Legislative session, CS/HB 7055 was passed which requires State agencies and local governments, such as the City, to report all ransomware incidents and high severity level cybersecurity incidents to the Cybersecurity Operations Center ("CSOC") and the Cybercrime Office within the Florida Department of Law Enforcement ("FDLE") as soon as possible but no later than 48 hours after discovery of the cybersecurity incident and no later than 12 hours after discovery of a ransomware incident. Local governments must also report these incidents to the sheriff. CS/HB 7055 requires State agencies to report low level cybersecurity incidents and provides that local governments may report such incidents. It also requires State agencies and local governments to submit after-action reports to the Florida Digital Service following a cybersecurity or ransomware incident. CS/HB 7055 requires the CSOC to notify the Legislature of high severity level cybersecurity incidents. State agency and local government employees are required to undergo certain cybersecurity training within 30 days of employment and annually thereafter. Further, local governments are required to adopt cybersecurity standards that safeguard the local government's data, IT, and IT resources. The effective date of CS/HB 7055 was July 1, 2022.

Public Health Emergencies

The outbreak of the highly contagious COVID-19 pandemic in the United States that began in March 2020 had a negative financial impact on local, state and national economies around the globe, including initially significantly increased unemployment in certain sectors including especially travel, hospitality and restaurants. This led to quarantine, remote work and other "social distancing" measures throughout the United States which resulted in a period of less travel resulting in declines in certain revenue sources. While many of the effects of COVID-19 were temporary, it altered the behavior of businesses and people in a manner resulting in negative impacts on global and local economies, including supply chain issues and rising inflation.

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2026 Bonds in order that interest on the Series 2026 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2026 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2026 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2026 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The City has covenanted in the Resolution with respect to the Series 2026 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2026 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2026 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2026 Bonds. Prospective purchasers of Series 2026 Bonds should be aware that the ownership of Series 2026 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2026 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2026 Bonds; (iii) the inclusion of interest on Series 2026 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2026 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2026 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the City, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2026 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2026 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2026 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2026 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2026 Bonds and proceeds from the sale of Series 2026 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2026 Bonds. This withholding generally applies if the owner of Series 2026 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2026 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2026 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2026 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2026 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2026 Bonds.

Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2026 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2026 Bonds maturing on _____ 1, _____ and _____ 1, _____ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the

Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2026 Bonds maturing on _____ 1, _____ and _____ 1, _____ (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

LITIGATION

There is no pending or, to the best of the City's knowledge, any threatened litigation against the City of any nature whatsoever, which in any way questions or affects the validity of the Series 2026 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the adoption of the Resolution. Neither the creation, organization or existence, nor the title of the present members of the City Council, or other officers of the City is being contested.

Various suits in the ordinary course of operations are periodically pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of the City Attorney, the liabilities that may arise from such actions would not result in losses that would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial position of the City or results of operations.

UNDERWRITING

The Series 2026 Bonds are being purchased at competitive sale by __________ (the "Underwriter") at an aggregate purchase price of $__________ (representing the par amount of the Series 2026 Bonds of $__________________ [plus/less] a[n] [net] original issue [premium/discount] of $__________________ and less an Underwriter's discount of $_____________). The Series 2026 Bonds may be offered and sold to certain dealers at prices lower than such offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriter and its respective affiliates may have certain creditor and/or other rights against the City and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriter and its respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

LEGAL MATTERS

Certain legal matters in connection with the validity of the Series 2026 Bonds and the issuance thereof by the City are subject to an approving legal opinion of Bryant Miller Olive P.A., Bond Counsel, whose approving opinion will be delivered concurrently with the issuance of the Series 2026 Bonds. The proposed text of the legal opinion of Bond Counsel is attached hereto as APPENDIX E. The actual legal opinion to be delivered may vary from the text of APPENDIX E, if necessary, to reflect facts and law on the date of delivery of the Series 2026 Bonds. The opinion will speak only as of the date of closing, and subsequent distribution by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has renewed or expressed any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Bond Counsel has not undertaken independently to verify and therefore expresses no opinion as to the accuracy, completeness, fairness, or sufficiency of any of the information or statements contained in this Official Statement or any exhibits, schedules or attachments hereto except as to the information in the portions hereof captioned "DESCRIPTION OF THE SERIES 2026 BONDS" (excluding the information thereunder relating to DTC and its system of book-entry registration) and "SECURITY FOR THE SERIES 2026 BONDS," insofar as such information purports to summarize portions of the Resolution and the Series 2026 Bonds, constitutes a fair summary of those portions purported to be summarized therein, and except as to the accuracy of the information under the caption "TAX MATTERS" herein.

Certain legal matters will be passed on for the City by Shepard, Smith, Hand & Brackins, P.A., City Attorney and Bryant Miller Olive P.A., Disclosure Counsel.

The legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment of the transaction on which the opinion is rendered or of the future performance of the parties to the transaction. The rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

Bryant Miller Olive P.A. may, from time-to-time, serve as counsel to the Underwriter on matters unrelated to the issuance of the Series 2026 Bonds.

MUNICIPAL ADVISOR

Hilltop Securities Inc., Orlando, Florida, is serving as Municipal Advisor to the City with respect to the sale and issuance of the Series 2026 Bonds. The Municipal Advisor has assisted in the preparation of the Official Statement, and in other matters relating to the planning, structuring and issuance of the Series 2026 Bonds. The Municipal Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The fee payable to the Municipal Advisor is contingent upon the issuance and delivery of the Series 2026 Bonds.

RATINGS

Fitch Ratings, Inc. and S&P Global Ratings have assigned their municipal bond ratings of "AA+" (stable outlook), and "AA" (stable outlook), respectively, to the Series 2026 Bonds. Such ratings reflect only the view of such rating agencies and an explanation of the ratings may be obtained only from said rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies if in their judgment, circumstances so warrant. A downward change in or withdrawal of any of such rating may have an adverse effect on the market price of the Series 2026 Bonds. An explanation of the significance of the ratings can be received from the rating agencies at the following addresses: Fitch Ratings, Inc., 33 Whitehall Street, New York, NY 10004, and S&P Global Ratings, 55 Water Street, New York, New York 10041.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the Series 2026 Bondholders to provide certain financial information and operating data relating to the City and the Series 2026 Bonds in each year, and to provide notices of the occurrence of certain enumerated events. The City has agreed to file annual financial information and operating data and the audited financial statements with each entity authorized and approved by the SEC to act as a repository (each a ”Repository”) for purposes of complying with Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934 (the “Rule”) either itself or through its dissemination agent. Currently, the sole Repository is the Municipal Securities Rulemaking Board. The City has agreed to file notices of certain enumerated events, when and if they occur, with the Repository either itself or through its dissemination agent.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in “APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE” hereto. The Continuing Disclosure Certificate shall be executed by the City upon the issuance of the Series 2026 Bonds. The covenants in the Continuing Disclosure Certificate have been made in order to assist the Underwriter in complying with the continuing disclosure requirements of the Rule. With respect to the Series 2026 Bonds, no party other than the City is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. The City has engaged Digital Assurance Certification, LLC as its dissemination agent with regard to the Series 2026 Bonds.

With respect to prior continuing disclosure undertakings entered into in connection with the City's Capital Improvement Revenue Bonds, Series 2018 and Fire Protection Assessment Revenue Bonds, Series 2018, the City filed certain operating information required to be included in its annual report due June 30, 2026, including but not limited to, "Other Debt of the City" and "Principal Property Taxpayers", six (6) days late.

AUDITED FINANCIAL STATEMENTS

The Annual Comprehensive Financial Report of the City, at and for the Fiscal Year ended September 30, 2025, including the City's financial statements for such Fiscal Year which have been audited by, and a report provided thereon from, the City's independent certified public accountants (the "Auditor"), has been included as APPENDIX B to this Official Statement as a matter of public record and the consent of the Auditor to include such documents was not requested. The Auditor was not requested to perform and has not performed any services in connection with the preparation of this Official Statement or the issuance of the Series 2026 Bonds. The audited financial statements are presented for general information purposes only.

The Series 2026 Bonds are payable solely from a covenant to appropriate in its annual budget for each Fiscal Year, by amendment if necessary, from the Non-Ad Valorem Revenues, subject to certain restrictions and limitations, amounts sufficient to pay principal of and interest on the Series 2026 Bonds when due in the manner and to the extent provided in the Resolution, and are not otherwise secured by a specific lien on any revenues of the City. See "SECURITY FOR THE SERIES 2026 BONDS" herein.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities, other than general obligation bonds and those industrial or commercial development bonds where payments are made or unconditionally guaranteed by a person whose securities are exempt from registration under section 18(b)(1) of the Securities Act of 1933, as amended, of the City except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Office of Financial Regulation within the Florida Financial Services Commission (the "FFSC"). Pursuant to administrative rule 69W-400.003, the FFSC has required the disclosure of the amount, date, status and type of each default, specified descriptions of any legal proceedings resulting from such defaults and discussion of any materially relevant pending legal proceedings, whether a trustee or receiver has been appointed over the assets of the City, and certain additional financial information, unless the City believes in good faith that such information would not be considered material by a reasonable investor. The City is not and has not been in default on any bond issued since December 31, 1975, that would be considered material by a reasonable investor.

The City has not undertaken an independent review or investigation of securities for which it has served as conduit issuer. The City does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2026 Bonds because the City would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the City would have been pledged or used to pay such securities or the interest thereon.

CONTINGENT FEES

The City has retained Bond Counsel, the Municipal Advisor and Disclosure Counsel with respect to the authorization, sale, execution and delivery of the Series 2026 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriter is contingent upon the issuance of the Series 2026 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the Holders of the Series 2026 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, , including specifically Title 11 of the United States Code, the remedies specified by the Federal Bankruptcy Code, the Resolution, and the Series 2026 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The remedies granted to the Series 2026 Bondholders under the Resolution do not include the power to accelerate the principal of the Series 2026 Bonds. See "APPENDIX C – COPY OF RESOLUTION" attached hereto for a description of events of default and remedies.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the City and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2026 Bonds, the security for the payment of the Series 2026 Bonds and the rights and obligations of the Holders thereof and to each such statute, report or instrument. Copies of such documents may be obtained from the office of the City Manager, 510 N. Baker Street, Mount Dora, Florida 32757, (352) 735-7126.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2026 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the City. At the time of delivery of the Series 2026 Bonds, the City will furnish a certificate to the effect that nothing has come to their attention which would lead them to believe that the Official Statement (other than information herein related to DTC, the book-entry only system of registration and the information contained under the caption "TAX MATTERS" as to which no certification will be made), as of its date and as of the date of delivery of the Series 2026 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

CITY OF MOUNT DORA, FLORIDA

By:____________________________________
Mayor

By:____________________________________
City Manager

APPENDIX A

GENERAL INFORMATION - CITY OF MOUNT DORA, FLORIDA

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GENERAL INFORMATION – CITY OF MOUNT DORA, FLORIDA

General

THE FOLLOWING INFORMATION CONCERNING THE CITY OF MOUNT DORA, FLORIDA (THE "CITY") IS INCLUDED ONLY FOR THE PURPOSES OF PROVIDING GENERAL BACKGROUND INFORMATION. THE INFORMATION HAS BEEN COMPILED BY THE CITY AND ON BEHALF OF THE CITY, AND SUCH COMPILATION INVOLVED ORAL AND WRITTEN COMMUNICATION WITH VARIOUS SOURCES AS INDICATED. THE INFORMATION IS SUBJECT TO CHANGE. UNLESS OTHERWISE INDICATED, THE TABLES BELOW HAVE BEEN DERIVED FROM THE STATISTICAL SECTION OF THE CITY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR ITS FISCAL YEAR ENDED SEPTEMBER 30, 2025.

THE SERIES 2026 BONDS ARE NOT A GENERAL OBLIGATION OF THE CITY.

Introduction

The City was incorporated as a town in 1910 and later incorporated as a city in 1953. The City, approximately 12 square miles in area, is located in the approximate center of the State of Florida, in the northeast section of Lake County, 25 miles northwest of Orlando. The City rises in terraces from Lake Dora to an elevation of 184 feet.

Government Structure

The City operates under a charter adopted in March 21, 1995, and provides for a Council/Manager form of government. The governing body of the City is a seven (7) member elected City Council (the "City Council") comprised of a Mayor and six (6) Council Members elected by the voters of the City for terms of two years each. The City Council appoints the City Manager who is responsible for the administration of all City services.

The City Council is the principle legislative and governing body of the City. All of the City Council members and Mayor are residents of the City. The Mayor is the presiding officer of the City Council. The City Council's mailing address is Post Office Box 176, Mount Dora, Florida 32756.

The chief administrative official of the City is the City Manager. This official is directly responsible to the City Council for administration and operation of various divisions under the City Council and for execution of all City Council policies. The City Manager is also responsible to the City Council for preparation of the annual budget and for control of expenditures throughout the budget year.

Budget Process

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 toll certified by the Property Appraiser as of July 1. Within 35 days from that date, the City Council must advise the Property Appraiser of the proposed and rolled-back millage rates.

Within 80 days, but not earlier than 65 days after the Property Appraiser certifies the tax roll, the City Council conducts a public hearing to adopt the tentative budget and millage rates. No sooner than 2 days nor later than 20 days following the first public hearing, a second public hearing is held to formally adopt the budget and millage.

Debt Statement

The following table is a summary of the City's outstanding debt for the Fiscal Year ended September 30, 2025.

SUMMARY OF THE CITY'S OUTSTANDING DEBT
(FISCAL YEAR ENDED SEPTEMBER 30, 2025)

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities					
Revenue Bonds and Notes:					
CRA Revenue Bond, 2013 (Direct Placement)	$748,000		$(181,000)	$567,000	$185,000
Capital Improvement Revenue Note, 2018 (Direct Borrowing)	810,000		(190,000)	620,000	200,000
Redevelopment Revenue Note, Series 2025		$6,081,000		6,081,000	
Fire Protection Assessment Revenue Bonds, Series 2018	18,805,000		(455,000)	18,350,000	475,000
Premium	247,379		(67,582)	179,797	
Discount	(220,583)		7,519	(213,064)	
Capital Improvement Revenue Bonds, Series 2018	11,000,000		(260,000)	10,740,000	270,000
Premium	40,051		(12,962)	27,089	
Discount	(158,504)		4,691	(153,813)	
Non-Ad Valorem Revenue Note, Series 2024		8,000,000	-	8,000,000	389,000
Total Revenue Bonds and Notes	31,271,343	14,081,000	(1,154,334)	44,198,009	1,519,000
Leases Payable	285,777	75,696	(97,309)	264,164	68,009
SBITAs Payable	69,534	56,026	(103,315)	22,245	22,245
Financed Purchases:					
Police Radios	244,914		(59,402)	185,512	60,501
Other liabilities:					
Compensated Absences	2,922,832		(209,546)	2,713,286	867,332
Net Pension Liability	4,234,737		(3,717,167)	517,570	-
OPEB Liability	5,134,207	2,451,027		7,585,234	382,081
Total Other Liabilities	12,291,776	2,451,027	(3,926,713)	10,816,090	1,249,413
Governmental Activity Long-term Liabilities	**$44,163,344**	**$16,663,749**	**$(5,341,073)**	**$55,486,020**	**$2,919,168**

Business Type Activities					
2014 Serial Bonds (Direct Placement)	$5,388,000		$(1,016,000)	$4,372,000	$1,046,000
WW351440 SRF Loan (Direct Borrowing)	1,418,936		(96,177)	1,322,759	96,948
DW351450 SRF Loan (Direct Borrowing)	1,179,598		(77,793)	1,101,805	78,740
WW351490 SRF Loan (Direct Borrowing)	1,723,266		(102,861)	1,620,405	103,954
DW3514A0 SRF Loan (Direct Borrowing)	1,437,031		(75,992)	1,361,039	76,990
WW351470 SRF Loan (Direct Borrowing)	1,869,303		(100,906)	1,768,397	101,978
Note Payable - LCBOCC	1,500,000		-	1,500,000	-
Total Revenue Bonds	14,516,134		(1,469,729)	13,046,405	1,504,610
Leases Payable	73,247	$10,559	(79,242)	4,564	1,786
Other Liabilities:					
Compensated Absences	781,311		(18,225)	763,086	244,436
Net Pension Liability	583,426		(583,426)	-	-
OPEB Liability	1,751,481	563,396	-	2,314,877	87,883
Total Other Liabilities	3,116,218	563,396	(601,651)	3,077,963	332,319
Total Business-Type Activities	$17,705,599	$573,955	$(2,150,622)	$16,128,932	$1,838,715

Source: City of Mount Dora, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

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Ad Valorem Taxes

For information purposes related to the City, set forth below is information concerning assessed and actual value of taxable property and ad valorem taxes levied and collected by the City for Fiscal Years ended September 30, 2016 through and including 2025, and the principal taxpayers of the City for the Fiscal Year ended September 30, 2025. Ad valorem taxes are not pledged security for repayment of the Series 2026 Bonds.

City of Mount Dora
Assessed Value and Actual Value of Taxable Property

	Taxable Value for Operating Purposes of					
Fiscal Year	Real Property[1]	Personal Property[1]	Centrally Assessed Property[2]	Gross Taxable Value	Final Taxable Value	Millage Rate[3]
2016	$861,847,155	$45,311,719	$325,695	$907,484,569	$906,012,014	5.9970
2017	899,551,477	44,962,477	311,607	944,825,561	940,285,927	5.9970
2018	962,774,319	44,382,663	364,524	1,007,521,506	1,006,271,334	6.3000
2019	1,043,419,892	45,287,665	379,019	1,089,086,576	1,087,000,621	6.3000
2020	1,153,606,046	46,191,825	414,701	1,200,212,572	1,199,875,039	6.2000
2021	1,251,232,500	53,128,248	435,044	1,304,795,792	1,266,700,639	5.9603
2022*	1,336,069,099	51,710,662	2,146,973	1,389,926,734	1,356,569,077	5.9603
2023	1,496,833,147	54,702,130	1,376,557	1,552,911,834	1,522,038,345	5.9603
2024	1,740,735,349	62,618,850	698,739	1,804,052,938	1,703,931,776	5.9603
2025	1,915,495,880	65,324,980	491,726	1,981,312,586	1,799,908,407	6.3000

Notes: (1) Property at 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.

(2) Centrally assessed property consists of railroad and telegraph systems which are assessed by the State of Florida.

(3) Millage rates are levied per $1,000 of taxable value.

* Fiscal Year 2022 was updated based on 2023 Final Millage Rate and Comparison Sheet.

Source: City of Mount Dora, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025; and sourced by the ACFR to the Lake County Property Appraiser.

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City of Mount Dora
Property Tax Levies and Collections

Fiscal Year	Millage Rate[1]	Gross Taxable Value[2]	Taxes Levied for the Fiscal Year[1]	Collected within the Fiscal Year of the Levy Amount[2]	Collected within the Fiscal Year of the Levy Percentage of Levy	Collections in Subsequent Years[2]	Total Collections to Date Amount	Total Collections to Date Percentage of Levy
2016	5.9970	$907,484,569	$5,442,185	$5,245,260	96.38%	$4,865	$5,250,124	96.47%
2017	5.9970	944,825,561	5,666,119	5,436,646	95.95	7,156	5,443,802	96.08
2018	6.3000	1,007,521,506	6,347,385	6,118,382	96.39	5,024	6,123,406	96.47
2019	6.3000	1,089,086,576	6,861,245	6,607,118	96.30	6,707	6,613,825	96.39
2020	6.2000	1,200,212,572	7,441,318	7,183,425	96.53	13,697	7,197,122	96.72
2021*	5.9603	1,304,795,792	8,089,734	7,498,745	92.69	2,895	7,501,640	92.73
2022*	5.9603	1,389,926,734	8,617,546	7,983,744	92.65	3,531	7,987,275	92.69
2023	5.9603	1,552,911,834	9,472,762	8,911,274	94.07	868	8,912,142	94.08
2024	5.9603	1,804,052,938	11,004,723	10,358,693	94.13	335	10,359,028	94.13
2025	6.3000	1,981,312,586	13,076,663	12,010,087	91.84	63	12,010,150	91.84

(1) Lake County Property Appraiser Form DR-403CC.
(2) City of Mount Dora Finance Department.

* Some values may differ from prior report to reflect updated information.

Source: City of Mount Dora, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

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City of Mount Dora
Principal Property Taxpayers
(Fiscal Year Ended September 30, 2025)

Taxpayer	Taxable Assessed Value	% of Total City Taxable Assessed Value
Magnolia Place Apartments Assoc LLC	$31,188,010	1.58%
Deancurt Mount Dora LLC	26,297,990	1.33
Waterman Communities Inc.	21,981,537	1.11
HI-C Investments LTD	16,978,370	0.86
Waterman Healthcare Care Systems, Inc	16,038,136	0.81
Main Street Leasing Co	15,020,491	0.76
Wal-Mart Stores East Inc.	9,753,840	0.49
Real Sub LLC	9,212,684	0.47
Ross Tcsp Dre LLC	9,001,503	0.46
Lowe's Home Centers Inc.	8,432,775	0.43
	$163,905,336	8.30

Source: City of Mount Dora, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025; and sourced in the ACFR to Lake County Property Appraiser.

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Demographics

The following table provides population, personal income, per capita personal income and unemployment rates for Fiscal Years ended September 30, 2016 through and including 2025.

City of Mount Dora
Demographic and Economic Statistics

Fiscal Year	Population[(1)]	Personal Income[(2)]	Per Capita Personal Income[(3)]	Per Capita Personal Income Increase/(Decrease)	Unemployment Rate[(4)]
2016	13,949	$525,849,402	$37,698	--%	4.8%
2017	14,421	551,833,986	38,266	1.51	3.4
2018	14,536	589,303,976	40,541	5.95	2.9
2019	14,928	629,812,320	42,190	4.07	2.8
2020	15,200	660,060,000	43,425	2.93	7.4
2021	16,688	724,676,400	48,690	12.12	5.9
2022	17,129	853,555,199	49,831	2.34	2.8
2023	17,843	933,028,313	52,291	4.94	3.3
2024	18,277	1,012,308,199	55,387	5.92	3.8
2025	18,896	1,099,010,256	58,161	5.01	4.5

Notes: (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) Lake County Office of Economic & Demographic Research.
(4) Per FRED Economic Research.

Source: City of Mount Dora, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

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The following table provides population statistics for Lake County, Florida and the State of Florida for the period 2016 through and including 2025.

Lake County and the State of Florida
Population

Year	Lake County	Percentage Change	State of Florida	Percentage Change
2016	323,985	-	20,148,654	-
2017	331,724	2.4%	20,484,142	1.7%
2018	342,917	3.4	20,840,568	1.7
2019	357,247	4.2	21,208,589	1.8
2020	366,742	2.7	21,596,068	1.8
2021	400,142	9.1	21,898,945	1.4
2022	403,857	0.9	22,276,132	1.7
2023	414,749	2.7	22,634,867	1.6
2024	433,331	4.5	23,014,551	1.7
2025	445,881	2.9	23,379,261	1.6

Source: University of Florida, Bureau of Economic and Business Research.

The following table provides civilian labor force for Lake County, Florida and unemployment rates for Lake County, Florida, the State of Florida and the United States for the period 2016 through and including 2025.

Lake County, Florida, the State of Florida and the United States
Labor Force Summary

				Unemployment Rate		
Year	Civilian Labor Force	Employment	Unemployment	Lake County	State of Florida	United States[1]
2016	151,720	144,458	7,262	4.8%	4.9%	4.9%
2017	156,505	150,025	6,480	4.1	4.3	4.4
2018	162,203	156,462	5,741	3.5	3.6	3.9
2019	168,754	163,392	5,362	3.2	3.2	3.7
2020	163,814	149,471	14,343	8.8	8.0	8.1
2021	170,456	162,648	7,808	4.6	4.7	5.3
2022	183,700	178,133	5,567	3.0	3.0	3.6
2023	191,838	185,977	5,861	3.1	2.9	3.6
2024	196,499	189,590	6,909	3.5	3.4	4.0
2025	196,614	188,336	8,278	4.2	3.9	4.3

(1) Information in this column sourced from the United States Department of Labor, Bureau of Labor Statistics.

Source: Florida Insight, Florida Department of Economic Opportunity, Labor and Employment Statistics.

The following table provides the principal employers in the City for Fiscal Year ended September 30, 2025.

City of Mount Dora
Principal Employers

Employer	Number of Employees	% of Total County Employment
Lake County Public Schools	5,669	2.97%
Advent Health Waterman	3,300	1.73
Publix Supermarkets	3,049	1.60
Lake County Government	2,298	1.20
Walmart Supercenter	2,115	1.11
Orlando Health South Lake Hospital	1,897	0.99
UF Health Leesburg Hospital	1,828	0.96
Central Florida Health Alliance	1,342	0.70
The Kroger Co.	943	0.49
Lowes	784	0.41

Note: Figures are for the entire Lake County and not just for the City.
Source: City of Mount Dora, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025; sourced to Lake County Annual Comprehensive Financial Report.

The following table provides employment in Lake County by major industry group in 2025.

Lake County, Florida
Employment by Industry

	2025
Health Care and Social Assistance	21,791
Retail Trade	19,153
Accommodation and Food Services	13,116
Construction	11,861
Educational Services	8,597
Administrative and Waste Services	7,603
Public Administration	5,800
Professional and Technical Services	5,018
Manufacturing	4,969
Transportation and Warehousing	4,474
Other Services, Ex. Public Admin	3,415
Wholesale Trade	2,354
Agriculture, Forestry, Fishing & Hunting	2,342
Finance and Insurance	2,151
Arts, Entertainment, and Recreation	2,075

Source: Florida Insight, Florida Commerce, Quarterly Census of Employment Wages.

Building Permits

The following table provides building permit values for Fiscal Years ended September 30, 2019 through and including 2025.

City of Mount Dora
Building Permit Values

Fiscal Year Ended	Building Permit Revenues
2019	$1,082,117
2020	778,146
2021	1,928,642
2022	1,657,269
2023	2,021,178
2024	2,127,866
2025	2,164,698

Source: City of Mount Dora, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30 for Fiscal Year 2019 through 2025.

Education

The School District of the County (the "District") and its School Board (the “School Board”) were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, and operated by District school officials in accordance with Chapter 1001, Florida Statutes. The School Board consists of five elected officials responsible for the adoption of policies, which govern the operation of the District's public schools. The School Board appoints the Superintendent of Schools (the “Superintendent”) as chief executive officer who is responsible for administration and management. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District pursuant to Section 1010.01, Florida Statutes.

During the 2024–2025 fiscal year, Lake County Schools operated approximately sixty-four schools serving prekindergarten through twelfth grade. These schools included elementary, middle, and high schools, as well as combination schools and specialized instructional programs. The District also sponsored multiple charter schools as part of its overall educational system.

The School Board is the seventeenth largest of sixty-seven districts in the state of Florida, serving approximately 48,000 students.

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Pension and Other Post Employment Benefit Liabilities

Defined-Benefit Pension Plans

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 and most full-time General Employees hired before October 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, 2023, the date of the latest actuarial valuation:

	General Employees	Police Officers	Firefighters	Total
Retirees and Beneficiaries receiving Benefits	90	26	21	137
Inactive, Non-Retired (including, members with frozen benefits)	42	18	-	60
Active Plan Members with continuing benefit Accruals	2	31	26	59

Source: City of Mount Dora, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

The General Employees' Retirement Plan

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 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) continued 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 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. For the year ended September 30, 2025, the City contributed $243,824.

Police Officers' Retirement Plan

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 7.55% of their annual covered salary. The State of Florida collects and remits proceeds from a 1% excise tax levied on insurance premiums within the City limits. The City contributes the proceeds from the State of Florida and an additional amount equal to the actuarially-determined amount each year. The State contribution is recognized when received, which was $228,548 for the fiscal year 2025, and the City contributed $443,065.

Firefighters' Retirement Plan

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 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 6.99% of their annual covered salary. The State 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 $212,150 for fiscal year 2025, and the City contributed $461,785.

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 Deferred Retirement Option Program 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. There were no current participants in the GERP, PORP or FRP.

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, 2023

	General Employees'	**Police Officers'**	**Firefighters'**
Actuarial Valuation Method -			
Frozen Initial Liability (F.I.L.)	F.I.L.	Aggregate	Aggregate
Discount Rate	6.25%	7.00%	7.00%
Rate of Return	6.25%	7.00%	7.00%
Projected Salary Increase	6.00%	6.00%-12.5%	5.50%
Inflation Rate	2.50%	2.50%	2.50%
Cost-of-living Adjustment	N/A	N/A	N/A
Mortality Table	PUB-2010	PUB-2010	PUB-2010

Source: City of Mount Dora, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

As permitted by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the City elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2024, one-year prior measurement date. The actuarial value of assets was determined using a five-year smoothed fair value for all three 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, 2020, is nine years for the GERP and is closed. 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 the 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.

Net Pension Liability

	General Employees'	Police Officers'	Firefighters'
Plan's Pension Liability	$17,773,440	$17,390,490	$14,101,722
Plan's Fiduciary Net Position	17,791,644	18,603,155	13,584,152
City's Net Pension Liability	(18,204)	(1,212,665)	517,570
Plan's Fiduciary Net Position as Percentage of the Total Pension Liability	100.10%	106.97%	96.33%

Source: City of Mount Dora, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

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, 2023.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Single Discount Rate Assumption

	1% Decrease (5.25)%	Current Discount Rate (6.25)%	1% Increase (7.25)%
General Employees' Pension	$1,717,676	(18,204)	$(1,491,844)

	1% Decrease (6.00)%	Current Discount Rate (7.00)%	1% Increase (8.00)%
Police Officers' Pension	$1,073,675	$(1,212,665)	$(3,113,780)

	1% Decrease (6.00)%	Current Discount Rate (7.00)%	1% Increase (8.00)%
Firefighter's Pension	$2,355,158	$517,570	$(1,002,461)

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

For the year ended September 30, 2025, the City reported deferred outflow of resources and deferred inflows of resources to the pension plans from the following sources as follows:

	General Employees'	Police Officers'	Firefighters'	Total
Deferred Outflows				
Net Difference Between Projected and Actual Earnings on Plan Investments	-	-	-	-
Difference Between Expected and Actual Experience	-	-	$323,025	$323,025
Contribution to Pension Plan after Measurement Date	$243,824	$671,613	673,935	1,589,372
Changes of Assumptions or Other Inputs	-	104,178	100,789	204,967
Total	$243,824	$775,791	$1,097,749	$2,117,364
Deferred Inflows				
Net Difference Between Projected and Actual Earnings on Plan Investments	$493,672	$1,182,198	$706,679	$2,382,549
Changes in Assumptions	-	-	87,020	87,020
Difference Between Expected and Actual Experience	-	426,525	277,949	704,474
Total	$493,672	$1,608,723	$1,071,648	$3,174,043

Deferred outflows of resources 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	General Employees'	Police Officers'	Firefighters'	Total
2026	$(38,063)	$(458,233)	$(155,294)	$(651,590)
2027	251,538	(49,655)	102,016	303,899
2028	(375,258)	(564,391)	(344,539)	(1,284,188)
2029	(331,889)	(432,266)	(279,382)	(1,043,537)
2030	-	-	29,365	29,365
Thereafter	-	-	-	-
Total	$(493,672)	$(1,504,545)	$(647,834)	$(2,646,051)

Pension Expense

For the year ended September 30, 2025, the City recognized total pension expenses of $440,642 as noted in the table below.

	General Employees'	Police Officers'	Firefighters'	Total
Pension Expense	$(151,802)	$138,968	$453,476	$440,642

General Employees' Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
Balances at September 30, 2023	$18,138,625	$16,194,254	$1,944,371
Changes for the Year:			
Service Cost	27,365	-	27,365
Interest	1,118,170	-	1,118,170
Difference Between Expected and Actual Experience of the Total Pension Liability	(455,938)	-	(455,938)
Assumption Changes	197,370	-	197,370
Contributions - Employer	-	223,792	(223,792)
Contributions - Employee	-	7,189	(7,189)
Net Investment Income	-	2,658,021	(2,658,021)
Benefit Payments, Including Refunds of Contributions	(1,252,152)	(1,252,152)	-
Administrative Expenses	-	(39,460)	39,460
Net Changes	(365,185)	1,597,390	(1,962,575)
Balances at September 30, 2024	$17,773,440	$17,791,644	$(18,204)

Police Officers' Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2023	$16,671,848	$15,419,259	$1,252,589
Changes for the Year:			
Service Cost	617,822	-	617,822
Interest	1,182,157	-	1,182,157
Difference Between Expected and Actual Experience of the Total	(277,913)	-	(277,913)
Contributions - Employer	-	398,858	(398,858)
Contributions - State	-	192,695	(192,695)
Contributions - Employee	-	230,782	(230,782)
Net Investment Income	-	3,238,762	(3,238,762)
Benefit Payments, Including Refunds of Contributions	(803,424)	(803,424)	-
Administrative Expenses	-	(73,777)	73,777
Net Changes	718,642	3,183,896	(2,465,254)
Balances at September 30, 2024	$17,390,490	$18,603,155	$(1,212,665)

Firefighters' Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2023	$12,818,722	$11,197,519	$1,621,203
Changes for the Year:			
Service Cost	506,511	-	506,511
Interest	914,075	-	914,075
Difference Between Expected and Actual Experience of the Total Pension Liability	396,440	-	396,440
Contributions - Employer	-	365,025	(365,025)
Contributions - State	-	185,871	(185,871)
Contributions - Employee	-	150,974	(150,974)
Net Investment Income	-	2,252,611	(2,252,611)
Benefit Payments, Including Refunds of Contributions	(534,026)	(534,026)	-
Administrative Expenses	-	(33,822)	33,822
Net Changes	1,283,000	2,386,633	(1,103,633)
Balances at September 30, 2024	$14,101,722	$13,584,152	$517,570

CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	General Employees' Retirement Plan	Police Officers' Retirement Plan	Firefighters' Retirement Plan	2025 Totals
Assets				
Cash and Other Short Term	$52,248	$29,712	$25,292	$107,252
Investments at Fair Value	18,190,758	20,498,484	14,890,800	53,580,042
Total Assets	18,243,006	20,528,196	14,916,092	53,687,294
Liabilities				
Accounts Payable and Accrued Liabilities	8,500	7,626	7,563	23,689
Total Liabilities	8,500	7,626	7,563	23,689
Total Net Position Held in Trust for Pension Benefits	$18,234,506	$20,520,570	$14,908,529	$53,663,605

CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Employees' Retirement Plan	Police Officers' Retirement Plan	Firefighters' Retirement Plan	2025 Totals
Additions				
Contributions:				
Employer	$243,824	$443,065	$461,785	$1,148,674
Employees	7,852	232,647	166,363	406,862
State of Florida	-	228,548	212,150	440,698
Total Contributions	251,676	904,260	840,298	1,996,234
Investment Earnings:				
Investment Earnings (Loss)	1,526,593	1,954,522	1,377,248	4,858,363
(Less Investment Management Fees)	(61,690)	(53,279)	(39,398)	(154,367)
Net Investment Earnings	1,464,903	1,901,243	1,337,850	4,703,996
Total Additions	1,716,579	2,805,503	2,178,148	6,700,230
Deductions				
Benefits	1,235,434	864,152	821,515	2,921,101
Administrative Expenses	38,282	28,634	32,255	99,171
Total Deductions	(1,273,716)	(892,786)	(853,770)	(3,020,272)
Change in Net Position	442,863	1,912,717	1,324,378	3,679,958
Net Position, Beginning of Year	17,791,643	18,607,853	13,584,151	49,983,647
Net Position, End of Year	$18,234,506	$20,520,570	$14,908,529	$53,663,605

Other Post-Employment Benefits ("OPEB")

The City provides, through annual City Council appropriation, for eligible retirees and dependents. The plan is a single employer plan and postemployment benefits are funded for by the general and enterprise funds on a "pay-as-you-go" basis. Stand-alone financial reports are not issued. In addition, the City provides health insurance coverage to terminated employees in accordance with the Continuation of Health Coverage ("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.

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 participation 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Membership Information

The following table provides a summary of the number of participants in the plan as of September 30, 2024 (the latest valuation date).

Active Participants	206
Retirees, Beneficiaries, and Disabled Members	54
Total Plan Members	260

Total OPEB Liability

The City's total OPEB liability was measured as of September 30, 2024. The City's total OPEB liability as of September 30, 2025 (reporting date) was $9,900,111.

Changes in the Total OPEB Liability

Total OPEB Liability Beginning of Year	$6,885,688
Service Cost	151,758
Interest on Total OPEB Liability	316,251
Difference Between Expected and Actual Experience	(641,851)
Changes of Assumptions and Other Inputs	3,602,211
Benefit Payments	(413,946)
Net Change in Total OPEB Liability	3,014,423
Total OPEB Liability, End of Year	$9,900,111

Changes of Assumptions

The changes of assumptions reflect a change in the discount rate from 4.63% for the reporting period ended September 30, 2024, to 3.81% for the reporting period ended September 30, 2025.

The mortality rates were those used in the July 1, 2024 actuarial valuation of the Florida Retirement System ("FRS"). Mortality assumptions were developed in a statewide experience study conducted by the FRS covering the period 2018 through 2023. For more information regarding these rates, refer to the July 1, 2024 actuarial valuation of FRS.

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Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following table presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 2.81%	Current Discount Rate 3.81%	1% Increase 4.81%
Total OPEB Liability	$11,179,829	$9,900,111	$8,844,656

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	$8,824,575	$9,900,111	$11,200,195

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2025, the City recognized OPEB expense of $(335,535). At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$-	$802,600
Changes of Assumptions	3,188,580	3,984,670
Benefits Paid After Measurement Date	469,964	-
Total	$3,658,544	$4,787,270

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Of the total amount reported as deferred outflows of resources related to OPEB, $469,964 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended September 30, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	**Amount**
2026	$(1,020,262)
2027	(762,414)
2028	(397,264)
2029	(86,151)
2030	439,680
Thereafter	227,721
Total	$(1,598,690)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	September 30, 2024
Measurement Date:	September 30, 2024
Reporting Date:	September 30, 2025
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.50%
Discount Rate:	3.81%
Projected Salary Increases:	5.50%-12.50%
Retirement Age:	Retirement ages follow the pension plan retirement ages as described in Note 11.
Mortality:	Mortality rates are the same as used in the July 1, 2024 actuarial valuation of the Florida Retirement System. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2021. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2018 through 2023.

Discount Rate

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.81%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Services' Aa2 rating and Standard & Poor's AA.

	Total OPEB Liability	Deferred Inflows	Deferred Outflows	OPEB Expense
Beginning Balance	$6,885,688	$5,773,927	$825,279	$-
Employer Contributions Made After September 30, 2024	-	-	469,964	-
Total OPEB Liability Factors				
Service Cost	151,758	-	-	151,758
Interest	316,251	-	-	316,251
Changes in Benefit Terms				
Differences Between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	(641,851)	641,851	-	-
Current Year Amortization of Experience Difference	-	(170,828)	-	(170,828)
Change in Assumptions About Future Economic or Demographic Factors or Other Inputs	3,602,211	-	3,602,211	-
Current Year Amortization of Change in Assumptions	-	(1,457,680)	(824,964)	(632,716)
Benefit Payments	(413,946)	-	(413,946)	-
Net Change	3,014,423	(986,657)	2,833,265	(335,535)
Ending Balance	$9,900,111	$4,787,270	$3,658,544	$(335,535)

Deferred Compensation Program and 401(a)

The City offers its employees a deferred compensation program created in accordance with the Internal Revenue Code ("IRC") Section 457 and Florida Statutes. 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.

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, 2025, the City contributed $701,334.

Capital Improvement Program

During the Fiscal Year ended September 30, 2025, the City Council adopted a Five Year Capital Improvement Program outlining the capital improvements for all funds. 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.

Tourism

The small-town environment caters particularly to antique enthusiasts from across the state, country and world. Shops in and around the City's downtown area are full of nostalgic items, valuable antiques and collectibles, and even estate jewelry. Outdoor cafes, gourmet restaurants, galleries, wineries, and bed and breakfast inns also grace the City's downtown area.

The City is a relaxing lakefront getaway with a bustling downtown, charming bed and breakfasts, and an abundance of parks and green spaces. Dubbed "Festival City," the City hosts more than 30 festivals a year, and its year-round entertainment schedule means there's always something to do. In addition to the longstanding Mount Dora Arts Festival, the city's arts and culture scene offers a variety of galleries and museums, including Modernism Museum Mount Dora.

The City's parks and waterways offer plenty of outdoor recreation opportunities. Visitors can bass fish on Lake Dora, which spans more than 4,000 acres, and see the Mount Dora Lighthouse at Grantham Park, one of the few inland lighthouses in the State of Florida.

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APPENDIX B

CITY OF MOUNT DORA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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CITY OF MOUNT DORA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2025

PREPARED BY
Jennifer Gates, Finance Director
With the Assistance of the Finance Department

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INTRODUCTORY SECTION

CITY OF MOUNT DORA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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MAYOR/CITY COUNCIL MAYOR
AS OF THE ISSUANCE DATE
James Homich

COUNCIL MEMBERS AS OF THE FISCAL YEAR-END
James Homich, Mayor
John Cataldo, Vice-Mayor
Marc Crail
Cal Rolfson
Dennis Dawson
Nate Walker
Doug Bryant

PRINCIPAL OFFICIALS AS OF ISSUANCE DATE

CITY MANAGER
Vince Sandersfeld

FINANCE DIRECTOR
Jennifer Gates

CITY OF MOUNT DORA
OFFICE OF THE CITY MANAGER

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

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

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

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

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

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

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

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

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

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

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

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

Website:
www.cityofmountdora.com

Jul 16, 2026

To the Honorable Mayor, Members of City Council, and Citizens

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed, certified public accountants. We hereby issue the Annual Comprehensive Financial Report of the City of Mount Dora for the fiscal year ended September 30, 2025.

This report consists of management's representations concerning the finances of the City of Mount Dora. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City of Mount Dora has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Mount Dora's financial statements in conformity with GAAP. The cost of internal controls should not outweigh their benefits. Thus, the City of Mount Dora designed a comprehensive framework of internal controls to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that this financial report is complete and reliable in all material respects to the best of our knowledge and belief.

Forvis Mazars, LLP licensed, certified public accountants, has audited the City of Mount Dora's financial statements. The independent audit's goal was to provide reasonable assurance that the City of Mount Dora's financial statements for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Based on the audit, the independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Mount Dora's financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP. We present the independent auditor's report as the first component 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 to accompany the basic financial statements. This letter of transmittal is designed to complement MD&A 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. 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 12 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. 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 Charter provides for a Council-Manager form of government. Policy-making and legislative authority is vested in a City Council consisting of the Mayor, one Council Member elected at large, and five Council Members elected on a district basis. The elected officials are elected every four years on a staggered term and non-partisan basis. The Council is the governing board and has legislative responsibilities, including setting policy, adopting ordinances and resolutions, adopting an annual millage rate and budget, appointing committees, and appointing both the City Manager and City Attorney. The City Manager is responsible for carrying out the governing body's policies and ordinances, overseeing the City's day-to-day operations, and appointing the heads of various departments.

The City of Mount Dora is empowered by the State to levy a property tax on both real and non-residential 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 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-separate enterprise funds, including electric, water and wastewater, sanitation, and stormwater. 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 Non-Major Funds.

Local Economic Conditions

Mount Dora remains positioned within the regional growth pattern extending from the Orlando metropolitan area into Lake County. The City's proximity to regional transportation improvements, including SR 429 connections between Lake County and the Orlando metropolitan area, continues to support long-term residential and commercial development interest. Growth within Mount Dora is expected to be influenced primarily by approved and committed development projects, regional population trends, available infrastructure capacity, and market conditions.

While the City continues to have committed development projects in various stages of review, approval, or construction, the pace of future growth is expected to be moderated in the near term. Wastewater treatment capacity and related utility infrastructure will be significant factors in determining the timing and sequencing of future residential and commercial development. As a result, the City is taking a conservative approach in evaluating near-term growth expectations, capital needs, utility capacity, and long-term service demands.

The City of Mount Dora continues to experience generally stable local economic conditions, although the pace of future growth is expected to be moderated by infrastructure capacity, market conditions, permitting activity, and the timing of approved or committed development projects. Increasing property values and new construction contributed to a taxable value increase of 9.8% for the year ended September 30, 2025. The City's business district continues to include a mix of stores, specialty shops, restaurants, and commercial businesses; however, increased rents, higher operating costs, and changing market conditions continue to place pressure on some local businesses. Residential activity is expected to proceed at a more measured pace due to market conditions, wastewater capacity, permitting activity, and the timing of approved or committed development projects. While development interest remains present, wastewater treatment capacity and related utility infrastructure will be significant factors in determining the timing and sequencing of future development. Accordingly, the City is taking a conservative approach to growth projections, capital planning, and long-term service demands.

Commercial development is expected to continue during the foreseeable future, although at a steady and measured pace. This outlook reflects continued regional population growth and private development interest, including projects such as the Mount Dora Groves PUD, balanced against practical limitations associated with wastewater capacity, capital planning, and the need to maintain responsible service levels for existing residents and businesses.

Relevant Financial Policies

During the fiscal year, the City Council adopted a Five-Year Capital Improvement Program outlining the capital improvements for all funds. The City has adopted a fund balance and working capital policy of maintaining an unassigned fund balance of at least 17% of operating expenditures (less transfers) in the General Fund. When working capital drops below 17%, the City is required to develop a plan to restore working capital to at least 17% within five years. Proprietary Funds will also maintain working capital of at least 17% of operating expenses (less transfers).

The City's investment policy's foremost objective is ensuring the safety of the portfolio's principal. The portfolio is managed to maintain liquidity for reasonably anticipated cash flow requirements and attain a market rate of return throughout budgetary and economic cycles. Other than pension funds held by the government, most investments during the fiscal year ended September 30, 2025, are classified low risk as defined by the Governmental Accounting Standards Board.

Risk Management: The Risk Management Program includes coverage for exposure regarding Workers' Compensation, Property Damage, General Liability, Pollution, Errors and Omission, Crime, Boiler and Machinery, Accidental Death and Dismemberment, and Health Maintenance Options. Based on conservative projections, adequate reserves are in place to meet loss expectations.

Pension Trust Fund Operations: Contracted investment firms overseen by the respective pension boards manage the Municipal Firefighter's, Police Officer's, and General Employee's Pension Trust Funds. An annual actuarial evaluation determines the pension plans' required funding levels. The City funds these plans based on future benefit obligations. Please see Notes to these financial statements for more information.

In order to ensure adequate funding within all of our utilities operations, the City has authorized the execution of various Resolutions for future rate reviews.

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.

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 ensure 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.

Budgetary controls are set at the fund level allowing budget amendments within each fund to be made by the City Manager. The City Manager may initiate purchases up to $100,000 if approved at the line item level in the adopted or amended budget. Any changes in the amounts designated as Reserves, Contingencies or in total revenues in a fund require a Budget Amendment passed by the City Council.

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

A Certificate of Achievement is valid for one year only. We believe that our current ACFR 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.

Acknowledgements

The 2024-25 financial report that follows details the financial results of 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 for their support and encouragement for management and staff.

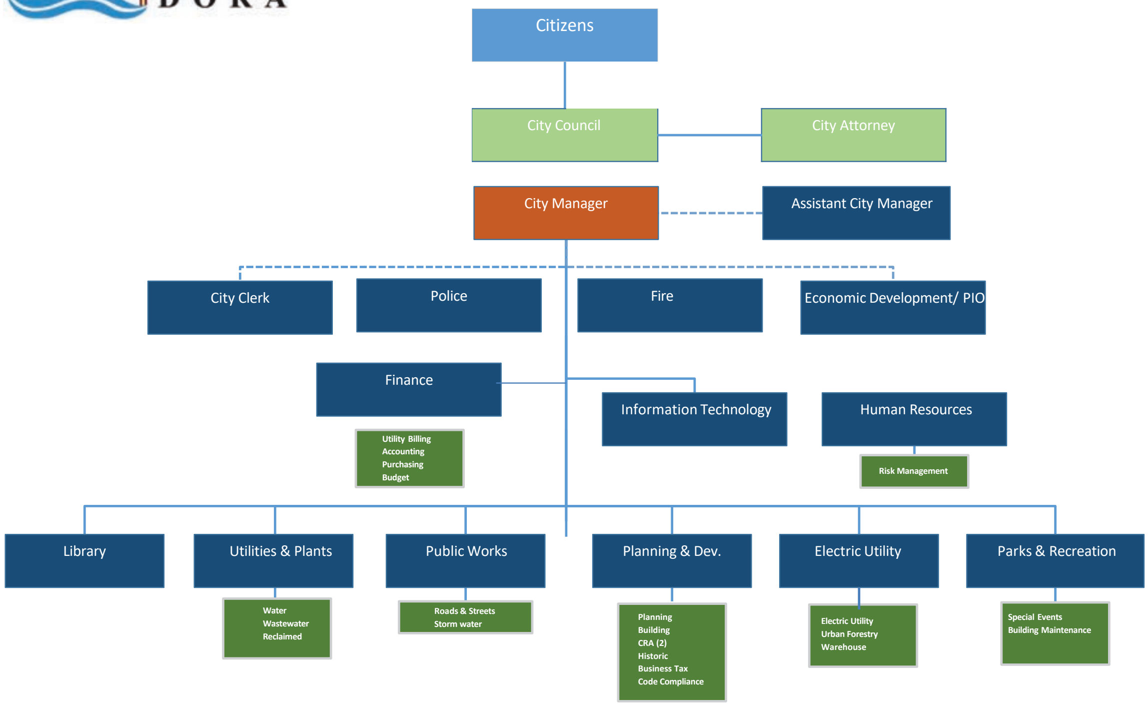
Sincerely,

Vince Sandersfeld
City Manager

Jennifer Gates
Finance Director

Organizational Chart

FY 2024-2025



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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mount Dora
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This Sections contains the following subsections:

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Notes to Financial Statements
Required Supplementary Information
Other Supplementary Information

Forvis Mazars, LLP
255 South Orange Avenue, Suite 600
Orlando, FL 32801
P 407.740.5400 | F 407.386.6107
forvismazars.us

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General fund and major special revenue fund budgetary comparisons, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 budgetary comparison information, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 GAAS. In our opinion, the budgetary comparison information, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2026, 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 solely 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 the effectiveness of the City's 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.

Forvis Mazars, LLP

Orlando, Florida
July 16, 2026

The readers of the City of Mount Dora's (the City) 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

The Management's Discussion and Analysis (MD&A) is intended to provide readers with an overview of the City's financial activities and to introduce the basic financial statements. The City's basic financial statements have been prepared in accordance with standards established by the Governmental Accounting Standards Board (GASB) and consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic financial statements, this report includes required supplementary information and other supplementary information to provide additional details regarding the City's financial position and operations.

Government-Wide Financial Statements - The government-wide financial statements provide a broad overview of the City's financial activities and are presented in a manner similar to financial statements of private-sector organizations. These statements provide information about the City as a whole and include both governmental activities and business-type activities.

The Statement of Net Position presents information on the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and resulting net position. Changes in net position over time may serve as a useful indicator of whether the City's overall financial position is improving or declining.

The Statement of Activities presents information regarding how the City's net position changed during the fiscal year. Revenues and expenses are reported using the accrual basis of accounting, meaning they are recognized when the underlying economic event occurs rather than when cash is received or paid. Accordingly, certain revenues and expenses reported in this statement may result in cash flows occurring in future fiscal periods, such as receivables and compensated absences.

The government-wide financial statements distinguish between governmental activities, which are primarily supported by taxes, intergovernmental revenues, and other nonexchange revenues, and business-type activities, which are intended to recover a significant portion or all of their costs through charges for services.

The City's governmental activities include General Government, Police, Fire, Transportation, Planning, Community Redevelopment, Library, Recreation, Facilities and Parks Maintenance, and Cemetery Operations. The City's business-type activities include Electric, Water and Wastewater, Sanitation, and Stormwater operations. The government-wide financial statements are presented on pages 16 through 18 of this report.

Fund Financial Statements - A fund is a separate accounting entity used to maintain control over resources that are restricted, committed, or assigned for specific purposes. The City uses fund accounting to demonstrate compliance with legal requirements and to manage resources designated for specific activities. The City's funds are classified into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental funds are used to account for activities that are primarily supported by taxes and other governmental revenues. These funds generally report the same functions as governmental activities presented in the government-wide financial statements; however, the focus of governmental fund statements is on current financial resources, including short-term inflows, outflows, and available fund balances.

Because governmental fund statements use a narrower financial focus than government-wide statements, reconciliations are provided to explain differences between governmental fund information and governmental activities reported in the government-wide financial statements. These reconciliations assist readers in understanding the relationship between short-term financial resources and the City's long-term financial position.

The City maintains eleven governmental funds. The General Fund, Building Inspection Fund, Capital Projects Fund, and Fire Assessment Fee Fund are reported as major governmental funds and are presented separately in the governmental fund financial statements. The remaining governmental funds are combined and presented as non-major governmental funds. Individual financial information for non-major funds is included in the combining statements and schedules elsewhere in this report.

The City adopts annual budgets for the General Fund, special revenue funds, debt service funds, and capital projects funds. Budgetary comparison schedules for the General Fund and major special revenue funds are presented as required supplementary information. Budgetary comparison schedules for debt service funds, capital projects funds, and non-major special revenue funds are presented as other supplementary information.

Proprietary Funds - The City maintains two types of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are used to report activities that are presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for Electric, Water and Wastewater, Sanitation, and Stormwater operations. The proprietary fund financial statements provide additional detail regarding these operations and are presented on pages 27 through 36 of this report. These four enterprise funds are reported as major funds.

Internal service funds are used to account for services provided internally to other City departments and funds. The City maintains internal service funds for fleet maintenance and warehouse operations, vehicle replacement, and self-insurance (health) programs. Because the costs of these activities are allocated to other City functions, the financial activity of internal service funds is reflected in both governmental and business-type activities in the government-wide financial statements. Individual internal service fund information is presented in the proprietary fund financial statements.

Fiduciary Funds - Fiduciary funds account for resources held by the City in a custodial capacity for the benefit of individuals, organizations, or other governments. These resources are not available to support the City's programs and, therefore, are not included in the government-wide financial statements. Fiduciary fund financial statements are presented on pages 37 and 38 of this report.

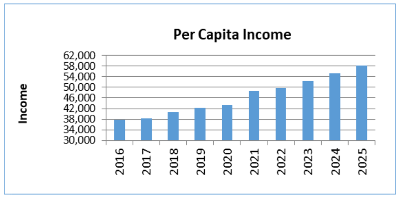
Notes to the Financial Statements - The notes to the financial statements provide additional information necessary for a complete understanding of the financial statements. The notes include significant accounting policies and additional disclosures regarding the City's assets, liabilities, commitments, contingencies, and other financial matters. The notes to the financial statements are presented on pages 40 through 82 of this report.

Required Supplementary and Other Information - In addition to the basic financial statements and notes, this report includes required supplementary information, including budgetary comparison schedules and information regarding the City's pension obligations and funding progress. Required supplementary information is presented on pages 84 through 96 of this report.

Combining statements and individual fund schedules for non-major governmental funds are presented following the required supplementary information. These schedules provide additional detail regarding individual funds and are presented on pages 98 through 111 of this report.

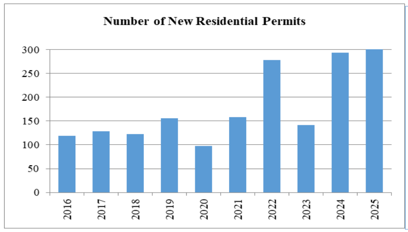
Economic Factors Affecting Financial Operations
Understanding the City's financial position and results of operations requires consideration of the economic conditions and other factors affecting the community during the fiscal year. These factors provide important context for evaluating the City's financial decisions, resource allocation, and future financial outlook.

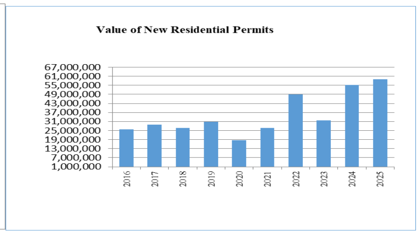
The City is located in Lake County along U.S. Highway 441, approximately 25 miles northwest of Orlando, Florida. Incorporated in 1910, the City encompasses approximately 12.292 square miles of land and water and has expanded over time through annexation. The City's population has grown steadily, increasing from 13,949 in 2016 to an estimated 18,896 as of April 1, 2025, representing an average annual growth rate of approximately 3.4% over the ten-year period. Based on the 2025 population estimate, the City is the seventh largest of Lake County's fourteen incorporated municipalities. Seasonal residents and daily visitors further increase the demand for municipal services throughout the year, particularly during the winter months. The City continues to experience residential and commercial development, with several projects approved or under review as of September 30, 2025. As these developments are completed and occupied, continued population growth is expected to increase demand for municipal infrastructure, public facilities, and services. Economic conditions remained stable during the fiscal year. As of September 30, 2025, Lake County's unemployment rate was 4.5%, compared with the State of Florida's unemployment rate of 3.9%.



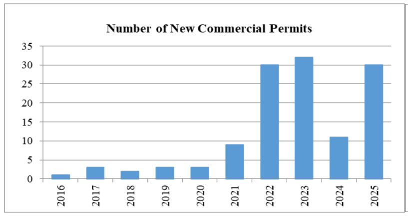
Per capita personal income in Lake County increased to $58,161 in 2025, compared with $37,698 in 2016, and represents a 5.0% increase over the 2024 level of $55,387. Continued growth in personal income is expected to be influenced by residents' access to employment and business opportunities throughout the greater Metro Orlando region. Transportation infrastructure improvements, including the completion of the expressway connecting the I-4 corridor in northern Orange County through the Wekiva area to State Road 46, as well as improvements to U.S. Highway 441, have enhanced regional connectivity and may support the City's attractiveness as a residential community for commuters.

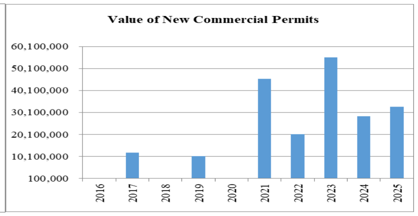
Residential development has remained an important indicator of the City's continued growth. During the past ten fiscal years, the number of residential building permits issued increased from a low of 97 permits in fiscal year 2020 to 308 permits in fiscal year 2025. The estimated construction value of residential development increased from $18,701,996 in 2020 to $59,101,108 in 2025. Over the ten-year period beginning in fiscal year 2016, residential permit activity increased at an average annual rate of approximately 15.9%, while the estimated construction value increased by an average of approximately 13.0% annually (see chart below). Planned residential developments within the City's service area are expected to support continued population growth over the long term and could increase the population by as much as 50% over the next twenty years.





Commercial development activity has varied considerably over the past ten fiscal years. During fiscal year 2025, the City issued 30 commercial building permits with an estimated construction value of $32,660,836. While permit activity increased from the prior fiscal year, it remained below the peak of 32 permits issued in fiscal year 2023. Over the ten-year period, annual commercial permits ranged from a low of 1 permit to a high of 32 permits, while estimated construction values ranged from $120,601 in fiscal year 2016 to $55,123,110 in fiscal year 2023 (see chart below).





Continued growth has increased the demand for investment in public infrastructure. While the pace of development in recent years has enabled the City to advance several capital improvement projects, available capital funding has not been sufficient to meet all infrastructure needs without the use of long-term financing. The City has utilized debt financing to support major capital investments, including projects within the Community Redevelopment Agency (CRA) and the Water and Wastewater Fund. Looking ahead, significant capital investment is expected to continue in the General Fund, Discretionary Sales Tax Fund, Water and Wastewater Fund, and Stormwater Fund to accommodate future growth and maintain service levels.

For fiscal year 2024-25, the City's adopted millage rate increased to 6.3000 mills, compared with 5.9603 mills in fiscal year 2023-24. The millage adjustment was implemented to support the City's ongoing financial needs, including the impacts of inflationary increases on operating and capital costs, continued investment in infrastructure, and maintaining adequate staffing levels to support service delivery. Additional factors considered in establishing the millage rate included employee retention and succession planning initiatives, collective bargaining obligations related to public safety personnel, increased operational requirements associated with additional City facilities, and the anticipated reduction of certain one-time funding sources, including federal COVID-19 relief funds. The City also considered changes in the local development environment, including a slowdown in new construction activity, which may affect certain revenue sources.

Condensed Financial Information – Government-Wide

Reviewing changes in assets, liabilities, and net position provides an overview of the City's financial position and operating results for the fiscal year. The following condensed financial information summarizes key government-wide financial data for the current and prior fiscal years.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other	$ 68,219,999	$ 64,225,994	$ 65,293,838	$ 53,720,437	$ 133,513,837	$ 117,946,431
Capital	82,682,488	65,941,053	68,110,761	64,670,843	150,793,249	130,611,896
Total Assets	150,902,487	130,167,047	133,404,599	118,391,280	284,307,086	248,558,327
Deferred Outflows	4,999,086	4,594,725	776,822	569,370	5,775,908	5,164,095
Liabilities						
Current and Other	6,156,347	5,903,027	7,731,505	6,798,301	13,887,852	12,701,328
Long-Term Outstanding:						
Due within One Year	2,919,168	2,412,250	1,838,715	1,851,572	4,757,883	4,263,822
Due in More than One Year	52,566,852	41,751,094	14,290,217	15,854,027	66,857,069	57,605,121
Total Liabilities	61,642,367	50,066,371	23,860,437	24,503,900	85,502,804	74,570,271
Deferred Inflows	7,386,278	6,233,925	1,090,177	1,126,496	8,476,455	7,360,421
Net Position						
Net Investment in Capital Assets	50,885,531	48,443,058	54,006,748	49,871,326	104,892,279	98,314,384
Restricted	27,235,274	21,527,771	21,871,071	16,482,446	49,106,345	38,010,217
Unrestricted	8,752,123	8,490,647	33,352,988	26,976,482	42,105,111	35,467,129
Total Net Position	$ 86,872,928	$ 78,461,476	$ 109,230,807	$ 93,330,254	$ 196,103,735	$ 171,791,730

Assets - Total government-wide assets increased for the fourteenth consecutive year, rising by $35,748,759 to $284,307,086 as of September 30, 2025. The increase was primarily attributable to growth in capital assets, which increased by $20,181,353. Governmental activities accounted for $16,741,435 of the increase, primarily due to the completion of the Public Works Facility, while business-type activities increased by $3,439,918. Current and other assets increased by $15,567,406, largely reflecting a $13,410,167 increase in cash and investments.

Liabilities - Total government-wide liabilities increased by $10,932,533 during fiscal year 2024-25. Governmental activities liabilities increased by $11,575,996, primarily due to the issuance of the 2025 Redevelopment Revenue Note ($6,081,000)

and the Non-Ad Valorem Revenue Note, Series 2024 ($8,000,000). Business-type activities liabilities decreased by $643,463, reflecting a $1,576,667 reduction in long-term liabilities, primarily from scheduled principal payments on the Series 2014 Revenue Bonds, partially offset by a $933,204 increase in current and other liabilities, largely attributable to higher accounts payable balances at September 30, 2025.

Net Position - As of September 30, 2025, the City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $196,103,735. Total net position increased by $24,312,005 during fiscal year 2024-25, reflecting the City's positive operating results and continued investment in capital assets.

Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 8,751,586	$ 8,751,586	$ 7,713,847	$ 7,713,847	$ 16,465,433	$ 16,465,433
Buildings	61,917,257	33,522,539	19,381,572	19,381,572	81,298,829	52,904,111
Historical Art Collection	12,000	12,000	-	-	12,000	12,000
Infrastructure	42,735,609	42,135,412	95,367,799	93,118,367	138,103,408	135,253,779
Machinery, Equipment and Materials	17,026,624	17,423,144	6,676,590	6,276,083	23,703,214	23,699,227
Right to Use Leased Buildings	349,129	501,072	-	354,534	349,129	855,606
Right to Use Equipment	169,670	93,974	12,121	6,713	181,791	100,687
Right to Use Subscriptions	220,756	295,582	-	-	220,756	295,582
Construction in Progress	5,594,829	14,700,745	8,708,047	4,239,677	14,302,876	18,940,422
Less: Accumulated Depreciation/ Amortization	(54,094,972)	(51,495,001)	(69,749,215)	(66,419,950)	(123,844,187)	(117,914,951)
Net Capital Assets	$ 82,682,488	$ 65,941,053	$ 68,110,761	$ 64,670,843	$ 150,793,249	$ 130,611,896

Net capital assets increased by $20,181,353 during fiscal year 2024-25, compared with an increase of $14,860,476 in fiscal year 2023-24. Governmental activities accounted for $16,741,435 of the increase, while business-type activities increased by $3,439,918. The increase in governmental activities was primarily attributable to the completion of the Public Works Facility, resulting in an increase in buildings and the reclassification of construction in progress to depreciable capital assets. The increase in business-type activities was primarily the result of continued investment in utility infrastructure, including developer-funded electrical improvements, ongoing expansion of Water and Wastewater Treatment Plant No. 2, well development at Water Treatment Plant No. 1, and other water and wastewater capital projects. These increases were partially offset by depreciation expense and reductions in right-to-use leased building assets. Additional information regarding the City's capital assets is presented in Note 3 – Capital Assets.

Long-Term Liability Activity

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Bonds and Notes	$ 44,198,009	$ 31,271,343	$ 13,046,405	$ 14,516,134	$ 57,244,414	$ 45,787,477
Financed Purchases	185,512	244,914	-	-	185,512	244,914
Leases	264,164	285,777	4,564	73,247	268,728	359,024
SBITA's Payable	22,245	69,534	-	-	22,245	69,534
Compensated Absences	2,713,286	2,922,832	763,086	781,311	3,476,372	3,704,143
Net Pension Liability	517,570	4,234,737	-	583,426	517,570	4,818,163
Total OPEB Liability	7,585,234	5,134,207	2,314,877	1,751,481	9,900,111	6,885,688
Total Debt	$ 55,486,020	$ 44,163,344	$ 16,128,932	$ 17,705,599	$ 71,614,952	$ 61,868,943

Net long-term liabilities increased during fiscal year 2024-25, primarily due to the issuance of debt to finance capital improvement projects in governmental activities, partially offset by scheduled principal repayments and reductions in other long-term obligations. Net long-term liabilities for business-type activities decreased by $1,576,667, primarily reflecting scheduled principal repayments on outstanding debt. Financed purchase liabilities, lease liabilities, and Subscription-Based Information Technology Arrangements (SBITAs) also declined during the fiscal year as a result of scheduled principal payments, lease and subscription terminations, and the retirement of outstanding obligations. Other long-term liabilities experienced mixed results during the fiscal year. Compensated absences decreased by $227,771, primarily due to employee vacancies and staff turnover. The City's net pension liability decreased by $4,300,593, reflecting changes in the actuarial valuation and continued funding of the pension plans. Conversely, the net OPEB liability increased by $3,014,423, primarily due to changes in actuarial assumptions and the annual valuation of other postemployment benefit obligations. Additional information regarding the City's long-term liabilities is presented in Note 4, *Long-Term Liabilities*.

Condensed Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	$ 7,887,659	$ 7,672,206	$ 38,696,965	$ 34,066,866	$ 46,584,624	$ 41,739,072
Operating Grants and Contrib.	2,448,671	253,212	-	-	2,448,671	253,212
Capital Grants and Contrib.	1,888,703	8,619,080	7,614,730	7,360,719	9,503,433	15,979,799
General Revenues						
Property Taxes	12,010,087	10,358,693	-	-	12,010,087	10,358,693
Public Service Taxes	2,911,986	2,695,132	-	-	2,911,986	2,695,132
Discretionary Sales Surtax	2,338,478	2,105,860	-	-	2,338,478	2,105,860
Local Option Fuel Taxes	381,518	398,314	-	-	381,518	398,314
Local Business Tax	20,297	28,373	-	-	20,297	28,373
Franchise Fees	1,397,015	1,213,514	-	-	1,397,015	1,213,514
State Shared Revenues	4,094,560	3,847,130	-	-	4,094,560	3,847,130
Investment Earnings (Losses)	2,158,630	2,839,182	1,421,566	1,310,521	3,580,196	4,149,703
Miscellaneous	598,656	93,893	377,867	295,185	976,523	389,078
Total Revenues	38,136,260	40,124,589	48,111,128	43,033,291	86,247,388	83,157,880
Expenses						
General Government	$ 8,770,565	$ 7,152,872	$ -	$ -	$ 8,770,565	$ 7,152,872
Public Safety	14,909,416	13,360,519	-	-	14,909,416	13,360,519
Physical Environment		-	26,962,185	23,853,216	26,962,185	23,853,216
Transportation	2,664,925	2,442,757	-	-	2,664,925	2,442,757
Culture and Recreation	7,137,045	6,325,249	-	-	7,137,045	6,325,249
Interest on Long-Term Debt	1,491,247	1,248,653	-	-	1,491,247	1,248,653
Total Expenses	34,973,198	30,530,050	26,962,185	23,853,216	61,935,383	54,383,266
Excess (Deficit) Before Transfers	3,163,062	9,594,539	21,148,943	19,180,075	24,312,005	28,774,614
Net Transfers	5,248,390	4,832,571	(5,248,390)	(4,832,571)	-	-
Increase in Net Position	8,411,452	14,427,110	15,900,553	14,347,504	24,312,005	28,774,614
Net Position, Beginning of Year	78,461,476	64,034,366	93,330,254	78,982,750	171,791,730	143,017,116
Net Position, End of Year	$ 86,872,928	$ 78,461,476	$ 109,230,807	$ 93,330,254	$ 196,103,735	$ 171,791,730

Revenues

Overall revenues increased by $3,089,508, or 3.7%, from $83,157,880 in fiscal year 2023-24 to $86,247,388 in fiscal year 2024-25. The increase reflects growth of $5,077,837 in Business-type Activities revenues, offset by a decrease of $1,988,329 in Governmental Activities revenues. By comparison, the prior fiscal year experienced revenue growth in both activities, with Governmental Activities increasing by $7,591,246 and Business-type Activities increasing by $8,637,087.

The most significant increases during fiscal year 2024-25 occurred in Charges for Services $4,845,552, Operating Grants and Contributions $2,195,459, and Property Taxes $1,651,394. These increases were substantially offset by a $6,476,366 decrease in Capital Grants and Contributions.

Charges for Services increased primarily within the Business-type Activities, rising from $34,066,866 in fiscal year 2023-24 to $38,696,965 in fiscal year 2024-25, an increase of $4,630,099, or 13.6%. The increase was driven largely by higher water and wastewater rates, as well as increased water consumption.

Property tax revenues increased by $1,651,394, or 15.9%, from $10,358,693 to $12,010,087. The increase was primarily attributable to the increase in the millage rate from 5.9603 mills to 6.3000 mills, together with growth in taxable property values.

Governmental Activities revenues declined primarily as a result of lower Capital Grants and Contributions. During fiscal year

2023-24, the City recognized grant revenue under the American Rescue Plan Act (ARPA). Comparable grant funding was not received during fiscal year 2024-25, resulting in the year-over-year decrease in Capital Grants and Contributions.

Expenses

Total government-wide expenses increased by $7,552,117 (13.9%) during fiscal year 2024-25, from $54,383,266 in fiscal year 2023-24 to $61,935,383. The increase was primarily attributable to higher personnel costs, inflationary increases in operating expenses, and continued investment in municipal services and infrastructure.

Expenses for governmental activities increased across several functional areas:

- General Government expenses increased by $1,617,693 (22.6%), from $7,152,872 to $8,770,565. The increase was primarily attributable to higher personnel and operating costs, expenditures associated with Hurricane Milton response and recovery efforts, and increased costs related to the operation and maintenance of City facilities.

- Public Safety expenses, which include Police, Fire, and Building Inspection operations, increased by $1,548,897 (11.6%), from $13,360,519 to $14,909,416, primarily due to personnel costs, contractual wage adjustments, and other operating expenditures.

- Transportation expenses increased by $222,168 (9.1%), from $2,442,757 to $2,664,925. The increase was primarily attributable to professional engineering services associated with the City's Vision Zero Safety Action Plan, as well as continued investment in transportation infrastructure and maintenance activities.

- Culture and Recreation expenses, which include library, parks, recreation, aquatic facilities, and community building operations, increased by $811,796 (12.8%), from $6,325,249 to $7,137,045, primarily due to increased operating and maintenance costs and additional capital outlay for the acquisition of public art.

Expenses for business-type activities, which include the Electric, Water and Wastewater, Sanitation, and Stormwater utilities, increased by $3,108,969 (13.0%), from $23,853,216 to $26,962,185. The increase primarily reflects higher operating costs, including purchased power, utility system maintenance, personnel expenses, and depreciation associated with continued investment in utility infrastructure.

Economic Factors and Next Year's Budgets and Rates

The City's fiscal year 2025-26 budget was developed considering current economic conditions, anticipated growth, and expected changes in operating and capital costs.

Key factors considered in preparing the budget include:

- Continued residential and commercial development, including the issuance of 308 building permits for new single-family homes, townhomes and duplexes during fiscal year 2025 and multiple commercial development projects in various stages of planning and construction.

- A September 2025 unemployment rate of 4.5% in Lake County, compared with 3.9% for the State of Florida and 4.4% nationally.

- Increased personnel costs, including higher healthcare insurance premiums and competitive wage adjustments to support employee recruitment and retention.

- Continued inflationary pressures affecting construction materials, project delivery, and utility operating costs, including chemicals used in water and wastewater operations.

- Ongoing investment in major infrastructure projects to accommodate current and future growth.

- The City experienced an increase of 10.56% in new construction and annexation revenues from the previous budget year.

These and other economic and financial factors were considered in developing the fiscal year 2025-26 operating and capital budgets.

Analysis of Financial Position and Results of Operations - Individual Funds

Governmental Activities

General Fund
General Fund revenues increased by $3,992,841 or 15.9% from $25,046,104 in fiscal year 2023-24 to $29,038,945 in fiscal year 2024-25. The increase was primarily attributable to growth in Tax and Intergovernmental revenues, which together accounted for approximately 72% of the overall increase.

Tax revenue increased by $1,840,517, or 13.8%, from $13,363,960 to $15,204,477. The increase was driven primarily by higher Ad Valorem tax collections resulting from the increase in the millage rate from 5.9603 mills to 6.3000 mills, as well as growth in taxable property values.

Intergovernmental revenue increased by $1,034,288, or 25.5%, from $4,055,246 in fiscal year 2023-24 to $5,089,534 in fiscal year 2024-25. The increase was primarily attributable to federal disaster relief funding received in connection with Hurricane Milton.

Interfund Charges increased by $370,829 or 10.6% from $3,503,844, primarily as a result of an increased cost allocation from the Water/Wastewater fund.

Charges for Services decreased slightly by $10,004 from $1,580,373 to $1,570,369. Within this category, General Government Charges for Services declined $39,869, or 14.07%, primarily due to lower engineering fee reimbursements. Public Safety Charges for Services decreased by $81,704, or 23.2%, reflecting reductions in Business License Inspection revenue and Police Special Details revenue. These decreases were partially offset by increases in other service-related revenues.

Permits and Fees revenue increased by $389,176, or 25.3% from $1,536,780 to $1,925,956. The increase was primarily attributable to higher Site Development Permit fees and increased Electric Franchise revenue. This represents a reversal from the prior fiscal year, when Permits and Fees revenue declined by 2.75%.

Fines and Forfeitures increased by $50,836, or 33.3%, from $152,876 to $203,712, primarily due to higher Code Enforcement fine collections.

Miscellaneous Revenue increased by $317,199, or 37.2% from $853,025 to $1,170,224. The increase was primarily attributable to higher Insurance reimbursements and contributions received during the fiscal year.

General Fund expenditures increased by $4,582,497 or 17.6% from the prior fiscal year, following a 9.0 % increase in fiscal year 2023-24. The increase was primarily attributable to higher expenditures in General Government, Public Safety, Culture and Recreation, and Transportation, partially offset by lower Debt Service expenditures.

General Government expenditures increased by $1,915,885, or 21.0%, to $11,018,338. The increase was primarily attributable to hurricane-related response and recovery expenditures within Other General Government. These increases were partially offset by lower expenditures for Legal Counsel, Planning, Development and Building Maintenance, and Executive functions.

Public Safety expenditures increased by $1,961,676, or 19.6%, to $11,950,494 in fiscal year 2024-25. The increase was primarily attributable to higher personnel costs, including approved compensation adjustments, staffing additions, and increased employer benefit costs. Additional growth in expenditures resulted from inflationary increases in contractual services and operating supplies. Law Enforcement accounted for approximately 70% of the overall increase, while Fire represented the remaining 30%.

Culture and Recreation expenditures increased by $436,602, or 8.9%, to $5,356,685. Parks and Recreation accounted for the majority of the increase, reflecting higher personnel costs, increased operating expenditures, and additional capital outlay for the acquisition of public art.

Transportation expenditures increased by $337,564, or 19.0%, to $2,112,663. The increase was primarily attributable to

professional engineering services associated with the Vision Zero Safety Action Plan.

Debt Service principal decreased by $65,999, or 29.8%, to $155,816. The decrease reflects lower lease and subscription financing costs resulting from the termination of a lease agreement and the payoff of subscription-based financing obligations.

Special Revenue Funds

Community Redevelopment Agency Fund
The Community Redevelopment Agency (CRA) Fund was established by City ordinance in cooperation with Lake County pursuant to Section 163.356, Florida Statutes. The CRA district is authorized through 2042. The fund accounts for incremental ad valorem tax revenues generated within the downtown redevelopment area from the City and other participating taxing authorities. These revenues are used to support eligible redevelopment activities and projects within the district. During fiscal year 2024-25, property tax increment revenues totaled $921,139, an increase of $84,741 (10.1%) from the $836,398 collected in fiscal year 2023-24. Expenditures and transfers out, excluding debt service and capital expenditures, totaled $1,005,775, a decrease of $26,349 (2.6%) from $1,032,124 in the prior fiscal year. The decrease was primarily attributable to lower economic development incentive expenditures and reduced repairs and maintenance costs. The CRA has outstanding debt related to redevelopment projects. In 2013, the CRA issued $2,500,000 in notes to finance a portion of the Downtown Streetscape Project. The remaining principal balance as of September 30, 2025 was $567,000. During fiscal year 2017-18, the City obtained a loan with a maximum borrowing capacity of $4,000,000 for the acquisition and improvement of downtown parking facilities. The City drew $865,000 in fiscal year 2017-18 and an additional $650,000 in fiscal year 2019-20, for total proceeds of $1,515,000. No additional draws were made during fiscal year 2024-25. The remaining principal balance on this obligation was $620,000 as of September 30, 2025.

Northeast Redevelopment Agency Fund
The Northeast Redevelopment Agency (CRA) Fund accounts for tax increment revenues and expenditures associated with redevelopment activities within the City's northeast redevelopment district. During fiscal year 2024-25, property tax increment revenues totaled $667,080, an increase of $73,330 (12.4%) from the $593,750 collected in fiscal year 2023-24, primarily reflecting growth in taxable property values within the redevelopment area. Expenditures and transfers out, excluding debt service, totaled $3,025,539, an increase of $2,167,991 (253%) from $857,548 in the prior fiscal year, reflecting increased transfers out to cover the construction costs of a community resource and recreation center. During fiscal year 2024-25, the City entered into a loan agreement with a maximum borrowing capacity of $16,000,000 to finance the construction of a community resource and recreation center. As of September 30, 2025, the City had drawn $6,081,000 under the agreement.

Other Special Revenue Funds

Building Inspection Fund
The Building Inspection Fund accounts for permit fees, related fines, and investment earnings in accordance with Section 553.80(7)(a) and (b), Florida Statutes. These resources are legally restricted and may be used only to support the City's responsibilities for administering and enforcing the Florida Building Code. During fiscal year 2024-25, building permit revenues totaled $2,164,698, an increase of $36,832 (1.7%) from the $2,127,866 collected in fiscal year 2023-24. Total fund revenues were $2,411,160, a decrease of $16,696 (0.7%) from the prior fiscal year. Total expenditures decreased to $2,151,059, a reduction of $1,695,903 (44.1%) from $3,846,962 in fiscal year 2023-24. The decrease was primarily attributable to the one-time acquisition of property for the Building Department during fiscal year 2023-24, which did not recur in the current fiscal year. As a result, the fund's decrease in fund balance was $767,481 during fiscal year 2024-25, compared with a decrease of $1,469,105 in fiscal year 2023-24.

Law Enforcement Trust Fund
The Law Enforcement Trust Fund was established pursuant to Section 932.7055(5)(a), Florida Statutes, to account for the net proceeds from the sale or conversion of forfeited property. Although designated in statute as a trust fund, it is reported as a special revenue fund in accordance with generally accepted accounting principles because of the nature of the transactions recorded. Resources of the fund are legally restricted for qualifying, nonrecurring law enforcement purposes. During fiscal year 2024-25, fund revenues totaled $1,683, a decrease of $891 (34.6%) from the $2,574 received during fiscal year 2023-24. The fund reported no expenditures during either fiscal year 2024-25 or fiscal year 2023-24. As a result, fund balance increased by $1,683, from $61,925 at October 1, 2024, to $63,608 at September 30, 2025.

Cemetery Fund
The Cemetery Fund, which has been reported as a governmental fund since fiscal year 2020-21, experienced a 6.8% decrease in charges for services, from $115,663 in fiscal year 2023-24 to $107,848 in fiscal year 2024-25. Operating expenditures increased 36.0%, from $88,612 to $120,484, primarily due to the purchase of capital equipment, including a mower, two utility vehicles, and a cremation niche, as well as professional services related to cemetery mapping and plot documentation. The Cemetery Fund did not require a subsidy from the General Fund during fiscal year 2024-25.

Debt Service Fund
The Debt Service Fund accounts for the payment of principal and interest on the City's long-term governmental debt. In September 2011, the City issued the Public Services Tax Refunding and Revenue Bonds, Series 2011, to refund the outstanding Series 2001 bonds. Debt service on the Series 2011 bonds was secured by pledged revenues from the telecommunications services tax and the public service tax. During fiscal year 2018-19, the City issued the $21,740,000 Fire Protection Assessment Revenue Bonds, Series 2018, which are also serviced through the Debt Service Fund. Debt service expenditures totaled $1,243,863 in fiscal year 2024-25, compared with $1,565,905 in fiscal year 2023-24, a decrease of $322,042 (20.6%). The decrease was primarily attributable to the retirement of the Series 2011 Public Services Tax Refunding and Revenue Bonds, which reduced principal and interest payment requirements during the current fiscal year.

Discretionary Sales Tax Fund
The Discretionary Sales Tax Fund accounts for the proceeds of the one-cent local government infrastructure sales surtax levied pursuant to Section 212.055, Florida Statutes. These revenues are legally restricted for eligible infrastructure and capital improvement purposes. During fiscal year 2024-25, infrastructure sales surtax revenues totaled $2,338,478, an increase of $232,618 (11.0%) from the $2,105,860 received in fiscal year 2023-24. Expenditures increased by $140,938 (42.5%), from $331,698 to $472,636, reflecting continued investment in eligible infrastructure and capital projects. As revenues exceeded expenditures, fund balance increased by $1,182,921 (20.4%), from $5,806,689 at October 1, 2024, to $6,989,610 at September 30, 2025.

Impact Fees Fund
The Impact Fees Fund accounts for impact fees collected from new development to finance capital improvements needed to accommodate growth. Impact fee revenues are legally restricted and may be used only for eligible capital projects associated with the specific service areas for which the fees are collected, including police, fire, library, and parks. During fiscal year 2024-25, impact fee revenues totaled $1,783,471, an increase of $219,109 (14.0%) from the $1,564,362 received in fiscal year 2023-24, reflecting continued development activity within the City. Parks impact fees generated the largest share of revenues at $861,557, followed by library impact fees of $458,660.

Fire Assessment Fee Fund
The Fire Assessment Fee Fund accounts for revenues generated from the City's non-ad valorem fire protection assessment levied on properties within the City. Assessment revenues are used to support fire protection capital needs and related debt service. For fiscal year 2024-25, the assessment rate was $209 per equivalent residential unit (ERU). Fire assessment revenues totaled $2,068,599 during fiscal year 2024-25, an increase of $50,354 (2.5%) from the $2,018,245 collected in fiscal year 2023-24, primarily reflecting growth in the assessable property base. Total fund revenues were $2,726,416 in fiscal year 2024-25, a decrease of $39,030 (1.4%) from the prior year's $2,765,446. Fund expenditures totaled $241,082, compared with $291,637 in fiscal year 2023-24, a decrease of $50,555 (17.3%), primarily due to lower capital outlay expenditures during the current fiscal year.

Business-Type Activities

Electric Fund
The Electric Fund accounts for the City's electric utility operations. Electric rates include a power cost adjustment mechanism that is updated semiannually to recover changes in wholesale power costs. During fiscal year 2024-25, electric operating revenues increased to $11,759,227, an increase of $1,781,010 (17.8%) from $9,978,217 in fiscal year 2023-24. The increase was primarily attributable to higher electricity sales and adjustments to recover increased wholesale power costs. Purchased power expense increased by $1,117,498 (26.4%), from $4,230,137 to $5,347,635, reflecting higher wholesale power costs. Total operating expenses increased by $421,294 (4.8%), from $8,830,171 in fiscal year 2023-24 to $9,251,465 in fiscal year 2024-25. The Electric Fund reported operating income before capital contributions and transfers of $2,851,722, an increase of $1,052,270 (58.5%) from the prior fiscal year. After capital contributions and transfers, the fund reported an increase in

net position of $1,907,470 for fiscal year 2024-25. The City continues to purchase wholesale power under its agreement with the Orlando Utilities Commission (OUC). The agreement is expected to provide long-term cost savings, enabling the City to maintain competitive electric rates while supporting future investment in the electric utility system.

Water & Wastewater Fund
The Water and Wastewater Fund accounts for the City's water distribution and wastewater collection and treatment operations. During fiscal year 2024-25, operating revenues increased to $20,579,079, an increase of $2,588,206 (14.4%) from $17,990,873 in fiscal year 2023-24. The increase was primarily attributable to higher water and wastewater consumption, rate adjustments, and increased development activity, which contributed to higher revenues. Operating expenses increased by $1,997,254 (17.5%), from $11,391,308 in fiscal year 2023-24 to $13,388,562 in fiscal year 2024-25. The increase was primarily attributable to higher personnel costs, utilities, treatment and operating expenses, and depreciation associated with continued investment in the utility system. Capital contributions increased by $2,802,705 (70.3%), from $3,988,122 in fiscal year 2023-24 to $6,790,827 in fiscal year 2024-25, primarily reflecting increased developer contributions and impact fees associated with ongoing growth and new construction. As a result of increased operating revenues and capital contributions, the Water and Wastewater Fund reported an increase in net position of $11,492,069 during fiscal year 2024-25.

Other Enterprise Funds

Sanitation Fund
The Sanitation Fund accounts for the City's sanitation utility operations, which consist primarily of collecting customer charges and remitting payments to a third-party service provider for residential and commercial solid waste collection. The fund also recovers the City's costs associated with contract administration, billing, and related support services. During fiscal year 2024-25, operating revenues increased to $3,620,585, an increase of $363,590 (11.2%) from $3,256,995 in fiscal year 2023-24. The increase was primarily attributable to rate adjustments and growth in the customer base. Operating expenses increased by $408,075 (15.8%), from $2,577,318 in fiscal year 2023-24 to $2,985,393 in fiscal year 2024-25, primarily reflecting higher contractual costs for solid waste collection and increases in operating expenses. The Sanitation Fund reported an increase in net position of $655,426, resulting in a year-end net position of $1,103,326 as of September 30, 2025. Although the fund has experienced modest declines in net position in prior years due to revenues not fully recovering all operating and indirect costs, the current year's operating results reflect continued progress toward improving the fund's long-term financial sustainability. The City reviews sanitation rates annually to help ensure that revenues remain sufficient to recover the cost of providing sanitation services while maintaining the long-term financial stability of the fund.

Stormwater Fund
The Stormwater Fund accounts for the City's stormwater utility operations. During fiscal year 2024-25, operating revenues continued to exceed operating expenses, reflecting the fund's ongoing financial stability. Operating revenues increased to $3,115,941, an increase of $275,160 (9.7%) from $2,840,781 in fiscal year 2023-24. The increase was primarily attributable to stormwater rate adjustments implemented to improve cost recovery and address revenue shortfalls experienced in prior years. Operating expenses increased by $319,737 (41.2%), from $775,772 in fiscal year 2023-24 to $1,095,509 in fiscal year 2024-25. The increase was primarily due to the absence of prior-year reductions in OPEB and compensated absences expenses resulting from employee reallocations, which reduced expenses in fiscal year 2023-24. The decrease in depreciation expense during the current year partially offset the increase.

Original Budget vs. Final Budget

General Fund
Accurate revenue projections are essential to effective budget development and financial management. The level of resources available for appropriation serves as the foundation for budgetary decisions and operational planning. General Fund revenues totaled $29,038,945, exceeding the amended budget by $1,871,066. The most significant favorable revenue variance occurred in miscellaneous revenues, primarily due to higher-than-budgeted investment earnings, proceeds from the sale of surplus equipment, donations and contributions, and insurance reimbursements. Due to continued uncertainty regarding potential future cost increases and changing economic conditions, the Administration continued to closely monitor expenditures and manage the operating budget to ensure the efficient use of available resources. General Fund expenditures totaled $30,595,544, which was $2,230,234 below the amended budget of $32,825,778 and $44,389 below the original budget of $30,639,933. The most significant favorable expenditure variance occurred within the Planning, Development, and

Building Maintenance component of Other General Government. Net other financing sources, representing the difference between interfund transfers in and interfund transfers out, exceeded the final budget by $463,769. As a result of current-year operations and other financing activities, the General Fund reported a net increase in fund balance of $990,523. When combined with beginning fund balance of $11,848,527 as of October 1, 2024, ending fund balance totaled $12,839,050 as of September 30, 2025.

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 viewed on our departmental webpage mountdora.gov

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Pooled Cash and Investments	$ 64,427,877	$ 59,330,326	$ 123,758,203
Receivables, Net	631,503	3,899,282	4,530,785
Due from Other Governments	1,279,953	10	1,279,963
Accrued Interest Receivable	1,417	8,591	10,008
Inventories and Prepaid Items	120,778	2,050,166	2,170,944
Net Pension Asset	1,225,406	5,463	1,230,869
Leases Receivable	533,065	-	533,065
Capital Assets:			
Capital Assets Not Being Depreciated / Amortized	14,358,415	16,421,894	30,780,309
Capital Assets Being Depreciated / Amortized, Net	68,324,073	51,688,867	120,012,940
Total Assets	150,902,487	133,404,599	284,307,086
Deferred Outflows of Resources			
Pension Related Deferred Outflows	2,044,217	73,147	2,117,364
OPEB Related Deferred Outflows	2,954,869	703,675	3,658,544
Total Deferred Outflows of Resources	4,999,086	776,822	5,775,908
Liabilities			
Accounts Payable	4,277,395	5,969,306	10,246,701
Retainage Payable	121,102	68,019	189,121
Accrued Liabilities	481,482	108,465	589,947
Due to Other Governments	324,239	123,575	447,814
Unearned Revenue and Deposits	952,129	1,462,140	2,414,269
Long-Term Liabilities:			
Due Within One Year	2,919,168	1,838,715	4,757,883
Due in More Than One Year	52,566,852	14,290,217	66,857,069
Total Liabilities	61,642,367	23,860,437	85,502,804
Deferred Inflows of Resources			
Pension Related Deferred Inflows	3,025,941	148,102	3,174,043
OPEB Related Deferred Inflows	3,845,195	942,075	4,787,270
Leases Deferred Inflows	515,142	-	515,142
Total Deferred Inflows of Resources	7,386,278	1,090,177	8,476,455
Net Position			
Net Investment in Capital Assets	50,885,531	54,006,748	104,892,279
Restricted			
Capital Improvements	12,667,162	20,947,436	33,614,598
Debt Service	492,672	923,635	1,416,307
Fire Protection	387,995	-	387,995
Redevelopment	10,718,408	-	10,718,408
Building Inspections	1,333,360	-	1,333,360
Law Enforcement	63,608	-	63,608
Pension Asset	1,225,406	5,463	1,230,869
Perpetual Care	346,663	-	346,663
Unrestricted	8,752,123	33,347,525	42,099,648
Total Net Position	$ 86,872,928	$ 109,230,807	$ 196,103,735

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government		
Function/Program Activities	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental Activities							
General Government	$ 8,770,565	$ 1,265,895	$ 1,889,438	$ -	$ (5,615,232)	$ -	$ (5,615,232)
Public Safety	14,909,416	5,089,716	403,256	504,653	(8,911,791)	-	(8,911,791)
Transportation	2,664,925	62,317	-	-	(2,602,608)	-	(2,602,608)
Culture and Recreation	7,137,045	1,469,731	155,977	1,384,050	(4,127,287)	-	(4,127,287)
Interest on Long-Term Debt	1,491,247	-	-	-	(1,491,247)	-	(1,491,247)
Total Governmental Activities	34,973,198	7,887,659	2,448,671	1,888,703	(22,748,165)	-	(22,748,165)
Business-Type Activities							
Electric Utility	9,251,906	11,437,370	-	803,553	-	2,989,017	2,989,017
Water and Wastewater Utility	13,629,377	20,523,069	-	6,790,827	-	13,684,519	13,684,519
Sanitation	2,985,393	3,620,585	-	-	-	635,192	635,192
Stormwater Utility	1,095,509	3,115,941	-	20,350	-	2,040,782	2,040,782
Total Business-Type Activities	26,962,185	38,696,965	-	7,614,730	-	19,349,510	19,349,510
Total Primary Government	$ 61,935,383	$ 46,584,624	$ 2,448,671	$ 9,503,433	(22,748,165)	19,349,510	(3,398,655)
		General Revenues					
		Property Taxes			12,010,087	-	12,010,087
		Public Service Taxes			2,911,986	-	2,911,986
		Discretionary Sales Surtax			2,338,478	-	2,338,478
		Local Option Fuel Taxes			381,518	-	381,518
		Local Business Tax			20,297	-	20,297
		Franchise Fees			1,397,015	-	1,397,015
		State and County Shared Revenues (Unrestricted)			4,094,560	-	4,094,560
		Investment Earnings			2,158,630	1,421,566	3,580,196
		Miscellaneous			598,656	377,867	976,523
		Transfers			5,248,390	(5,248,390)	-
		Total General Revenues and Transfers			31,159,617	(3,448,957)	27,710,660
		Change in Net Position			8,411,452	15,900,553	24,312,005
		Net Position, Beginning of Year			78,461,476	93,330,254	171,791,730
		Net Position, End of Year			$ 86,872,928	$ 109,230,807	$ 196,103,735

See accompanying notes.

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Building Inspection Fund	Fire Assessment Fee Fund	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Pooled Cash and Investments	$ 14,333,657	$ 2,326,306	$ 14,984,712	$ 1,849,821	$ 23,274,399	$ 56,768,895
Receivables (Net)	560,246	18	-	-	-	560,264
Due from Other Governments	1,022,043	-	3,170	-	254,740	1,279,953
Accrued Interest Receivable	499	60	18	-	670	1,247
Inventory and Prepaid Items	30,704	90,074	-	-	-	120,778
Lease Receivables	533,065	-	-	-	-	533,065
Advances to Other Funds	18,982	-	-	-	-	18,982
Total Assets	$ 16,499,196	$ 2,416,458	$ 14,987,900	$ 1,849,821	$ 23,529,809	$ 59,283,184
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts Payable	$ 755,157	$ 728,341	$ -	$ 1,921,140	$ 68,695	$ 3,473,333
Retainage Payable	-	-	-	121,102	-	121,102
Accrued Liabilities	450,888	30,594	-	-	-	481,482
Due to Other Governments	76	324,163	-	-	-	324,239
Unearned Revenues and Deposits	952,129	-	-	-	-	952,129
Advances from Other Funds	-	-	-	-	18,982	18,982
Total Liabilities	2,158,250	1,083,098	-	2,042,242	87,677	5,371,267
Deferred Inflows of Resources						
Leases	515,142	-	-	-	-	515,142
Unavailable Revenues	986,754	-	-	-	-	986,754
Total Deferred Inflows of Resources	1,501,896	-	-	-	-	1,501,896
Fund Balances (Deficit)						
Non-Spendable:						
Inventory and Prepaid Items	30,704	90,074	-	-	-	120,778
Long-Term Interfund Receivables	18,982	-	-	-	-	18,982
Restricted for:						
Capital Improvements	-	-	-	-	12,220,781	12,220,781
Redevelopment	-	-	-	-	10,718,408	10,718,408
Building Inspections	-	1,243,286	-	-	-	1,243,286
Fire Protection	-	-	14,987,900	-	-	14,987,900
Law Enforcement	-	-	-	-	63,608	63,608
Debt Service	-	-	-	-	92,672	92,672
Perpetual Care	-	-	-	-	346,663	346,663
Assigned for Future Expenditures:						
Subsequent Year's Budgets	1,483,370	-	-	-	-	1,483,370
Unassigned (Deficit)	11,305,994	-	-	(192,421)	-	11,113,573
Total Fund Balances (Deficit)	12,839,050	1,333,360	14,987,900	(192,421)	23,442,132	52,410,021
Total Liabilities and Fund Balances	$ 16,499,196	$ 2,416,458	$ 14,987,900	$ 1,849,821	$ 23,529,809	$ 59,283,184

See accompanying notes.

See accompanying notes.

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CITY OF MOUNT DORA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Fund Balances of Governmental Funds	$	52,410,021
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 $136,777,460 and the accumulated depreciation and amortization is $(54,094,972) (includes internal service fund).		82,682,488
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. This amount excludes internal service fund fixed assets and long-term debt reported in other line items.		6,926,329
Deferred outflows and inflows of resources do not affect current financial resources and, therefore, are not reported in the government funds:		
Pension Related Deferred Outflows		2,044,217
OPEB Related Deferred Outflows		2,954,869
Pension Related Deferred Inflows		(3,025,941)
OPEB Related Deferred Inflows		(3,845,195)
The net pension asset is not a current financial resource; and therefore, is not reported in governmental funds.		1,225,406
Certain receivables are not "available" in the current period and, therefore, are not recognized as revenues in the governmental funds:		
Deferred Inflows - Unavailable Revenues		986,754
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		(44,198,009)
Leases Payable		(264,164)
SBITAs Payable		(22,245)
Financed Purchases		(185,512)
Compensated Absences		(2,713,286)
Net Pension Liability		(517,570)
Total OPEB Liability		(7,585,234)
Net Position of Governmental Activities	$	86,872,928

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Building Inspection Fund	Fire Assessment Fee Fund	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 15,204,477	$ -	$ -	$ -	$ 2,338,478	$ 17,542,955
Permits, Fees, and Special Assessments	1,925,956	2,164,698	2,068,599	-	-	6,159,253
Intergovernmental	5,089,534	-	-	-	1,588,219	6,677,753
Charges for Service	1,570,369	190,413	-	-	107,848	1,868,630
Fines and Forfeitures	203,712	-	-	-	-	203,712
Impact Fees	-	-	-	-	1,783,471	1,783,471
Miscellaneous	1,170,224	56,049	657,817	-	498,924	2,383,014
Interfund Charges	3,874,673	-	-	-	-	3,874,673
Total Revenues	29,038,945	2,411,160	2,726,416	-	6,316,940	40,493,461
Expenditures						
Current:						
General Government	11,018,338	-	-	173,575	931,244	12,123,157
Public Safety	11,950,494	2,150,208	240,565	-	408,703	14,749,970
Transportation	2,112,663	-	-	-	-	2,112,663
Culture and Recreation	5,356,685	-	-	-	268,166	5,624,851
Capital Outlay	-	-	-	6,518,800	-	6,518,800
Debt Service:						
Principal Payments	155,816	820	-	-	885,402	1,042,038
Interest	1,548	31	-	-	881,185	882,764
Other Debt Service Costs	-	-	517	-	65,500	66,017
(Total Expenditures)	(30,595,544)	(2,151,059)	(241,082)	(6,692,375)	(3,440,200)	(43,120,260)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,556,599)	260,101	2,485,334	(6,692,375)	2,876,740	(2,626,799)
Other Financing Sources (Uses)						
Issuance of Debt	-	-	-	-	6,081,000	6,081,000
Transfers in	5,198,700	-	-	6,692,375	2,979,922	14,870,997
Transfers (out)	(2,651,578)	(1,027,582)	(2,130,753)	-	(4,507,494)	(10,317,407)
Total Other Financing Sources (Uses)	2,547,122	(1,027,582)	(2,130,753)	6,692,375	4,553,428	10,634,590
Net Change in Fund Balances	990,523	(767,481)	354,581	-	7,430,168	8,007,791
Fund Balances (Deficit), Beginning of Year	11,848,527	2,100,841	14,633,319	(192,421)	16,011,964	44,402,230
Fund Balances (Deficit), End of Year	$ 12,839,050	$ 1,333,360	$ 14,987,900	$ (192,421)	$ 23,442,132	$ 52,410,021

See accompanying notes.

See accompanying notes.

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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, 2025

Net Change in Fund Balance - Total Governmental Funds	$	8,007,791
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital outlays 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 (net disposals) of $6,655,312 differed from depreciation and amortization expense of $4,365,485.		2,289,827
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:		
Issuance of Bonds and Notes Payable		(6,081,000)
Modification of Lease and SBITA Payables		(10,789)
Principal Repayments:		
Bonds		826,000
Leases and SBITAs Payable		156,636
Financed Purchases		59,402
Amortization of Premium and Discount		60,063
The changes in net pension liability (asset) and pension related deferred outflows and inflows of resources result in an adjustment to Pension expense in the statement of activities, but not in the governmental fund statements.		1,030,012
Certain receivables are not "available" in the current period and, therefore, are not recognized as revenues in the governmental funds:		
Deferred Inflows - Unavailable Revenues		580,799
The changes in net OPEB liability and OPEB related deferred outflows and inflows of resources result in an adjustment to OPEB expense in the statement of activities, but not in the governmental fund statements.		539,172
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:		
Compensated Absences		209,546
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.		743,993
Change in Net Position of Governmental Activities	$	8,411,452

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds		Governmental Activities -
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Totals	Internal Service Funds
Assets						
Current Assets:						
Pooled Cash and Investments	$ 11,154,996	$ 19,276,527	$ 983,333	$ 4,582,259	$ 35,997,115	$ 5,932,034
Receivables:						
Customers (Net of Allowance for Uncollectible Accounts)	1,408,147	1,793,139	383,425	286,427	3,871,138	71,239
Due from Other Governments	-	-	-	10	10	-
Accrued Interest Receivable	7,226	1,202	32	131	8,591	170
Inventories, at Cost	1,642,585	403,969	-	-	2,046,554	-
Prepaid Items	1,806	1,806	-	-	3,612	-
Total Current Assets	14,214,760	21,476,643	1,366,790	4,868,827	41,927,020	6,003,443
Non-Current Assets:						
Restricted Assets:						
Pooled Cash and Investments:						
Debt Service and Unspent Proceeds	-	-	-	-	-	1,726,948
Customer Deposits	699,264	641,412	121,464	-	1,462,140	-
Sinking	-	923,635	-	-	923,635	-
Water Impact Fees	-	5,841,964	-	-	5,841,964	-
Wastewater Impact Fees	-	15,105,472	-	-	15,105,472	-
Total Restricted Assets	699,264	22,512,483	121,464	-	23,333,211	1,726,948
Account Receivable, Non-Current	-	-	-	28,144	28,144	-
Net Pension Asset	2,550	2,913	-	-	5,463	-
Capital Assets:						
Property, Plant and Equipment	22,391,590	91,971,258	75,605	14,701,355	129,139,808	27,359,527
Right to Use Buildings	-	-	-	-	-	349,129
Right to Use Equipment	1,515	10,606	-	-	12,121	-
(Accumulated Depreciation and Amortization)	(14,434,324)	(46,980,965)	(74,705)	(8,259,221)	(69,749,215)	(268,501)
Construction in Progress	1,854,076	5,747,648	-	1,106,323	8,708,047	-
Total Capital Assets - Cost Less Depreciation and Amortization	9,812,857	50,748,547	900	7,548,457	68,110,761	27,440,155
Total Non-Current Assets	10,514,671	73,263,943	122,364	7,576,601	91,477,579	29,167,103
Total Assets	24,729,431	94,740,586	1,489,154	12,445,428	133,404,599	35,170,546
Deferred Outflows						
Pension Related Deferred Outflow	34,135	39,012	-	-	73,147	-
OPEB Related Deferred Outflow	276,222	427,453	-	-	703,675	-
Total Deferred Outflows	310,357	466,465	-	-	776,822	-

Continued

See accompanying notes.

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025
(Concluded)

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds		Governmental Activities -
	Electric Utility Fund	**Water and Wastewater Fund**	**Sanitation Fund**	**Stormwater Utility Fund**	**Totals**	**Internal Service Funds**
Liabilities and Net Position						
Current Liabilities:						
Accounts Payable	$ 1,106,257	$ 1,386,665	$ 264,364	$ 16,663	$ 2,773,949	$ 804,062
Retainage Payable	902	67,117	-	-	68,019	-
Accrued Expenses	43,846	64,619	-	-	108,465	-
Due to Other Governments	111,570	12,005	-	-	123,575	-
Leases Payable	223	1,563	-	-	1,786	43,006
Bonds and Loans Payable	-	1,504,610	-	-	1,504,610	659,000
OPEB Liability	34,777	53,106	-	-	87,883	-
Compensated Absences	115,601	128,835	-	-	244,436	-
Customer Deposits	699,264	641,412	121,464	-	1,462,140	-
Over Recovery of Power Costs	3,195,357	-	-	-	3,195,357	-
Total Current Liabilities	5,307,797	3,859,932	385,828	16,663	9,570,220	1,506,068
Long-Term Liabilities:						
Leases Payable	347	2,430	-	-	2,777	157,280
Bonds Payable	-	11,541,796	-	-	11,541,796	17,954,276
Compensated Absences	205,768	312,882	-	-	518,650	-
OPEB Liability	817,109	1,409,885	-	-	2,226,994	-
Total Long-Term Liabilities	1,023,224	13,266,993	-	-	14,290,217	18,111,556
Total Liabilities	6,331,021	17,126,925	385,828	16,663	23,860,437	19,617,624
Deferred Inflows of Resources						
Pension Deferred Inflow	69,114	78,988	-	-	148,102	-
OPEB Deferred Inflow	395,298	546,777	-	-	942,075	-
Total Deferred Inflows of Resources	464,412	625,765	-	-	1,090,177	-
Net Position						
Net Investment in Capital Assets	9,759,102	36,710,131	900	7,536,615	54,006,748	8,943,914
Restricted for Capital Improvements	-	20,947,436	-	-	20,947,436	-
Restricted for Pension Asset	2,550	2,913	-	-	5,463	-
Restricted for Debt Service	-	923,635	-	-	923,635	400,000
Unrestricted	8,482,703	18,870,246	1,102,426	4,892,150	33,347,525	6,209,008
Total Net Position	$ 18,244,355	$ 77,454,361	$ 1,103,326	$ 12,428,765	$ 109,230,807	$ 15,552,922

See accompanying notes.

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds		Governmental Activities -
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Totals	Internal Service Funds
Operating Revenues						
Charges for Services	$ 11,437,370	$ 20,523,069	$ 3,620,585	$ 3,115,941	$ 38,696,965	$ 6,007,347
Miscellaneous Income	321,857	56,010	-	-	377,867	-
Total Operating Revenues	11,759,227	20,579,079	3,620,585	3,115,941	39,074,832	6,007,347
Operating Expenses						
Purchased Power	5,347,635	-	-	-	5,347,635	-
Plant Operations	-	3,857,135	-	-	3,857,135	-
Distribution and Collection	1,524,211	3,654,516	2,798,436	-	7,977,163	-
Administration and General	1,693,854	3,176,531	186,757	793,265	5,850,407	5,466,367
Depreciation and Amortization	685,765	2,700,380	200	302,244	3,688,589	122,255
Total Operating Expenses	(9,251,465)	(13,388,562)	(2,985,393)	(1,095,509)	(26,720,929)	(5,588,622)
Operating Income (Loss)	2,507,762	7,190,517	635,192	2,020,432	12,353,903	418,725
Non-Operating Revenues (Expenses)						
Investment Earnings	344,401	954,549	20,234	102,382	1,421,566	448,651
(Loss) on Asset Disposal	-	-	-	-	-	(215,654)
Interest Expense and Amortization of Debt Related Items	(441)	(240,815)	-	-	(241,256)	(602,529)
Total Non-Operating Revenues (Expenses)	343,960	713,734	20,234	102,382	1,180,310	(369,532)
Income (Loss) Before Capital Contributions and Transfers	2,851,722	7,904,251	655,426	2,122,814	13,534,213	49,193
Capital Contributions and Transfers						
Capital Contributions	803,553	6,790,827	-	20,350	7,614,730	-
Transfers in	-	-	-	-	-	694,800
Transfers (out)	(1,747,805)	(3,203,009)	-	(297,576)	(5,248,390)	-
Net Capital Contributions and Transfers	(944,252)	3,587,818	-	(277,226)	2,366,340	694,800
Change in Net Position	1,907,470	11,492,069	655,426	1,845,588	15,900,553	743,993
Net Position, Beginning of the Year	16,336,885	65,962,292	447,900	10,583,177	93,330,254	14,808,929
Net Position, End of Year	$ 18,244,355	$ 77,454,361	$ 1,103,326	$ 12,428,765	$ 109,230,807	$ 15,552,922

See accompanying notes.

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds		Governmental Activities -
	Electric Utility Fund	**Water and Wastewater Fund**	**Sanitation Fund**	**Stormwater Utility Fund**	**Totals**	**Internal Service Funds**
Cash Flows from Operating Activities						
Cash Received from Customers, Including Cash Deposits	$ 11,696,561	$ 20,083,504	$ 3,535,419	$ 3,267,241	$ 38,582,725	$ 5,937,641
Cash Paid to Suppliers	(6,566,160)	(8,061,094)	(2,950,429)	(866,024)	(18,443,707)	(7,267,714)
Cash Paid for Salaries and Administrative Costs	(1,757,868)	(2,818,192)	-	-	(4,576,060)	-
Net Cash Provided by (Used in) Operating Activities	3,372,533	9,204,218	584,990	2,401,217	15,562,958	(1,330,073)
Cash Flows from Non-Capital Financing Activities						
Transfers in	-	-	-	-	-	694,800
Transfers (out)	(1,747,805)	(3,203,009)	-	(297,576)	(5,248,390)	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	(1,747,805)	(3,203,009)	-	(297,576)	(5,248,390)	694,800
Cash Flows from Capital and Related Financing Activities						
Capital Contributions/Grants	789,401	-	-	-	789,401	-
Connection/Impact Fees	-	6,732,276	-	-	6,732,276	-
Property, Plant and Equipment Acquisitions	(3,588,361)	(1,931,795)	-	(474,704)	(5,994,860)	(15,223,128)
Proceeds from Debt	-	-	-	-	-	8,000,000
Principal Payments on Debt	(35,632)	(1,513,339)	-	-	(1,548,971)	(307,106)
Interest Paid	(441)	(240,815)	-	-	(241,256)	(602,529)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(2,835,033)	3,046,327	-	(474,704)	(263,410)	(8,132,763)
Cash Flows from Investing Activities						
Net Investment Activity	531,617	570,196	(8,986)	24,753	1,117,580	945,975
Total Cash Flows from Investing Activities	531,617	570,196	(8,986)	24,753	1,117,580	945,975
Net Increase (Decrease) in Cash and Cash Equivalents	(678,688)	9,617,732	576,004	1,653,690	11,168,738	(7,822,061)
Cash and Cash Equivalents, Beginning of Year	12,626,044	31,788,080	499,605	2,851,066	47,764,795	15,978,529
Revision to Cash and Cash Equivalents	(3,956,036)	(1,777,559)	(27,937)	(159,429)	(5,920,961)	(893,504)
Cash and Cash Equivalents, Beginning of Year - Revised	8,670,008	30,010,521	471,668	2,691,637	41,843,834	15,085,025
Cash and Cash Equivalents, End of Year	$ 7,991,320	$ 39,628,253	$ 1,047,672	$ 4,345,327	$ 53,012,572	$ 7,262,964
Cash and Cash Equivalents	$ 7,991,320	$ 39,628,253	$ 1,047,672	$ 4,345,327	$ 53,012,572	$ 7,262,964
Investments	3,862,940	2,160,757	57,125	236,932	6,317,754	396,018
Total Cash, Equivalents and Investments	$ 11,854,260	$ 41,789,010	$ 1,104,797	$ 4,582,259	$ 59,330,326	$ 7,658,982

Continued

See accompanying notes.

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Concluded)

	Business-Type Activities - Enterprise Funds					Governmental Activities -
	Electric Utility Fund	Water and Wastewater Fund	Sanitation Fund	Stormwater Utility Fund	Totals	Internal Service Funds
Shown in the Financial Statements as						
Pooled Cash and Investments	$ 11,154,996	$ 19,276,527	$ 983,333	$ 4,582,259	$ 35,997,115	$ 5,932,034
Non-Current Restricted Cash:						
Unspent Debt Proceeds	-	-	-	-	-	1,726,948
Customer Deposits	699,264	641,412	121,464	-	1,462,140	-
Sinking	-	923,635	-	-	923,635	-
Water Impact Fees	-	5,841,964	-	-	5,841,964	-
Wastewater Impact Fees	-	15,105,472	-	-	15,105,472	-
Total	$ 11,854,260	$ 41,789,010	$ 1,104,797	$ 4,582,259	$ 59,330,326	$ 7,658,982
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	$ 2,507,762	$ 7,190,517	$ 635,192	$ 2,020,432	$ 12,353,903	$ 418,725
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation and Amortization	685,765	2,700,380	200	302,244	3,688,589	122,255
Power Costs Recovered in Advance (Returned)	(595,083)	-	-	-	(595,083)	-
Pension and OPEB Related Costs	(115,169)	(154,095)	-	-	(269,264)	-
Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease):						
Accounts Receivable - Net	559,034	(524,942)	(88,937)	151,291	96,446	(69,706)
Inventories	(216,799)	18,242	-	-	(198,557)	-
Prepaid Items	1,806	3,444	-	-	5,250	4,385
Due from Other Governments	-	-	-	9	9	-
Accounts Payable and Accrued Liabilities	566,668	(40,426)	34,764	(72,759)	488,247	(1,805,732)
Due to Other Governments	5,836	1,092	-	-	6,928	-
Due to/from Other Funds					-	-
Compensated Absences	1,136	(19,361)	-	-	(18,225)	-
Customer Deposits	(28,423)	29,367	3,771	-	4,715	-
Total Adjustments	864,771	2,013,701	(50,202)	380,785	3,209,055	(1,748,798)
Net Cash Provided by (Used in) Operating Activities	$ 3,372,533	$ 9,204,218	$ 584,990	$ 2,401,217	$ 15,562,958	$ (1,330,073)
Noncash Investing, Capital and Financing Activities						
SBITA and leases entered into	$ -	$ 10,559	$ -	$ -	$ 10,559	$ -
Unpaid capital asset acquisition amounts in retainage and accounts payables	52,283	965,910	-	11,842	1,030,035	-

See accompanying notes.

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2025

Assets		
Cash and Other Short Term	$	107,252
Investments:		
Money Market Funds		1,356,528
Fixed Income Mutual Funds		12,699,927
Equities Mutual Funds		35,452,672
Real Estate Investment Trust		4,070,915
Total Investments		53,580,042
Total Assets		53,687,294
Liabilities - Payables		23,689
Net Position		
Restricted for Pensions	$	53,663,605

See accompanying notes.

CITY OF MOUNT DORA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Additions		
Contributions:		
Employee	$	406,862
Employer		1,148,674
State of Florida		440,698
Total Contributions		1,996,234
Investment Income:		
Investment Earnings		4,858,363
(Less Investment Management Fees)		(154,367)
Net Investment Income		4,703,996
Total Additions		6,700,230
Deductions		
Pension Benefit Payments and Refunds		2,921,101
General and Administrative		99,171
(Total Deductions)		(3,020,272)
Net Increase		3,679,958
Net Position, Beginning of Year		49,983,647
Net Position, End of Year	$	53,663,605

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

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 included 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 for the CRA are prepared and are available by contacting the City at 510 Baker St. Mt. Dora, FL 32757.

- **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 and fiduciary 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. Interfund services provided and used are not eliminated in the process of consolidation. 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, other postemployment benefit expenditures, pension related 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:

- **Governmental 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 **Fire Assessment Fee Fund** accounts for receipts and disbursements of the fire assessment fees which are restricted for fire protection.
  - The **Building Inspection Fund** accounts for the legally restricted revenues and expenditures of the building inspection program.
  - The **Other Capital Projects Fund** accounts for the intermittent resources that are restricted, committed or assigned for constructing multi-year public buildings and renovations.

- **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.

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

  - **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.
    - **Law Enforcement Trust Fund—**To account for the judicially confiscated forfeitures restricted for law enforcement expenditures.

- ► 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 **Impact Fees Fund** accounts for the receipts and disbursements of impact fees restricted for capital improvements for law enforcement, fire control, recreation, and libraries activities.

- ► The **Discretionary Sales Tax Fund** accounts for receipts and disbursements of the City's portion of the one percent Local Government Infrastructure Surtax. In November of 2015, this revenue source was renewed and began a new 15-year period beginning January 1, 2018 with a sunset date of December 31, 2032.

- ► The **Cemetery Fund** accounts for the operation and maintenance of the City owned cemetery.

● **Debt Service Funds** account for the proceeds of general long-term debt and payment of principal and interest payments.

- ► **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.

● **Internal Service Funds** account for the provision of goods and/or services to other City Departments on a cost reimbursement basis. The City has the following internal service funds.

- ► **Internal Service Fund – Warehouse and Vehicle Replacement Fund—**To account for the accumulation of funds for future vehicle replacements, related depreciation and charges for vehicle purchased under the replacement program, including vehicles acquired via financed purchases.

- ► **Insurance Fund—**To account for the cost of operating a self-funded healthcare coverage 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 the cost of pharmaceutical, hospital, doctor and other medical claims, as well as the cost of operating the City's Employee Health Clinic.

● **The Pension Trust Funds —**To account for the activities of the City's General Employees', 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 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 are prorated based upon the meter-reading dates.

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.

- ■ Budgetary controls are set at the fund level and the City Manager is authorized to transfer budgeted amount within any fund or department, but may not revise total fund expenditures without the approval of the City Council. The budgetary data presented agrees 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. For funds with a legally adopted budget (i.e., the governmental fund types), the level at which expenditures may not legally exceed the amount budgeted is the fund level. Appropriations lapse at the end of the year and are re-appropriated in the ensuing year's budget. Budgets are legally adopted for the governmental fund types and are adopted on a "pro forma" basis for the proprietary funds (enterprise funds and internal service 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, bond proceeds, and the electric fund rate stabilization account are held separately from those of other City funds. Investments, including pension funds, are stated at fair value - quoted market price or the best available estimate.

Receivables (Net)

Receivables include amounts due from utility customers, third-party collectors of taxes and miscellaneous sources. 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 $48,490 for the General Fund; $8 for the Building Fund; $21,529 for the Electric Utility Fund; $70,339 for the Water & Wastewater Fund; $4,555 for the Sanitation Fund; and $2,917 for the Stormwater Utility Fund as of September 30, 2025.

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 General Fund to the Community Redevelopment Funds to meet the City's tax increment funding 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 non-operating 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 30 are recorded as prepaid items. Prepaids are accounted for by use of the consumption method.

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, equipment and right to use intangible assets with initial, individual costs that equal or exceed $5,000 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 acquisition 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. 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 and amortized using the straight-line method over the following estimated useful life:

Plant, Buildings and Improvements	25-50 Years
Utility Line Extensions	30-50 Years
Machinery, Equipment, Intangibles 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

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered, (2) accumulates and is allowed to be carried over to subsequent periods, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements and split between current and long-term portions. 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.

Upon separation, all employees are paid out for their unused accumulated vacation time. 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 a 720-hour cap on the amount of sick leave that may be paid out. For Fire Union employees hired after 1/1/96, the sick leave accrual payout 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.

Deferred Inflows and Outflows of Resources

Deferred outflows of resources represent the consumption of net assets that is applicable to a future reporting period and will not be recognized as an outflow of resources until that future time. Deferred inflows of resources represent the acquisition of net assets that is applicable to a future reporting period and will not be recognized as an inflow of resources until that future time. Deferred outflows have a positive effect on net position, similar to assets, while deferred inflows have a negative effect on net position, similar to liabilities. The City reports pension and OPEB-related deferred inflows and outflows of resources. The City also reports deferred inflows of resources related to future lease revenues.

Fund Balance (Deficits)/Net Position Disclosure

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

- **Non-Spendable 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 Items 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.

    - **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.

    - **Building 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.

    - **Debt Service Fund—**This fund was established in accordance with bond covenants for the repayment of outstanding bonds and recording of interest and principal payments.

    - **Fire Special Assessment Fund—**These funds were assessed to provide fire protection.

  - **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.

  - **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 the spendable residual fund balance amount in the General Fund and deficits balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as needed.

The City updated the Fund Balance Policy with Resolution No. 2023-43. The policy established the following minimum reserve balance targets of the City's funds. These targets are based on current fiscal year operating expenditures and transfers out less non-recurring capital budgeted for the funds:

Fund	Minimum Percent
General	17%
Community Redevelopment Agency	25%
Northeast Community Redevelopment Agency	25%
Building Division	25%
Electric	17%
Water and Wastewater	17%
Sanitation	17%
Stormwater	17%
Self Insurance	33%

If, at the end of any fiscal year, the actual amount of Unassigned Fund Balance falls below the targeted levels set forth above, a plan is required to be established to achieve the target by adding a designated amount to cover the deficiency over a period not to exceed five fiscal years.

- **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.

  - **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 (a mill is $1 of taxes per $1,000 of taxable value). The millage rate assessed by the City for the fiscal year ended September 30, 2025, was 6.3000 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%

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 at any time for a five-year period beginning two years after the original issue of a tax certificate. 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 seven-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)

Budgets and Budgetary Accounting
The annual operating budget serves as legal authorization for expenditures and the proposed means of financing them. The 2024-25 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 on or before July 1. Within thirty-five days from that date, the City Council must advise the Property Appraiser of the proposed maximum 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 is required by state law to conduct a public hearing to adopt tentative millage rate(s) and budget. No sooner than two days and no later than twenty days following the first public hearing, a second public hearing be held to formally adopt the final millage rate(s) and budget.

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, 2025, the on-behalf payments to the City totaled $228,548 for the Police Officers' Retirement Plan and $212,150 for the Firefighters' Retirement Plan. Such payments are recorded as intergovernmental revenue and public safety expenditures.

Prior Period Revision
Certain immaterial revisions have been made to the 2024 financial statements to remove amounts related to pooled investments for cash flows presentation. These revisions did not have a significant impact on the financial statements as a whole.

Note 2 - <u>Cash and Investments</u>

Pooled Cash and Investments
The City maintains a cash and investment pool that carries all of the City's general cash and investments. Cash and investments for Pension Trust Funds, unspent bond proceeds, and the electric fund "rate stabilization account" are held separately from the City's general investments. Each fund's portion of the pool is displayed in the accompanying financial statements as "Pooled Cash and Investments." All cash and investments with an original maturity of 90 days or less within the pool are considered cash equivalents for the statement of cash flows.

Cash Deposits
As of September 30, 2025, 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.

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

Investments
The City's 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.
- Open or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940.

The 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 bank insured by FDIC.
- Obligations of the United States; State and local government bonds (as restricted).
- Corporate stocks and bonds (as restricted).
- Pooled funds including, but not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships, and private equity.

Fair Value
The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF MOUNT DORA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

City Investments

Type Investment	Fair Value	Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
City Investments by Fair Value Level				
Florida Municipal Investment Trust Fund	$ 5,649,084	$ -	$ 5,649,084	$ -
Total City Investments by Fair Value Level	5,649,084	$ -	$ 5,649,084	$ -
City Investments Measured at Amortized Cost				
Florida SAFE Stable NAV	27,591,850			
Florida PRIME	16,788,373			
Certificate of Deposits	4,000,000			
Money Market Accounts	9,670,908			
Total Investments Measured at Amortized Cost	58,051,131			
Total City Investments	$ 63,700,215			

The City's investments in government, agencies and corporate fixed income are high-quality bonds that are valued using a matrix pricing model (Level 2). Investments in money market accounts, and non-negotiable certificates of deposit are exempt from the GASB Statement No. 72, *Fair Value Measurement and Application*, fair value hierarchy disclosures per paragraph 69 of GASB 72, and are valued at the City's cost and any accrued interest on these investments. The City's investment in Florida PRIME and Florida SAFE are external investment pools that have adopted operating procedures consistent with the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, to measure its investments at amortized cost. Therefore, the City's investment in Florida PRIME and Florida SAFE are recorded at amortized cost.

Pension Investments

Type Investment	Fair Value	Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pension Investments by Fair Value Level				
Fixed Income Mutual Funds	$ 12,699,927	$ 12,699,927	$ -	$ -
Equities Mutual Funds	35,452,672	35,452,672	-	-
Total Pension Investments by Fair Value Level	48,152,599	$ 48,152,599	$ -	$ -
Pension Investments Measured at Net Asset Value (NAV)				
Real Estate Investment Trusts	4,070,915			
Total Investments Measured at NAV	4,070,915			
Pension Investments Measured at Amortized Cost				
Money Market Accounts	1,356,528			
Total Investments Measured at Amortized Cost	1,356,528			
Total Pension Investments	$ 53,580,042			

Investments in domestic and international stocks and mutual funds, which are deemed actively traded, are valued using quoted market prices at current exchange rates (Level 1). Real estate investment trusts are valued based on the net asset value (NAV) and are exempt from the GASB 72 fair value hierarchy. Investments in money market accounts are exempt from the GASB 72 fair value hierarchy disclosures per paragraph 69 of GASB 72, and are valued at amortized cost.

The following is a summary of pooled cash and investments held by the City as of September 30, 2025:

		Maturities			
Type	**Fair Value**	**1 Year or Less**	**1-5 Years**	**5-10 Years**	**10+ Years**
Florida Municipal Investment Trust Fund	$ 5,649,084	$ -	$ 5,649,084	$ -	$ -
Local Government Surplus Trust Fund	16,788,373	16,788,373			
FL SAFE Investment Trust Fund	27,591,850	27,591,850			
Money Market Funds	9,670,908	9,670,908			
Certificates of Deposits	4,000,000	2,500,000	1,500,000		
Total Investments	63,700,215				
Demand Deposits	60,027,055				
Petty Cash	30,933				
Total	$ 123,758,203				

The following is a summary of pension investments held by the City as of September 30, 2025:

		Maturities			
Type	**Fair Value**	**1 Year or Less**	**1-5 Years**	**5-10 Years**	**10+ Years**
Money Market Accounts	$ 1,356,528	$ 1,356,528	$ -	$ -	$ -
Fixed income Mutual funds	12,699,927	759,442	5,979,393	4,504,253	1,456,839
Equities Mutual funds	35,452,672				
Real Estate Investment Trust	4,070,915				
Total Investments	$ 53,580,042				

Interest Rate Risk—To mitigate interest rate risk, the City's 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, 90% have maturities of one year or less. The City's policy requires that individual securities have maturities no greater than five years and two months. The Local Government Surplus Funds Trust Fund (Florida Prime) had a weighted average maturity of 47 days as of September 30, 2025. The Florida Municipal Investment Trust 0-2 Year High Quality Bond Fund has 0.90 year weighted average maturity and the 1-3 Year High Quality Bond Fund has 1.90 year weighted average maturity. The FL SAFE Daily Liquidity Fund had a weighted average maturity of 38 days. 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, Florida Municipal Investment Trust 0-2 Year High Quality Bond Fund ($1,907,743) and the 1-3 Year High Quality Bond Fund ($3,741,341), which are AAAf/S1 and AAAf/S2 rated funds. The Local Government Surplus Funds Trust Fund (Florida Prime) is an AAAm money market fund, and FL SAFE is rated AAAm. 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 restrict bond investments to investment grade quality. The pension funds do not have any direct investments in fixed income securities.

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 an understanding of the City's Pooled Investment Policy, and provide a copy of their most recent audit report. The FL SAFE and Florida Municipal Investment Trust separately issued financial statements can be found at flsafe.org and floridaleagueofcities.com. All pension assets are held by a third party.

Concentration of Credit Risk—The City's Investment Policy requires that investments be diversified by security type, maturity and institution. The allocation limits and security types do not apply to the investment of debt proceeds which have been invested in the FL SAFE investment fund. A maximum of 100% of available funds may be invested in United States Government Securities and the State Board of Administration's Local Government Surplus Funds Trust Fund. A maximum of 50% of available funds may be invested in non-negotiable interest-bearing time certificates of deposit and money market funds. A maximum of 40% of available funds may be invested in intergovernmental investment pools. The Pension Investment Policies do not restrict individual investment concentrations. The Pension Fund investment policies restrict that not more than 5% of the plan's assets, at the time or purchase, shall be invested in the equities of one company, and restricts the value of bonds issued by any single corporation shall not exceed 3% of the total fund. At September 30, 2025, the three pension plans did not have any direct investments in equities or fixed income investments.

Investments in Entities that Calculate Net Asset Value Per Share

The fair values of investments in the pension trust funds are based on the investments' net asset value (NAV) per share (or its equivalent) of the City's ownership interest in the partners' capital. The real estate funds invest in a diversified real estate equity portfolio consisting primarily of high quality, well-leased real estate properties in multi-family, industrial, office, retail, and hotel sectors. Distributions from each fund will be received as the underlying investments of the funds are liquidated, which is expected to occur between 5 and 10 years. The individual investments that will be sold have not yet been determined. Because it is not probable that any specific individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the pension trust fund's ownership interest in partners' capital.

Note 3 - Capital Assets

Capital asset activity of governmental activities for the year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated / Amortized:				
Land and Improvements	$ 8,751,586	$ -	$ -	$ 8,751,586
Historical Art Collection	12,000	-	-	12,000
Construction in Progress	14,700,745	3,855,257	(12,961,173)	5,594,829
Total Capital Assets, Not Being Depreciated / Amortized	23,464,331	3,855,257	(12,961,173)	14,358,415
Capital Assets, Being Depreciated / Amortized:				
Buildings and Improvements	33,522,539	28,394,718	-	61,917,257
Infrastructure	42,135,412	600,197	-	42,735,609
Equipment, Furniture, Fixtures, and Vehicles	16,676,955	1,218,425	(1,567,674)	16,327,706
Media Collection	746,189	98,912	(146,183)	698,918
Right to Use Intangible Assets:				
Right to Use Software Subscriptions	295,582	56,026	(130,852)	220,756
Right to Use Leased Buildings	501,072	-	(151,943)	349,129
Right to Use Leased Equipment	93,974	75,696	-	169,670
Total Capital Assets, Being Depreciated / Amortized	93,971,723	30,443,974	(1,996,652)	122,419,045
Less Accumulated Depreciation/Amortization:				
Buildings and Improvements	(16,733,745)	(1,406,328)	-	(18,140,073)
Infrastructure	(22,679,599)	(1,412,794)	-	(24,092,393)
Equipment	(11,082,863)	(1,371,937)	1,463,584	(10,991,216)
Media Collection	(498,858)	(75,130)	146,183	(427,805)
Right to Use Intangible Assets:				
Right to Use Software Subscriptions	(190,093)	(123,617)	130,851	(182,859)
Right to Use Leased Buildings	(231,108)	(70,321)	147,151	(154,278)
Right to Use Leased Equipment	(78,735)	(27,613)	-	(106,348)
Total Accumulated Depreciation/Amortization	(51,495,001)	(4,487,740)	1,887,769	(54,094,972)
Total Capital Assets Being Depreciated / Amortized, Net	42,476,722	25,956,234	(108,883)	68,324,073
Governmental Activities Capital Assets, Net	$ 65,941,053	$ 29,811,491	$ (13,070,056)	$ 82,682,488

Depreciation and amortization expense was charged to the following functions/programs:

Depreciation and Amortization Expense – Governmental Activities	
General Government and Administration	$ 681,804
Public Safety	1,572,177
Transportation	692,171
Culture and Recreation	1,418,333
Capital Assets Held by the Internal Service	
Funds are Charged to the Various Functions:	
Based Upon Their Usage of the Assets	122,255
Total Depreciation and Amortization Expense – Governmental Activities	$ 4,487,740

Capital asset activity of business-type activities for the year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated / Amortized:				
Land	$ 7,713,847	$ -	$ -	$ 7,713,847
Construction in Progress	4,239,677	4,825,549	(357,179)	8,708,047
Total Capital Assets, Not Being Depreciated / Amortized	11,953,524	4,825,549	(357,179)	16,421,894
Capital Assets, Being Depreciated / Amortized:				
Buildings	19,381,572	-	-	19,381,572
Infrastructure	93,118,367	2,249,432	-	95,367,799
Equipment	6,276,083	650,807	(250,300)	6,676,590
Right to Use Intangible Assets:				
Right to Use Leased Buildings	354,534	25,324	(379,858)	-
Right to Use Leased Equipment	6,713	5,408	-	12,121
Total Capital Assets, Being Depreciated / Amortized	119,137,269	2,930,971	(630,158)	121,438,082
Less Accumulated Depreciation/Amortization:				
Buildings	(8,533,667)	(455,713)	-	(8,989,380)
Infrastructure	(53,280,596)	(2,862,922)	-	(56,143,518)
Equipment	(4,312,616)	(510,288)	214,183	(4,608,721)
Right to Use Intangible Assets:				
Right to Use Leased Buildings	(287,449)	(92,409)	379,858	-
Right to Use Leased Equipment	(5,622)	(1,974)	-	(7,596)
Total Accumulated Depreciation/Amortization	(66,419,950)	(3,923,306)	594,041	(69,749,215)
Total Capital Assets Being Depreciated / Amortized, Net	52,717,319	(992,335)	(36,117)	51,688,867
Business-Type Activities Capital Assets, Net	$ 64,670,843	$ 3,833,214	$ (393,296)	$ 68,110,761

Depreciation and amortization expense was charged to the following functions/programs:

Depreciation and Amortization Expense – Business-Type	
Electric Utility	$ 685,765
Water and Wastewater Utility	2,700,380
Sanitation	200
Stormwater Utility	302,244
Total Depreciation and Amortization Expense – Business-Type	**$ 3,688,589**

Note 4 - Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities					
Revenue Bonds and Notes:					
CRA Revenue Bond, 2013 (Direct Placement	$ 748,000	$ -	$ (181,000)	$ 567,000	$ 185,000
Capital Improvement					
Revenue Note, 2018 (Direct Borrowing)	810,000	-	(190,000)	620,000	200,000
Redevelopment Revenue Note, Series 2025		6,081,000		6,081,000	
Fire Protection Assessment					
Revenue Bonds, Series 2018	18,805,000	-	(455,000)	18,350,000	475,000
Premium	247,379	-	(67,582)	179,797	-
Discount	(220,583)	-	7,519	(213,064)	-
Capital Improvement Revenue					
Bonds, Series 2018	11,000,000	-	(260,000)	10,740,000	270,000
Premium	40,051	-	(12,962)	27,089	-
Discount	(158,504)	-	4,691	(153,813)	-
Non-Ad Valorem Revenue Note, Series 2024	-	8,000,000	-	8,000,000	389,000
Total Revenue Bonds and Notes	31,271,343	14,081,000	(1,154,334)	44,198,009	1,519,000
Leases Payable	285,777	75,696	(97,309)	264,164	68,009
SBITAs Payable	69,534	56,026	(103,315)	22,245	22,245
Financed Purchases:					
Police Radios	244,914	-	(59,402)	185,512	60,501
Other Liabilities:					
Compensated Absences	2,922,832	-	(209,546)	2,713,286	867,332
Net Pension Liability	4,234,737	-	(3,717,167)	517,570	-
OPEB Liability	5,134,207	2,451,027		7,585,234	382,081
Total Other Liabilities	12,291,776	2,451,027	(3,926,713)	10,816,090	1,249,413
Governmental Activity					
Long-Term Liabilities	**$ 44,163,344**	**$ 16,663,749**	**$ (5,341,073)**	**$ 55,486,020**	**$ 2,919,168**

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-Type Activities					
Revenue Bonds:					
2014 Serial Bonds (Direct Placement)	$ 5,388,000	$ -	$ (1,016,000)	$ 4,372,000	$ 1,046,000
WW351440 SRF Loan (Direct Borrowing)	1,418,936	-	(96,177)	1,322,759	96,948
DW351450 SRF Loan (Direct Borrowing)	1,179,598	-	(77,793)	1,101,805	78,740
WW351490 SRF Loan (Direct Borrowing)	1,723,266	-	(102,861)	1,620,405	103,954
DW3514A0 SRF Loan (Direct Borrowing)	1,437,031	-	(75,992)	1,361,039	76,990
WW351470 SRF Loan (Direct Borrowing)	1,869,303	-	(100,906)	1,768,397	101,978
Note Payable - LCBOCC	1,500,000	-	-	1,500,000	-
Total Revenue Bonds	14,516,134	-	(1,469,729)	13,046,405	1,504,610
Leases Payable	73,247	10,559	(79,242)	4,564	1,786
Other Liabilities:					
Compensated Absences	781,311	-	(18,225)	763,086	244,436
Net Pension Liability	583,426	-	(583,426)	-	-
OPEB Liability	1,751,481	563,396	-	2,314,877	87,883
Total Other Liabilities	3,116,218	563,396	(601,651)	3,077,963	332,319
Total Business-Type Activities	$ 17,705,599	$ 573,955	$ (2,150,622)	$ 16,128,932	$ 1,838,715

Other Liabilities

Net pension liabilities are generally liquidated with resources from the fund that created the liability. Total Other Post 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. The change in compensated absences for the year is reported net.

Non-Ad Valorem Revenue Note, Series 2024

In 2025, the City issued Non-Ad Valorem Revenue Note, Series 2024 (Revenue Note 2024) through a direct placement in the amount of $8,000,000, with a fixed interest rate of 4.26% and maturity at November 01, 2039. The proceeds are to be used for construction of a public works facility. The Revenue Note 2024 is payable from a secured lien and pledge of non-ad valorem revenues. Principal and interest for the current year was $150,520. At year-end, pledged future revenues totaled $10,825,402, which was equal to the amount of the remaining principal and interest on the note. Annual principal and interest on the note is expected to require approximately 9.6% of such revenue.

NECRA Redevelopment Revenue Note, Series 2025

In 2025, the City issued NECRA Redevelopment Revenue Note, Series 2025 (Redevelopment Note 2025) through a direct borrowing in the amount of $6,081,000, with a variable interest rate (4.10% at time of closing) and maturity at September 30, 2028. The proceeds are to be used to construct a community resource and recreation center. The Redevelopment Note 2025 is payable from a secured lien and pledge of the Northeast increment revenues. Interest for current year was $897 and future pledged revenues total $6,143,733. Annual principal and interest on the note is expected to require approximately 9.4% of such revenue.

CRA Redevelopment Revenue Note, Series 2013

In May 2013, the City issued CRA Redevelopment Revenue Note, Series 2013, (Series 2013 Note) through a direct borrowing 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 Note is expected to require approximately 19.2% of such tax revenue and are payable through July 1, 2028. Principal and interest for the current year was $196,255. At year-end, pledged future revenues totaled $588,722, 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.

Capital Improvement Revenue Note, Series 2018
In August 2018, the City authorized Series 2018, Capital Improvement Revenue Note through a direct borrowing in the amount not to exceed $4,000,000. The proceeds are to be used for financing the acquisition and improvement of surface lot parking projects. The note is a draw-down note. Proceeds of the 2018 Note may be drawn by the City on a monthly basis in minimum amounts of $100,000 during the initial eighteen months of the 2018 Note. The City made an initial draw of $865,000 on the date of issuance of the 2018 Note. During fiscal year 2020, the City made a second draw of $650,000. The Series 2018 Note is payable from Non-Ad Valorem revenues budgeted and appropriated by the City for the purposes of payment of the debt service on the Series 2018 Note. The total principal and interest paid in the current year was $218,998 with an estimated final maturity date of September 30, 2028. The interest rate is fixed at 3.58% for the term of the loan. At year-end, pledged future revenues totaled $644,929, which was equal to the amount of the remaining principal and interest on the note. Annual principal and interest on the Note is expected to require approximately 49.6% of such revenue.

Capital Improvement Revenue Bonds, Series 2018
In November 2018, the City issued the Capital Improvement Revenue Bonds, Series 2018 in the amount of $12,160,000. The issuance consists of $3,935,000 of serial bonds with maturities beginning November 1, 2019 through November 1, 2032 at a fixed interest rate of 4% and $8,225,000 of term bonds with maturity dates of November 1, 2035, November 1, 2038, November 1, 2043, and November 1, 2048 at a fixed rate of 4%. The Series 2018 bonds are payable from Non-Ad Valorem revenues budgeted and appropriated by the City for the purposes of payment of the debt service on the Series 2018 Bonds. The proceeds of the bonds are to be used to construct a public works building and for other municipal capital improvements as approved by the City Council. The Series 2018 Bonds maturing on or before November 1, 2028 are not subject to redemption prior to maturity. The Series 2018 Bonds maturing after November 1, 2028 are subject to redemption prior to their stated dates of maturity at the option of the City in whole or part, from such maturities selected by the City on November 1, 2028 or any date thereafter, at a redemption price equal to 100% of the principal amount and accrued interest to the date fixed for redemption and without premium. The Series 2018 (Term) Bonds maturing on November 1, 2035, 2038, 2043, and 2048 have mandatory redemptions beginning in 2033 and ending in 2043. The total principal and interest paid in the current year was $694,800. Annual principal and interest on the Bonds are expected to require approximately 6.0% of such revenue.

Fire Protection Assessment Revenue Bonds, Series 2018
In November 2018, the City issued the Fire Protection Assessment Revenue Bonds, Series 2018 in the amount of $21,740,000. The issuance consists of $7,885,000 of serial bonds with maturities beginning May 1, 2019 through May 1, 2033 at fixed interest rates of 2.50% to 5.00% and $13,855,000 of term bonds with maturity dates of May 1, 2035, May 1, 2038, May 1, 2043, and May 1, 2048 at a fixed rates of 3.75% to 4.00%. The Series 2018 bonds are payable from and secured by a pledge of Fire Protection Special Assessment revenues. The proceeds of the bonds are to be used to construct three new fire station facilities and related capital improvements. The Series 2018 Bonds maturing on or before May 1, 2028 are not subject to redemption prior to maturity.

The Series 2018 Bonds maturing after May 1, 2028 are subject to redemption prior to their stated dates of maturity at the option of the City in whole or part, from such maturities selected by the City on May 1, 2028 or any date thereafter, at a redemption price equal to 100% of the principal amount and accrued interest to the date fixed for redemption and without premium. The Series 2018 (Term) Bonds maturing on May 1, 2035, 2038, 2043, and 2048 have mandatory redemptions beginning in 2033 and ending in 2043 Annual principal and interest on the bonds are expected to require approximately 60.2% of such revenue and are payable through May 1, 2048. Principal and interest for the current year was $1,243,863. At year-end, pledged future revenues totaled $28,647,463, which was equal to the amount of the remaining principal and interest on the bonds. There was no Federal arbitrage liability due on these bonds at year-end.

Utility Bonds
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. Annual principal and interest on the bonds are expected to require approximately 15.2% of such revenue and are payable through October 1, 2029. Principal and interest for the current year was $1,174,946. At year-end, pledged future revenues totaled $4,699,096, which was equal to the amount of the remaining principal and interest on the bonds. There was no Federal arbitrage liability due on these bonds at year-end.

State Revolving Fund Loans – Florida Department of Environmental Protection

Clean Water – WW351440
During 2017, the City authorized a State Revolving Fund Loan (WW351440) through a direct borrowing to finance construction costs to construct wastewater collection, transmission and reuse transmission facilities as part of the approved U.S. 441/State Route 46 Intersection Utilities Line Location. The final principal amount of the loan is $1,981,087. Principal and Interest payments are due semiannually beginning on October 15, 2018 and semiannually thereafter on April 15 and October 15 of each year until April 15, 2038. Interest is payable at a rate of 0.80%. Net Water, Sewer, and Reclaimed Water revenues are pledged as collateral for the loan. These pledged revenues are subordinate to the Water and Sewer Revenue Bonds, Series 2014. Annual principal and interest on the loan is expected to require approximately 4.7% of such revenue and are payable through April 15, 2038. At year-end, pledged future revenue totaled $1,395,375, which was equal to the current amount of principal and interest remaining on the loan.

Drinking Water – DW351450
During 2017, the City authorized a State Revolving Fund Loan (DW351450) through a direct borrowing to finance construction costs to construct water line improvements as part of the approved State Route 46 Utilities Extension. The final principal amount of the loan is $1,591,757. Principal and Interest payments are due semiannually beginning on October 15, 2018 and semi-annually thereafter on April 15 and October 15 of each year until April 15, 2038. Interest is payable at a rate of 1.21%. Net Water, Sewer, and Reclaimed Water revenues are pledged as collateral for the loan. These pledged revenues are subordinate to the Water and Sewer Revenue Bonds, Series 2014. Annual principal and interest on the loan is expected to require approximately 4.7% of such revenue and are payable through April 15, 2038. At year-end, pledged future revenue totaled $1,194,320, which was equal to the amount of principal and interest remaining on the loan.

Clean Water – WW351490
During 2019, the City received a State Revolving Fund Loan (WW351490) through a direct borrowing with a maximum loan amount of $2,371,690 to finance construction costs related to the Mount Dora Apopka Reclaimed Water Interconnect. The City received $1,397,136 of proceeds during fiscal year 2019 and drew down $741,690 during fiscal year 2020 for a total of $2,138,826. Principal and Interest payments are due semiannually beginning on June 15, 2020 and semiannually thereafter on June 15 and December 15 of each year until December 15, 2039. Interest is payable at a rate of 1.06%. Net Water, Sewer, and Reclaimed Water revenues are pledged as collateral for the loan. These pledged revenues are subordinate to the Water and Sewer Revenue Bonds, Series 2014. Annual principal and interest on the bonds are expected to require approximately 4.2% of such revenue and are payable through fiscal year 2040. At year-end, pledged future revenue totaled $1,752,405 which was equal to the amount of principal and interest remaining on the loan.

Clean Water – WW351470
During 2018, the City executed a State Revolving Fund Loan (CW351470) through a direct borrowing with a maximum loan amount of $2,727,681 to finance construction costs related to the City of Mount Dora US 441 Utility Relocation Project. The City received $669,341 of proceeds during fiscal year 2020 and drew down $989,380 during fiscal year 2021 and $477,098 during fiscal year 2022. Principal and Interest payments will be due semiannually beginning on May 15, 2021 and semiannually thereafter on June 15 and December 15 of each year until May 15, 2041. Interest will be payable at a rate of 1.06%. Net Water, Sewer, and Reclaimed Water revenues are pledged as collateral for the loan. These pledged revenues are subordinate to the Water and Sewer Revenue Bonds, Series 2014. Once the loan is fully drawn down expected principal to be repaid is $2,727,681. Annual principal and interest on the bonds are expected to require approximately 3.8% of such revenue and are payable through May 15, 2041. At year-end, pledged future revenue totaled $1,927,265 which was equal to the amount of principal and interest remaining on the loan.

Drinking Water – DW3514A0
During 2019, the City executed a State Revolving Fund Loan (DW3514A0) through a direct borrowing with a maximum loan amount of $1,662,973 to finance construction costs related to the City of Mount Dora US 441 Utility Relocation Project. The City received $615,567 of proceeds during fiscal year 2020, drew down $527,513 in fiscal year 2021, and drew down $486,901 in fiscal year 2022. Principal and Interest payments will be due semiannually beginning on June 15, 2021 and semiannually thereafter on June 15 and December 15 of each year until May 15, 2041. Interest will be payable at a rate of 1.31%. Net Water, Sewer, and Reclaimed Water revenues are pledged as collateral for the loan. These pledged revenues are subordinate to the Water and Sewer Revenue Bonds, Series 2014. Once the loan is fully drawn down expected principal to be repaid is $1,662,973. Annual principal and interest on the bonds are expected to require approximately 3.8% of such revenue and are payable through May 15, 2041. At year-end, pledged future revenue totaled $1,513,092 which was equal to the amount of principal and interest remaining on the loan.

Note Payable - Lake County
The City entered into a joint participation agreement with Lake County Board of County Commissioners. The joint participation agreement was for completion of Utility related improvements in the Wolf Branch Innovation District. This note payable has a 10-year term. The City has opted to repay the balance at the end of the 10 years and payable in 2029. The balance of the loan at fiscal year-end is $1,500,000.

Default Provisions
The outstanding notes from direct borrowings and direct placements contain provisions (as noted in bond resolutions) that in an event of default, may require the entire unpaid principal and interest amounts to become immediately due, acceleration of principal and interest payments, or other remedies as determined by a court.

The following is a schedule of bonds and notes outstanding at September 30, 2025:

Description of the Bonds	Purpose of the Issue	Amount Issued	Amount Outstanding	Interest Rate
Governmental Activities				
Revenue Bonds and Notes:				
CRA Revenue Note, Series 2013	Improvements	$ 2,500,000	$ 567,000	2.17%
Capital Improvement Revenue Note 2018	Improvements	1,515,000	620,000	3.58%
Redevelopment Revenue Note 2025	Improvements	6,081,000	6,081,000	variable
Capital Improvement Revenue Note 2024	Improvements	8,000,000	8,000,000	4.26%
Fire Protection Assessment Revenue Bonds, Series 2018	Improvements	21,740,000	18,350,000	2.50% -5.00%
Capital Improvement Revenue Bonds, Series 2018	Improvements	12,160,000	10,740,000	4.00%
Total Bonds		51,996,000	44,358,000	
Financed Purchases:				
Lake County BOCC	Police Radios	511,460	185,512	N/A
Total Governmental Activities		$ 52,507,460	$ 44,543,512	

Description of the Bonds	Purpose of the Issue	Amount Issued	Amount Outstanding	Interest Rate
Business-Type Activities				
Revenue Bonds:				
Utility Revenue Bonds,				
Series 2014	Improvements	$ 7,560,000	$ 4,372,000	2.95%
WW351440 SRF Loan	Improvements	1,981,087	1,322,759	1.21%
DW351450 SRF Loan	Improvements	1,591,757	1,101,805	1.21%
DW351490 SRF Loan	Improvements	2,138,826	1,620,405	1.06%
WW351470 SRF Loan	Improvements	2,143,075	1,768,397	1.06%
DW3514A0 SRF Loan	Improvements	1,629,981	1,361,039	1.31%
Lake County BOCC	Job Growth Grant	1,500,000	1,500,000	0.00%
Total Business-Type Activities		$ 18,544,726	$ 13,046,405	

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

Year Ending September 30,	Direct Borrowing Governmental-Type Activities Principal	Interest	Bonds Governmental-Type Activities Principal	Interest
2026	$ 774,000	$ 428,749	$ 745,000	$ 1,194,863
2027	800,000	337,886	780,000	1,164,763
2028	832,000	308,745	815,000	1,128,413
2029	442,000	279,456	850,000	1,090,413
2030	6,542,000	260,222	890,000	1,050,663
2031-2035	2,627,000	981,696	5,110,000	4,597,350
2036-2040	3,251,000	358,032	6,255,000	3,455,200
2041-2045	-	0	7,615,000	2,090,300
2046-2049	-	0	6,030,000	491,500
Total	$ 15,268,000	$ 2,954,787	$29,090,000	$16,263,463

Year Ending September 30,	Direct Borrowing Business-Type Activities Principal	Interest	Bonds Business-Type Activities Principal	Interest
2026	458,610	76,475	1,046,000	128,974
2027	463,546	71,539	1,077,000	98,117
2028	468,537	66,549	1,108,000	66,346
2029	1,973,581	61,503	1,141,000	33,660
2030	478,683	56,402	-	-
2031-2035	2,471,928	203,498	-	-
2036-2040	2,146,369	70,215	-	-
2041	213,150	1,872	-	-
Total	$ 8,674,405	$ 608,052	$ 4,372,000	$ 327,096

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 April 2017, the City authorized the issuance of $6,250,000 of conduit bonds under the authority of the Florida Statues, Part II Chapter 159 for Christian Home and Bible School, Inc., who is solely responsible for the debt, issuance costs and all debt payments. The 2017 bonds issued have a final maturity on May 3, 2027. There was $4,747,457 outstanding as of September 30, 2025.

Financed Purchases, Leases Payable, and SBITAs Payable

Financed Purchases

The City entered into a finance purchase agreement for financing police radio equipment with Lake County Board of County Commissioners. The assets acquired through the police radio equipment financing total $469,800. The future debt service for financed purchases as of September 30, 2025, is as follows:

Year Ending September 30,	Principal	Interest
2026	$ 60,501	$ 3,432
2027	61,620	2,313
2028	63,392	541
Total	185,512	6,286

Leases Payable

The City enters into noncancelable lease agreements for the right to use land, buildings and equipment throughout its operations. When the City is the lessee, the contracts result in recognition of a right-to-use intangible asset that is offset by a corresponding lease liability. Lease intangible assets are reported with capital assets and lease payables are reported with long term liabilities on the government-wide and proprietary fund financial statements. At commencement of a lease when the City is the lessee, the City initially measures the lease liability at present value of total payments over the lease term. The lease asset is measured as the value of the lease liability, adjusted for any prepayments, plus certain initial direct costs. Estimates and judgments are sometimes made when determining the discount rate and overall lease term. The City monitors its leases for significant changes in circumstances that warrant a remeasurement of the lease liability and associated intangible asset.

The City is the lessee of land, buildings and equipment in several departments. The City has three leases for land, buildings and equipment with monthly rental payments ranging from $30,648 to $104,495 and interest ranging from 2.872% to 3.774%. The leases run through 2029. The City had $75,696 in lease modifications for governmental activities. The City's leases payable at September 30, 2025 is $264,164 for governmental activities and $4,564 for business-type activities.

Future debt service payments at September 30 are as follows:

Year Ending September 30,	Governmental-Type Activities Principal	Interest
2026	$ 68,009	$ 8,435
2027	73,220	6,220
2028	65,452	3,908
2029	57,483	1,988
Total	$ 264,164	$ 20,551

Year Ending September 30,	Business-Type Activities Principal	Interest
2026	$ 1,786	$ 108
2027	1,838	56
2028	940	8
Total	$ 4,564	$ 172

SBITAs Payable

The City enters into noncancelable subscription agreements for the right to use software throughout its operations. The contracts result in recognition of a right-to-use intangible asset that is offset by a corresponding SBITA liability. SBITA intangible assets are reported with capital assets and SBITA payables are reported with long term liabilities on the government-wide financial statements. At commencement of a SBITA, the City initially measures the SBITA liability at present value of total payments over the subscription term. The SBITA asset is measured as the value of the SBITA liability, adjusted for any prepayments, plus certain initial implementation costs. Estimates and judgments are sometimes made when determining the discount rate and overall SBITA term. The City monitors its SBITAs for significant changes in circumstances that warrant a remeasurement of the SBITA liability and associated intangible asset.

The City has several subscriptions with mostly fixed annual payments. The subscriptions run through 2026. The City had $56,026 in SBITA modifications for governmental activities. The City's SBITAs payable at September 30, 2025 is $22,245 for governmental activities.

Future debt service payments at September 30 are as follows:

Year Ending September 30,	Governmental-Type Activities Principal	Interest
2026	$ 22,245	$ 808

Note 5 - Interfund Balances and Transfers

Interfund balances at September 30, 2025, are as follows:

Receivable Funds	Payable Fund	Amount
General Fund	Impact Fees Fund	$ 18,982

In 2010, the City Council passed Resolution 2010-16, which authorized long-term interfund loans from the General Fund to the Impact Fees Fund.

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NOTES TO FINANCIAL STATEMENTS

Interfund transfers during 2024-25 were made as follows:

Fund	Transfers in	Transfers (out)
Major Funds		
General Fund	$ 5,198,700	$ 2,651,578
Building Inspection Fund	-	1,027,582
Fire Assessment Fund	-	2,130,753
Other Capital Projects	6,692,375	-
Electric Utility Fund	-	1,747,805
Water and Wastewater Utility Fund	-	3,203,009
Stormwater Utility Fund	-	297,576
Non-Major Funds		
Special Revenue Funds	1,737,058	4,507,494
Debt Service Fund	1,242,864	-
Internal Service Funds	694,800	-
Total	$ 15,565,797	$ 15,565,797

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. The NECRA transferred money to the debt service fund to cover debt service. The Capital Projects Fund received transfers from the Fire Assessment and other Special Revenue funds to cover the costs of City construction projects.

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

In March 2020, the Council approved an all-requirements purchase agreement with the Orlando Utilities Commission for the purchase of power for the City's electric utility. The agreement was effective on January 1, 2021 and is set to run until January 1, 2028.

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 20% of the current sanitation rate billed per month for each customer 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 Postemployment Benefits

The City provides, through annual City Council appropriation, for eligible retirees and dependents. The Plan is a single employer plan and postemployment benefits are funded for by the general and enterprise funds on a "pay-as-you-go" basis. Stand-alone financial reports are not issued. 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.

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 participation 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Membership Information

The following table provides a summary of the number of participants in the plan as of September 30, 2024 (the latest valuation date).

Active Participants	206
Retirees, Beneficiaries, and Disabled Members	54
Total Plan Members	260

Total OPEB Liability – The City's Total OPEB Liability was measured as of September 30, 2024. The City's total OPEB liability as of September 30, 2025 (reporting date) was $9,900,111.

Changes in the Total OPEB Liability

Total OPEB Liability,	
Beginning of Year	$ 6,885,688
Service Cost	151,758
Interest on Total OPEB Liability	316,251
Difference Between Expected and Actual Experience	(641,851)
Changes of Assumptions and Other Inputs	3,602,211
Benefit Payments	(413,946)
Net Change in Total OPEB Liability	3,014,423
Total OPEB Liability, End of Year	$ 9,900,111

Changes of Assumptions

The changes of assumptions reflect a change in the discount rate from 4.63% for the reporting period ended September 30, 2024, to 3.81% for the reporting period ended September 30, 2025.

The mortality rates were those used in the July 1, 2024 actuarial valuation of the Florida Retirement System (FRS). Mortality assumptions were developed in a statewide experience study conducted by the FRS covering the period 2018 through 2023. For more information regarding these rates, refer to the July 1, 2024 actuarial valuation of the Florida Retirement System.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following table presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 2.81%	Current Discount Rate 3.81%	1% Increase 4.81%
Total OPEB Liability	$ 11,179,829	$ 9,900,111	$ 8,844,656

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	$ 8,824,575	$ 9,900,111	$ 11,200,195

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the fiscal year ended September 30, 2025, the City recognized OPEB expense of $(335,535). At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 802,600
Changes of Assumptions	3,188,580	3,984,670
Benefits Paid After Measurement Date	469,964	-
Total	$ 3,658,544	$ 4,787,270

Of the total amount reported as deferred outflows of resources related to OPEB, $469,964 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended September 30, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Amount
2026	$ (1,020,262)
2027	(762,414)
2028	(397,264)
2029	(86,151)
2030	439,680
Thereafter	227,721
Total	$ (1,598,690)

Actuarial Methods and Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	September 30, 2024
Measurement Date:	September 30, 2024
Reporting Date:	September 30, 2025
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.50%
Discount Rate:	3.81%
Projected Salary Increases:	5.50%-12.50%
Retirement Age:	Retirement ages follow the pension plan retirement ages as described in Note 11.
Mortality:	Mortality rates are the same as used in the July 1, 2024 actuarial valuation of the Florida Retirement System. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2021. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2018 through 2023.

Discount Rate
Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.81%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Services' Aa2 rating and Standard & Poor's AA.

COMPONENTS OF OPEB EXPENSE
(For the Year Ended September 30, 2025)

	Total OPEB Liability	Deferred Inflows	Deferred Outflows	OPEB Expense
Beginning Balance	$ 6,885,688	$ 5,773,927	$ 825,279	$ -
Employer Contributions Made After September 30, 2024	-	-	469,964	-
Total OPEB Liability Factors				
Service Cost	151,758	-	-	151,758
Interest	316,251	-	-	316,251
Changes in Benefit Terms				
Differences Between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	(641,851)	641,851	-	-
Current Year Amortization of Experience Difference	-	(170,828)	-	(170,828)
Change in Assumptions About Future Economic or Demographic Factors or Other Inputs	3,602,211	-	3,602,211	-
Current Year Amortization of Change in Assumptions	-	(1,457,680)	(824,964)	(632,716)
Benefit Payments	(413,946)	-	(413,946)	-
Net Change	3,014,423	(986,657)	2,833,265	(335,535)
Ending Balance	$ 9,900,111	$ 4,787,270	$ 3,658,544	$ (335,535)

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
- Property
- Automobile
- Police Professional
- Fire Legal Liability
- Boiler and Machinery Liability
- Pollution Liability
- Accidental Death and Dismemberment
- Group Health (Partially Self-insured)
- Employee Dishonesty
- Emergency Medical Treatment

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 individual's 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 and offset by any estimated recovery 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 $90,000, while aggregate covers total claims in excess of $1,000,000.

	September 30, 2025	September 30, 2024
Unpaid Claims, Beginning of Fiscal Year	$ 239,000	$ 239,000
Incurred Claims (Including IBNRs)	2,865,000	2,660,000
Claims Payments	(2,865,000)	(2,660,000)
Unpaid Claims, End of Fiscal Year	$ 239,000	$ 239,000

Note 11 - 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 and most full-time General Employees hired before October 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, 2023, the date of the latest actuarial valuation:

	General Employees	Police Officers	Firefighters	Total
Retirees and Beneficiaries receiving Benefits	90	26	21	137
Inactive, Non-Retired (including, members with frozen benefits)	42	18	-	60
Active Plan Members with continuing benefit Accruals	2	31	26	59

- **General Employees' Retirement Plan**
  - **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 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) continued 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 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. For the year ended September 30, 2025, the City contributed $243,824.

  - **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, 2025:

Asset 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%

***Concentration of Credit Risk*—**See Note 2

***Rate of Return*—**For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.28 percent.

- **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 7.55% of their annual covered salary. The State of Florida collects and remits proceeds from a 1% excise tax levied on insurance premiums within the City limits. The City contributes the proceeds from the State and an additional amount equal to the actuarially-determined amount each year. The State contribution is recognized when received, which was $228,548 for fiscal year 2025, and the City contributed $443,065.

  - **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, 2025:

Asset 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%

***Concentration of Credit Risk*—**See Note 2

***Rate of Return*—**For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.12 percent.

- **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 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 6.99% 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 $212,150 for fiscal year 2025, and the City contributed $461,785.

  - **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, 2025:

Asset 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%

Concentration of Credit Risk—See Note 2

Rate of Return—For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.74 percent.

CITY OF MOUNT DORA, FLORIDA
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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. There were no current participants in the GERP, PORP or FRP.

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*	2023 General Employees'	2023 Police Officers'	2023 Firefighters'
Actuarial Valuation Method - Frozen Initial Liability (F.I.L.)	F.I.L.	Aggregate	Aggregate
Discount Rate	6.25%	7.00%	7.00%
Rate of Return	6.25%	7.00%	7.00%
Projected Salary Increase	6.00%	6.00%-12.5%	5.50%
Inflation Rate	2.50%	2.50%	2.50%
Cost-of-living Adjustment	N/A	N/A	N/A
Mortality Table	PUB-2010	PUB-2010	PUB-2010

*Actuarial valuation date of October 1, 2023 rolled forward to September 30, 2024.

As permitted by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the City elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2024, one-year prior measurement date. The actuarial value of assets was determined using a five-year smoothed fair value for all three 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, 2020, is nine years for the GERP and is closed. 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 the 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.

The total net pension liability of $517,570 and net pension asset of $1,230,869 reported at September 30, 2025 is as follows:

Net Pension Liability

(As of September 30, 2024 measurement date)

	General Employees'	Police Officers'	Firefighters'
Plan's Pension Liability	$ 17,773,440	$ 17,390,490	$ 14,101,722
Plan's Fiduciary Net Position	17,791,644	18,603,155	13,584,152
City's Net Pension Liability (Asset)	$ (18,204)	$ (1,212,665)	$ 517,570
Plan's Fiduciary Net Position as Percentage of the Total Pension Liability	100.10%	106.97%	96.33%

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, 2023.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Single Discount Rate Assumption

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
General Employees' Pension	$ 1,717,676	$ (18,204)	$ (1,491,844)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Police Officers' Pension	$ 1,073,675	$ (1,212,665)	$ (3,113,780)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Firefighter's Pension	$ 2,355,158	$ 517,570	$ (1,002,461)

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

For the year ended September 30, 2025, the City reported deferred outflow of resources and deferred inflows of resources to the pension plans from the following sources as follows:

	General Employees'	Police Officers'	Firefighters'	Total
Deferred Outflows				
Net Difference Between Projected and Actual Earnings on Plan Investments	$ -	$ -	$ -	$ -
Difference Between Expected and Actual Experience	-	-	323,025	323,025
Contribution to Pension Plan after Measurement Date	243,824	671,613	673,935	1,589,372
Changes of Assumptions or Other Inputs	-	104,178	100,789	204,967
Total	$ 243,824	$ 775,791	$ 1,097,749	$ 2,117,364
Deferred Inflows				
Net Difference Between Projected and Actual Earnings on Plan Investments	$ 493,672	$ 1,182,198	$ 706,679	$ 2,382,549
Changes in Assumptions	-	-	87,020	87,020
Difference Between Expected and Actual Experience	-	426,525	277,949	704,474
Total	$ 493,672	$ 1,608,723	$ 1,071,648	$ 3,174,043

Deferred outflows of resources 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	General Employees'	Police Officers'	Firefighters'	Total
2026	$ (38,063)	$ (458,233)	$ (155,294)	$ (651,590)
2027	251,538	(49,655)	102,016	303,899
2028	(375,258)	(564,391)	(344,539)	(1,284,188)
2029	(331,889)	(432,266)	(279,382)	(1,043,537)
2030	-	-	29,365	29,365
Thereafter	-	-	-	-
Total	$ (493,672)	$ (1,504,545)	$ (647,834)	$ (2,646,051)

Pension Expense

For the year ended September 30, 2025, the City recognized total pension expenses of $440,642 as noted in the table below.

	General Employees'	Police Officers'	Firefighters'	Total
Pension Expense	$ (151,802)	$ 138,968	$ 453,476	$ 440,642

General Employees' Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2023	$ 18,138,625	$ 16,194,254	$ 1,944,371
Changes for the Year:			
Service Cost	27,365	-	27,365
Interest	1,118,170	-	1,118,170
Difference Between Expected and Actual Experience of the Total Pension Liability	(455,938)	-	(455,938)
Assumption Changes	197,370	-	197,370
Contributions - Employer	-	223,792	(223,792)
Contributions - Employee	-	7,189	(7,189)
Net Investment Income	-	2,658,021	(2,658,021)
Benefit Payments, Including Refunds of Contributions	(1,252,152)	(1,252,152)	-
Administrative Expenses	-	(39,460)	39,460
Net Changes	(365,185)	1,597,390	(1,962,575)
Balances at September 30, 2024	$ 17,773,440	$ 17,791,644	$ (18,204)

Police Officers' Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2023	$ 16,671,848	$ 15,419,259	$ 1,252,589
Changes for the Year:			
Service Cost	617,822	-	617,822
Interest	1,182,157	-	1,182,157
Difference Between Expected and Actual Experience of the Total Pension Liability	(277,913)	-	(277,913)
Contributions - Employer	-	398,858	(398,858)
Contributions - State	-	192,695	(192,695)
Contributions - Employee	-	230,782	(230,782)
Net Investment Income	-	3,238,762	(3,238,762)
Benefit Payments, Including Refunds of Contributions	(803,424)	(803,424)	-
Administrative Expenses	-	(73,777)	73,777
Net Changes	718,642	3,183,896	(2,465,254)
Balances at September 30, 2024	$ 17,390,490	$ 18,603,155	$ (1,212,665)

Firefighters' Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2023	$ 12,818,722	$ 11,197,519	$ 1,621,203
Changes for the Year:			
Service Cost	506,511	-	506,511
Interest	914,075	-	914,075
Difference Between Expected and Actual Experience of the Total Pension Liability	396,440	-	396,440
Contributions - Employer	-	365,025	(365,025)
Contributions - State	-	185,871	(185,871)
Contributions - Employee	-	150,974	(150,974)
Net Investment Income	-	2,252,611	(2,252,611)
Benefit Payments, Including Refunds of Contributions	(534,026)	(534,026)	-
Administrative Expenses	-	(33,822)	33,822
Net Changes	1,283,000	2,386,633	(1,103,633)
Balances at September 30, 2024	$ 14,101,722	$ 13,584,152	$ 517,570

CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	General Employees' Retirement Plan	Police Officers' Retirement Plan	Firefighters' Retirement Plan	2025 Totals
Assets				
Cash and Other Short Term	$ 52,248	$ 29,712	$ 25,292	$ 107,252
Investments at Fair Value	18,190,758	20,498,484	14,890,800	53,580,042
Total Assets	18,243,006	20,528,196	14,916,092	53,687,294
Liabilities				
Accounts Payable and Accrued Liabilities	8,500	7,626	7,563	23,689
Total Liabilities	8,500	7,626	7,563	23,689
Total Net Position Held in Trust for Pension Benefits	$ 18,234,506	$ 20,520,570	$ 14,908,529	$ 53,663,605

CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Employees' Retirement Plan	Police Officers' Retirement Plan	Firefighters' Retirement Plan	2025 Totals
Additions				
Contributions:				
Employer	$ 243,824	$ 443,065	$ 461,785	$ 1,148,674
Employees	7,852	232,647	166,363	406,862
State of Florida	-	228,548	212,150	440,698
Total Contributions	251,676	904,260	840,298	1,996,234
Investment Earnings:				
Investment Earnings (Loss)	1,526,593	1,954,522	1,377,248	4,858,363
(Less Investment Management Fees)	(61,690)	(53,279)	(39,398)	(154,367)
Net Investment Earnings	1,464,903	1,901,243	1,337,850	4,703,996
Total Additions	1,716,579	2,805,503	2,178,148	6,700,230
Deductions				
Benefits	1,235,434	864,152	821,515	2,921,101
Administrative Expenses	38,282	28,634	32,255	99,171
Total Deductions	(1,273,716)	(892,786)	(853,770)	(3,020,272)
Change in Net Position	442,863	1,912,717	1,324,378	3,679,958
Net Position, Beginning of Year	17,791,643	18,607,853	13,584,151	49,983,647
Net Position, End of Year	$ 18,234,506	$ 20,520,570	$ 14,908,529	$ 53,663,605

Note 12 - Deferred Compensation Program and 401(a)

The City offers its employees a deferred compensation program created in accordance with the Internal Revenue Code (IRC) Section 457 and Florida Statutes. 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.

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, 2025, the City contributed $701,334.

Note 13 – Leases Revenues and Receivables

The City is the lessor in contracts with outside parties for the right to use some of its land and infrastructure. When the City is lessor, the contract results in recognition of a lease receivable and corresponding deferred inflow of resources. At commencement of a lease when the City is the lessor, the City measures the lease receivable at the present value of expected rental receipts over the lease term. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for prepayments received prior to the lease commencement.

The City has two leases for land and a cell tower through 2050 with current monthly payments of $2,232 and $3,625 and interest rates of 1.24% - 2.54%. The City has $533,065 in outstanding lease receivables at September 30, 2025. During the fiscal year, the City recognized $58,590 in lease revenue and $11,642 in lease interest revenue.

Note 14 - Construction Commitments

During 2024-25, the City entered into numerous contracts. Below are the significant uncompleted contracts as of September 30, 2025. 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:

Project	Spent to Date	Remaining Commitment
Recreation and Resource Center	$ 6,493,840	$ 8,369,881
Water/Wastewater Treatment Plant #2	326,854	5,878,097

Note 15 - Other Disclosures

Deficit Fund Balance
The Other Capital Projects Fund had a deficit unassigned fund balance of ($192,421) as of September 30, 2025. This deficit will be remedied in future years with additional fund transfers.

Excess of Expenditures over Appropriations
The Impact Fees Fund overspent the amended budget by $1,683 for the fiscal year ended September 30, 2025. There was sufficient available carryforward fund balance to cover this overage.

REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes:				
Ad Valorem	$ 11,863,256	$ 11,863,256	$ 12,010,087	$ 146,831
Local Option Gas Tax	256,665	256,665	262,245	5,580
Utility Taxes	2,122,659	2,122,659	2,279,575	156,916
Communication Service Tax	612,628	612,628	632,411	19,783
Local Business Tax	44,548	44,548	20,159	(24,389)
Total Taxes	14,899,756	14,899,756	15,204,477	304,721
Permits and Fees:				
Franchise Fees:				
Electric	755,318	755,318	1,016,441	261,123
Gas	75,087	75,087	77,960	2,873
Solid Waste	254,699	254,699	294,525	39,826
Other	7,279	7,279	8,090	811
Street Lights	20,000	20,000	-	(20,000)
Other Permits	403,515	403,515	528,940	125,425
Total Permits and Fees	1,515,898	1,515,898	1,925,956	410,058
Intergovernmental Revenue:				
Federal Grants	1,036,000	1,739,444	1,862,410	122,966
State Grants	10,000	10,000	67,651	57,651
State Revenue Sharing	2,315,734	2,315,734	2,506,341	190,607
Local Shared Revenues	640,618	640,618	653,132	12,514
Total Intergovernmental Revenue	4,002,352	4,705,796	5,089,534	383,738
Charges for Services:				
General Government	307,850	307,850	243,439	(64,411)
Public Safety	323,887	323,887	270,397	(53,490)
Culture/Recreation	1,005,562	1,005,562	1,056,533	50,971
Total Charges for Services	1,637,299	1,637,299	1,570,369	(66,930)
Fines and Forfeitures:				
Judgements and Fines	20,749	20,749	39,533	18,784
Library Fines	12,000	12,000	26,710	14,710
Code Enforcement Fines	15,442	15,442	137,469	122,027
Total Fines and Forfeitures	48,191	48,191	203,712	155,521
Miscellaneous Revenue:				
Miscellaneous	15,000	15,000	129,450	114,450
Investment Earnings	-	169,225	485,984	316,759
Lease Revenue	105,222	105,222	70,232	(34,990)
Sale of Surplus Property	-	-	99,002	99,002
Contributions	23,500	23,500	119,033	95,533
Other Revenues	177,619	177,619	266,523	88,904
Total Miscellaneous Revenue	321,341	490,566	1,170,224	679,658
Interfund Charges	3,620,852	3,870,373	3,874,673	4,300
Total Revenues	26,045,689	27,167,879	29,038,945	1,871,066

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, 2025
(Continued)

	Original Budget	Final Budget	Actual	Variance
Expenditures				
General Government:				
Legislative:				
Personal Services	$ 76,200	$ 76,200	$ 68,222	$ 7,978
Operating Expenses	24,495	24,495	31,637	(7,142)
Total Legislative	100,695	100,695	99,859	836
Executive:				
Personal Services	583,846	583,846	535,186	48,660
Operating Expenses	141,286	141,286	48,059	93,227
Total Executive	725,132	725,132	583,245	141,887
Finance and Administrative:				
Personal Services	2,190,700	2,190,700	1,756,301	434,399
Operating Expenses	532,301	532,301	728,262	(195,961)
Total Finance and Administrative	2,723,001	2,723,001	2,484,563	238,438
Legal Counsel:				
Operating Expenses	285,000	285,000	373,803	(88,803)
Total Legal Counsel	285,000	285,000	373,803	(88,803)
Information Technology:				
Personal Services	538,524	538,524	516,676	21,848
Operating Expenses	1,286,399	1,416,684	1,113,211	303,473
Total Information Technology	1,824,923	1,955,208	1,629,887	325,321
Planning, Development and Building Maintenance:				
Personal Services	1,115,200	1,115,200	811,489	303,711
Operating Expenses	968,379	956,567	563,982	392,585
Total Planning, Development and Building	2,083,579	2,071,767	1,375,471	696,296
Other General Government:				
Personal Services	1,134,494	1,470,028	1,437,078	32,950
Operating Expenses	523,855	2,497,008	2,553,735	(56,727)
Grants and Aid	75,850	75,850	46,850	29,000
Capital Outlay	885,801	605,201	433,847	171,354
Contingency	32,573	32,573	-	32,573
Total Other General Government	2,652,573	4,680,660	4,471,510	209,150
Total General Government	10,394,903	12,541,463	11,018,338	1,523,125
Public Safety:				
Law Enforcement:				
Personal Services	6,231,700	6,231,700	6,127,239	104,461
Operating Expenses	1,629,117	1,622,776	1,258,924	363,852
Total Law Enforcement	7,860,817	7,854,476	7,386,163	468,313
Fire Control:				
Personal Services	4,056,000	4,056,000	4,005,907	50,093
Operating Expenses	488,055	508,055	558,424	(50,369)
Total Fire Control	4,544,055	4,564,055	4,564,331	(276)
Total Public Safety	12,404,872	12,418,531	11,950,494	468,037

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, 2025
(Concluded)

	Original Budget	Final Budget	Actual	Variance
Expenditures *(Concluded)*				
Transportation:				
Roads and Streets:				
Personal Services	$ 1,190,300	$ 1,190,300	$ 1,106,277	$ 84,023
Operating Expenses	1,159,855	1,221,035	1,006,386	214,649
Total Transportation	2,350,155	2,411,335	2,112,663	298,672
Culture and Recreation:				
Leisure Services Admin and Facility Care:				
Personal Services	719,300	719,300	704,830	14,470
Operating Expenses	92,591	92,591	104,810	(12,219)
Total Leisure Services Admin and Facility Care	811,891	811,891	809,640	2,251
Parks and Recreation:				
Personal Services	1,791,300	1,791,300	1,692,704	98,596
Operating Expenses	1,877,095	1,827,541	1,828,430	(889)
Capital Outlay	5,500	5,500	24,778	(19,278)
Total Parks and Recreation	3,673,895	3,624,341	3,545,912	78,429
Library and Historical Venues:				
Personal Services	859,300	873,300	854,102	19,198
Operating Expenses	144,917	144,917	147,031	(2,114)
Total Library and Historical Venues	1,004,217	1,018,217	1,001,133	17,084
Total Culture and Recreation	5,490,003	5,454,449	5,356,685	97,764
Debt Service:				
Principal Expense	-	-	155,816	(155,816)
Interest Expense	-	-	1,548	(1,548)
Total Debt Service	-	-	157,364	(157,364)
(Total Expenditures)	(30,639,933)	(32,825,778)	(30,595,544)	2,230,234
Excess (Deficiency) of Revenue Over (Under) Expenditures	(4,594,244)	(5,657,899)	(1,556,599)	4,101,300
Other Financing Sources (Uses)				
Transfers in:				
Electric	1,325,200	1,325,200	1,325,196	(4)
Water and Wastewater	2,773,450	2,773,450	2,773,452	2
Stormwater	221,150	221,150	221,148	(2)
Fire Assessment	878,904	878,904	878,904	-
Other Funds	643,565	335,565	-	(335,565)
Transfers (out):				
Capital Projects Fund	(508,786)	(1,548,322)	(817,248)	731,074
CRA Funds	(1,783,941)	(1,783,941)	(1,737,058)	46,883
Warehouse and Vehicle Fund	(97,272)	(118,653)	(97,272)	21,381
Total Other Financing Sources (Uses)	3,452,270	2,083,353	2,547,122	463,769
Net Change in Fund Balances	(1,141,974)	(3,574,546)	990,523	4,565,069
Fund Balance, Beginning of Year	1,141,974	3,574,546	11,848,527	8,273,981
Fund Balance, End of Year	$ -	$ -	$ 12,839,050	$ 12,839,050

CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - BUILDING INSPECTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Permits, Fees, and Special Assessments	$ 1,300,000	$ 1,300,000	$ 2,164,698	$ 864,698
Charges for Service	126,000	126,000	190,413	64,413
Miscellaneous	-	-	56,049	56,049
Total Revenues	1,426,000	1,426,000	2,411,160	985,160
Expenditures				
Public Safety:				
Operating Expenses	1,910,006	1,910,006	1,770,398	139,608
Administrative Expenditures	284,815	306,170	376,610	(70,440)
Capital Outlay	5,000	5,000	3,200	1,800
Total Public Safety	2,199,821	2,221,176	2,150,208	70,968
Debt Service:				
Principal	-	-	820	(820)
Interest and Other Debt Service Costs	-	-	31	(31)
Total Debt Service	-	-	851	(851)
(Total Expenditures)	(2,199,821)	(2,221,176)	(2,151,059)	70,117
Excess (Deficiency) of Revenue Over (Under) Expenditures	(773,821)	(795,176)	260,101	1,055,277
Other Financing Sources (Uses)				
Transfers (out)	(431,686)	(1,031,686)	(1,027,582)	4,104
Total Other Financing Sources (Uses)	(431,686)	(1,031,686)	(1,027,582)	4,104
Net Change in Fund Balance	(1,205,507)	(1,826,862)	(767,481)	1,059,381
Fund Balance, Beginning of Year	1,205,507	1,826,862	2,100,841	273,979
Fund Balance, End of Year	$ -	$ -	$ 1,333,360	$ 1,333,360

CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - FIRE ASSESSMENT FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Permits, Fees, and Special Assessments	$ 1,976,844	$ 1,976,844	$ 2,068,599	$ 91,755
Miscellaneous	-	78,222	657,817	579,595
Total Revenues	1,976,844	2,055,066	2,726,416	671,350
Expenditures				
Public Safety:				
Operating Expenses	10,500	10,500	10,592	(92)
Administrative Expenditures	48,577	49,849	49,849	-
Capital Outlay	115,328	192,278	180,124	12,154
Total Public Safety	174,405	252,627	240,565	12,062
Debt Service:				
Interest and Other Debt Service Costs	-	-	517	(517)
Total Debt Service	-	-	517	(517)
(Total Expenditures)	(174,405)	(252,627)	(241,082)	11,545
Excess (Deficiency) of Revenue Over (Under) Expenditures	1,802,439	1,802,439	2,485,334	682,895
Other Financing Sources (Uses)				
Transfers (out)	(4,763,612)	(4,763,612)	(2,130,753)	2,632,859
Total Other Financing Sources (Uses)	(4,763,612)	(4,763,612)	(2,130,753)	2,632,859
Net Change in Fund Balance	(2,961,173)	(2,961,173)	354,581	3,315,754
Fund Balance, Beginning of Year	2,961,173	2,961,173	14,633,319	11,672,146
Fund Balance, End of Year	$ -	$ -	$ 14,987,900	$ 14,987,900

CITY OF MOUNT DORA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT PLAN (GERP)
LAST 10 FISCAL YEARS

Description	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Actuarially Determined Contribution	$ 226,407	$ 223,792	$ 231,764	$ 358,667	$ 426,611	$ 392,269	$ 388,792	$ 179,015	$ 179,917	$ 222,679
Contributions in Relation to the Actuarially Determined Contributions	243,824	223,792	231,764	358,667	426,611	392,269	388,792	179,015	179,917	420,000
Contribution Deficiency (Excess)	$ (17,417)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (197,321)
Covered Payroll**	$ 109,972	$ 100,686	$ 133,796	$ 147,109	$ 258,950	$ 329,202	$ 290,770	$ 393,039	$ 551,807	$ 621,681
Contributions as a Percentage of Covered Payroll	221.71%	222.27%	173.22%	243.81%	164.75%	119.16%	133.71%	45.55%	32.61%	67.56%

**The Covered Payroll numbers shown are in compliance with GASB Statement No. 82, except for the September 30, 2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: October 1, 2023

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Frozen Initial Liability (FIL)
Amortization Method	Level Dollar Amortization Closed
Remaining Amortization Method	6 years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	6.00%, Including Inflation
Investment Rate Return	6.250%
Retirement Age	Experience-Based Table Rates
Mortality	PUB-2010 Headcount Weighted General Below Median Employee Mortality Tables (for pre-retirement mortality) and the PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Tables (for post-retirement) Tables use ages set back one year for males. And future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their July 1, 2022 FRS Valuation, as mandated by Chapter 112.63, Florida Statutes.

CITY OF MOUNT DORA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' RETIREMENT PLAN (PORP)
LAST 10 FISCAL YEARS

Description	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Actuarially Determined Contribution	$ 580,847	$ 548,679	$ 458,378	$ 499,806	$ 447,310	$ 401,421	$ 488,869	$ 445,505	$ 537,920	$ 507,461
Contributions in Relation to the Actuarially Determined Contributions	671,613	591,553	502,362	518,228	464,120	474,011	488,869	445,505	553,589	513,275
Contribution Deficiency (Excess)	$ (90,766)	$ (42,874)	$ (43,984)	$ (18,422)	$ (16,810)	$ (72,590)	$ -	$ 0	$ (15,669)	$ (5,814)
Covered Payroll**	$ 3,081,417	$ 3,056,706	$ 2,640,424	$ 3,104,384	$ 2,958,397	$ 2,854,927	$ 2,456,000	$ 2,213,166	$ 2,341,391	$ 2,094,675
Contributions as a Percentage of Covered Payroll	21.80%	19.35%	19.03%	16.69%	15.69%	16.60%	19.91%	20.13%	23.64%	24.50%

**The Covered Payroll numbers shown are in compliance with GASB Statement No. 82, except for the 9/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: October 1, 2023

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method	Aggregate
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	6.0%-12.5%, Including Inflation
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition.
Investment Rate Return	7.00%
Mortality	PUB-2010 Headcount Weighted Safety Below Median Employee Mortality Tables (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Mortality Tables (for post-retirement) Tables use ages set forward one year. And future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in their July 1, 2022 FRS Valuation, as mandated by Chapter 112.63, Florida Statutes.

CITY OF MOUNT DORA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' RETIREMENT PLAN (FRP)
LAST 10 FISCAL YEARS

Description	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Actuarially Determined Contribution	$ 615,710	$ 497,632	$ 456,900	$ 446,251	$ 508,281	$ 404,285	$ 321,188	$ 310,543	$ 347,595	$ 309,802
Contributions in Relation to the Actuarially Determined Contributions	673,935	550,896	504,790	487,909	508,281	483,301	411,355	318,244	347,595	309,802
Contribution Deficiency (Excess)	$ (58,225)	$ (53,264)	$ (47,890)	$ (41,658)	$ -	$ (79,016)	$ (90,167)	$ (7,701)	$ -	$ 0
Covered Payroll**	$ 2,380,014	$ 2,159,861	$ 2,099,724	$ 1,919,361	$ 2,109,926	$ 2,292,103	$ 2,108,742	$ 1,522,271	$ 1,384,549	$ 1,265,986
Contributions as a Percentage of Covered Payroll	28.32%	25.51%	24.04%	25.42%	24.09%	21.09%	19.51%	20.91%	25.11%	24.47%

**The Covered Payroll numbers shown are in compliance with GASB Statement No. 82, except for the 9/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: October 1, 2023

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method	Aggregate
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	5.50%, Including Inflation
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition.
Investment Rate Return	7.00%
Mortality	PUB-2010 Headcount Weighted Safety Below Median Employee Mortality Tables (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Mortality Tables (for post-retirement) Tables use ages set forward one year. And future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in their July 1, 2022 FRS Valuation, as mandated by Chapter 112.63, Florida Statutes.

CITY OF MOUNT DORA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
ALL RETIREMENT FUNDS
LAST 10 FISCAL YEARS

	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
General Employees' Retirement Plan										
Annual Money-Weighted Rate of Return Net of Investment Expense	8.28%	16.83%	7.75%	-10.62%	14.75%	7.39%	6.92%	9.21%	9.98%	8.30%
Police Officers' Retirement Plan										
Annual Money-Weighted Rate of Return Net of Investment Expense	10.12%	20.72%	10.74%	-12.79%	22.58%	2.88%	1.84%	7.13%	12.67%	8.20%
Firefighters' Retirement Plan										
Annual Money-Weighted Rate of Return Net of Investment Expense	9.74%	19.83%	8.74%	-11.55%	20.32%	2.98%	2.08%	6.67%	11.33%	7.50%

CITY OF MOUNT DORA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYERS NET PENSION
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

GENERAL EMPLOYEES' RETIREMENT FUND

	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Total Pension Liability										
Service Cost	$ 29,407	$ 27,365	$ 40,648	$ 37,546	$ 65,057	$ 70,866	$ 75,671	$ 105,529	$ 126,057	$ 141,576
Interest on the Total Pension Liability	1,074,071	1,118,170	1,160,510	1,196,573	1,223,999	1,234,270	1,243,111	1,299,228	1,268,701	1,263,567
Difference Between Expected and Actual Experience	(628,166)	(455,938)	(417,446)	(469,994)	(8,294)	(126,589)	(215,766)	(168,144)	(199,580)	(205,694)
Change in Assumptions	-	197,370	205,470	-	(329,026)	-	-	1,764,082	342,439	-
Benefit Payments Including Refunds of Contributions	(1,235,434)	(1,251,367)	(1,292,392)	(1,316,247)	(1,376,074)	(1,285,438)	(1,183,006)	(1,155,170)	(1,061,251)	(1,166,005)
Refunds	-	(785)	(35,440)	-	-	-	-	-	(3,703)	-
Net Change in Total Pension Liability	(760,122)	(365,185)	(338,650)	(552,122)	(424,338)	(106,891)	(79,990)	1,845,525	472,663	33,444
Total Pension Liability-Beginning	17,773,440	18,138,625	18,477,275	19,029,397	19,453,735	19,560,626	19,640,616	17,795,091	17,322,428	17,288,984
Total Pension Liability-Ending (a)	17,013,318	17,773,440	18,138,625	18,477,275	19,029,397	19,453,735	19,560,626	19,640,616	17,795,091	17,322,428
Plan Fiduciary Net Position										
Employer Contributions	243,824	223,792	231,764	358,667	426,611	392,269	388,792	179,015	179,917	420,000
Employee Contributions	7,852	7,189	9,553	10,504	18,489	23,505	20,761	28,063	39,399	44,388
Pension Plan Net Investment Income	1,464,902	2,658,021	1,226,415	(1,930,546)	2,548,897	1,252,154	1,182,044	1,455,448	1,541,678	1,224,944
Benefit Payments Including Refunds of Contributions	(1,235,434)	(1,251,367)	(1,292,392)	(1,316,247)	(1,376,074)	(1,285,438)	(1,183,006)	(1,155,170)	(1,061,251)	(1,166,005)
Refunds	-	(785)	(35,440)	-	-	-	-	-	(3,703)	-
Pension Plan Administrative Expense	(38,282)	(39,460)	(41,489)	(29,136)	(34,658)	(31,513)	(31,973)	(35,161)	(27,494)	(29,551)
Net Change in Plan Fiduciary Net Position	442,862	1,597,390	98,411	(2,906,758)	1,583,265	350,977	376,618	472,195	668,546	493,776
Plan Fiduciary Net Position-Beginning	17,791,644	16,194,254	16,095,843	19,002,601	17,419,336	17,068,359	16,691,741	16,219,546	15,551,000	15,057,224
Plan Fiduciary Net Position-Ending (b)	18,234,506	17,791,644	16,194,254	16,095,843	19,002,601	17,419,336	17,068,359	16,691,741	16,219,546	15,551,000
Net Pension Liability (Asset)-Ending (a) – (b)	$ (1,221,188)	$ (18,204)	$ 1,944,371	$ 2,381,432	$ 26,796	$ 2,034,399	$ 2,492,267	$ 2,948,875	$ 1,575,545	$ 1,771,428
Plan Fiduciary Net Position as Percentage of Total Pension Liability	107.18%	100.10%	89.28%	87.11%	99.86%	89.54%	87.26%	84.99%	91.15%	89.77%
Covered Payroll**	$ 109,972	$ 100,686	$ 133,796	$ 147,109	$ 258,950	$ 329,202	$ 290,770	$ 393,039	$ 551,807	$ 621,681
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-1110.45%	-18.08%	1453.24%	1618.82%	10.35%	617.98%	857.13%	750.28%	285.52%	284.94%

** The payroll-related figures have been updated to reflect the covered payroll as defined under GASB Statement No. 82.

CITY OF MOUNT DORA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYERS NET PENSION
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS *

POLICE OFFICERS' RETIREMENT FUND

	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Total Pension Liability										
Service Cost	$ 821,548	$ 617,822	$ 658,084	$ 691,259	$ 700,596	$ 511,808	$ 479,889	$ 479,045	$ 462,042	$ 468,345
Interest on the Total Pension Liability	1,244,597	1,182,157	1,134,879	1,093,694	1,065,046	996,857	972,465	875,570	847,354	775,324
Difference Between Expected and Actual Experience	243,265	(277,913)	(302,829)	(400,998)	(380,139)	(290,745)	(714,056)	303,066	(341,762)	106,264
Change in Assumptions	-	-	-	480,454	124,245	-	-	57,660	(222,459)	-
Benefit Payments	(851,961)	(750,473)	(701,734)	(561,863)	(537,906)	(418,482)	(392,547)	(373,957)	(373,957)	(374,611)
Refunds	(12,190)	(52,951)	(43,775)	(100,872)	(30,514)	(8,137)	(70,822)	(11,188)	(12,822)	(5,063)
Net Change in Total Pension Liability	1,445,259	718,642	744,625	1,201,674	941,328	791,301	274,929	1,330,196	358,396	970,259
Total Pension Liability-Beginning	17,390,490	16,671,848	15,927,223	14,725,549	13,784,221	12,992,920	12,717,991	11,387,795	11,029,399	10,059,140
Total Pension Liability-Ending (a)	18,835,749	17,390,490	16,671,848	15,927,223	14,725,549	13,784,221	12,992,920	12,717,991	11,387,795	11,029,399
Plan Fiduciary Net Position										
Employer and State Contributions	671,613	591,553	502,362	518,228	464,120	474,011	488,869	445,505	553,589	513,275
Employee Contributions	232,647	230,782	199,352	234,381	223,359	215,547	185,428	167,094	176,775	158,148
Pension Plan Net Investment Income	1,905,941	3,238,762	1,510,263	(1,998,948)	2,942,372	379,343	251,858	805,949	1,225,804	694,832
Benefit Payments	(851,961)	(750,473)	(701,734)	(561,863)	(537,906)	(418,482)	(392,547)	(373,957)	(373,957)	(374,611)
Refunds	(12,190)	(52,951)	(43,775)	(100,872)	(30,514)	(8,137)	(70,822)	(11,188)	(12,822)	(5,063)
Pension Plan Administrative Expense	(28,634)	(73,777)	(23,233)	(27,603)	(40,351)	(31,645)	(26,642)	(28,375)	(29,350)	(26,063)
Net Change in Plan Fiduciary Net Position	1,917,416	3,183,896	1,443,235	(1,936,677)	3,021,080	610,637	436,144	1,005,028	1,540,039	960,518
Plan Fiduciary Net Position-Beginning	18,603,155	15,419,259	13,976,024	15,912,701	12,891,621	12,280,984	11,844,840	10,839,812	9,299,773	8,339,255
Plan Fiduciary Net Position-Ending (b)	20,520,571	18,603,155	15,419,259	13,976,024	15,912,701	12,891,621	12,280,984	11,844,840	10,839,812	9,299,773
Net Pension Liability (Asset)-Ending (a) – (b)	$ (1,684,822)	$ (1,212,665)	$ 1,252,589	$ 1,951,199	$ (1,187,152)	$ 892,600	$ 711,936	$ 873,151	$ 547,983	$ 1,729,626
Plan Fiduciary Net Position as Percentage of Total Pension Liability	108.94%	106.97%	92.49%	87.75%	108.06%	93.52%	94.52%	93.13%	95.19%	84.32%
Covered Payroll**	$ 3,081,417	$ 3,056,706	$ 2,640,424	$ 3,104,384	$ 2,958,397	$ 2,854,927	$ 2,456,000	$ 2,213,166	$ 2,341,391	$ 2,094,675
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-54.68%	-39.67%	47.44%	62.85%	-40.13%	31.27%	28.99%	39.45%	23.40%	82.57%

** The payroll-related figures have been updated to reflect the covered payroll as defined under GASB Statement No. 82.

CITY OF MOUNT DORA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYERS NET PENSION
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS *

FIREFIGHTERS' RETIREMENT FUND

	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Total Pension Liability										
Service Cost	$ 549,304	$ 506,511	$ 464,942	$ 501,805	$ 544,129	$ 511,561	$ 360,520	$ 302,754	$ 311,801	$ 293,973
Interest on the Total Pension Liability	996,819	914,075	868,005	833,385	797,447	750,445	697,542	667,003	664,349	615,232
Benefit Changes	-	-	-	-	-	(796)	-	-	-	-
Difference Between Expected and Actual Experience	82,910	396,440	(148,356)	(237,798)	(40,616)	(85,966)	(39,555)	(84,950)	(39,883)	46,598
Change in Assumptions	-	-	-	-	(199,304)	329,854	289,003	183,005	(166,032)	95,900
Benefit Payments	(821,515)	(514,341)	(521,518)	(472,184)	(424,942)	(415,113)	(373,010)	(729,963)	(393,514)	(250,523)
Refunds	-	(19,685)	(80,493)	(57,712)	(137,019)	(15,992)	(12,170)	(87,607)	(14,393)	-
Net Change in Total Pension Liability	807,518	1,283,000	582,580	567,496	539,695	1,073,993	922,330	250,242	362,328	801,180
Total Pension Liability-Beginning	14,101,722	12,818,722	12,236,142	11,668,646	11,128,951	10,054,958	9,132,628	8,882,386	8,520,058	7,718,878
Total Pension Liability-Ending (a)	14,909,240	14,101,722	12,818,722	12,236,142	11,668,646	11,128,951	10,054,958	9,132,628	8,882,386	8,520,058
Plan Fiduciary Net Position										
Employer and State Contributions	673,935	550,896	504,790	487,909	508,281	483,301	411,355	318,244	347,595	309,802
Employee Contributions	166,363	150,974	146,771	134,163	147,484	160,218	147,401	106,407	96,780	93,808
Pension Plan Net Investment Income	1,337,850	2,252,611	914,281	(1,290,353)	1,952,655	303,335	221,553	577,793	882,635	527,953
Benefit Payments	(821,515)	(514,341)	(521,518)	(472,184)	(424,942)	(415,113)	(373,010)	(729,963)	(393,514)	(250,523)
Refunds	-	(19,685)	(80,493)	(57,712)	(137,019)	(15,992)	(12,170)	(87,607)	(14,393)	-
Pension Plan Administrative Expense	(32,255)	(33,822)	(33,170)	(33,766)	(32,903)	(33,680)	(34,714)	(31,748)	(26,570)	(24,546)
Net Change in Plan Fiduciary Net Position	1,324,378	2,386,633	930,661	(1,231,943)	2,013,556	482,069	360,415	153,126	892,533	656,494
Plan Fiduciary Net Position-Beginning	13,584,152	11,197,519	10,266,858	11,498,801	9,485,245	9,003,176	8,642,761	8,489,635	7,597,102	6,940,608
Plan Fiduciary Net Position-Ending (b)	14,908,530	13,584,152	11,197,519	10,266,858	11,498,801	9,485,245	9,003,176	8,642,761	8,489,635	7,597,102
Net Pension Liability-Ending (a) – (b)	$ 710	$ 517,570	$ 1,621,203	$ 1,969,284	$ 169,845	$ 1,643,706	$ 1,051,782	$ 489,867	$ 392,751	$ 922,956
Plan Fiduciary Net Position as Percentage of Total Pension Liability	100.00%	96.33%	87.35%	83.91%	98.54%	85.23%	89.54%	94.64%	95.58%	89.17%
Covered Payroll**	$ 2,380,014	$ 2,159,861	$ 2,099,724	$ 1,919,361	$ 2,109,926	$ 2,292,103	$ 2,108,742	$ 1,522,271	$ 1,384,549	$ 1,342,031
Net Pension Liability as a Percentage of Covered Payroll	0.03%	23.96%	77.21%	102.60%	8.05%	71.71%	49.88%	32.18%	28.37%	68.77%

** The payroll-related figures have been updated to reflect the covered payroll as defined under GASB Statement No. 82.

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CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS *

Total OPEB Liability	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Service Cost	$ 151,758	$ 151,986	$ 406,390	$ 372,280	$ 167,058	$ 160,633	$ 256,327
Interest on the Total OPEB Liability	316,251	306,233	277,585	292,775	574,538	610,746	657,078
Difference Between Expected							
and Actual Experience	(641,851)	-	(475,741)	-	-	-	(916,708)
Changes of Assumptions and Other Inputs	3,602,211	(173,359)	(5,192,826)	356,795	(4,254,500)	1,300,318	(2,701,658)
Benefit Payments	(413,946)	(414,068)	(538,517)	(519,784)	(665,278)	(609,980)	(669,839)
Net Change in Total OPEB Liability	3,014,423	(129,208)	(5,523,109)	502,066	(4,178,182)	1,461,717	(3,374,800)
Total OPEB Liability - Beginning	6,885,688	7,014,896	12,538,005	12,035,939	16,214,121	14,752,404	18,127,204
Total OPEB Liability - Ending	$ 9,900,111	$ 6,885,688	$ 7,014,896	$ 12,538,005	$ 12,035,939	$ 16,214,121	$ 14,752,404
Covered-Employee Payroll	$ 13,135,064	$ 12,095,513	$ 10,428,482	$ 11,794,816	$ 10,429,297	$ 12,588,540	$ 11,883,310
Total OPEB Liability as a Percentage of Covered-Employee Payroll	75.37%	56.93%	67.27%	106.30%	115.41%	128.80%	124.14%

Notes to the Schedule:

Difference Between Expected and Actual Experience - Difference between expected and actual experience reflects the impact of changes to the census data from the prior valuation to the valuation as of October 1, 2018. This table will be built out to include a ten-year history.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2019:	3.58%
Fiscal Year Ending September 30, 2020:	4.18%
Fiscal Year Ending September 30, 2021:	3.64%
Fiscal Year Ending September 30, 2022:	2.19%
Fiscal Year Ending September 30, 2023:	4.40%
Fiscal Year Ending September 30, 2024:	4.63%
Fiscal Year Ending September 30, 2025:	3.81%

* Presented years available - will eventually present 10-year trend information.

** Due to a change in actuary, isolation of the difference between the expected and actual experience of the Total OPEB Liability was not practical for the measurement year ending September 30, 2020.

*** Covered-Employee Payroll presented for the measurement year ended 2020 is an estimate based on the data submitted for the valuation.

****Noted no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

OTHER SUPPLEMENTARY INFORMATION

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - MAJOR FUND
OTHER CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ -	$ -	$ -
Total Revenues	-	-	-
Expenditures			
General Government:			
Operating	462,982	173,575	289,407
Capital Outlay	29,380,304	6,518,800	22,861,504
(Total Expenditures)	(29,843,286)	(6,692,375)	23,150,911
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,843,286)	(6,692,375)	23,150,911
Other Financing Sources (Uses)			
Operating Transfers in	29,843,286	6,692,375	(23,150,911)
Net Change in Fund Balance	-	-	-
Fund Balances (Deficit), Beginning of Year	-	(192,421)	(192,421)
Fund Balances (Deficit), End of Year	$ -	$ (192,421)	$ (192,421)

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CITY OF MOUNT DORA, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds							
	Law Enforcement Trust Fund	Community Redevelopment Agency Fund	Northeast Redevelopment Agency Fund	Impact Fees Fund	Discretionary Sales Tax Fund	Cemetery Fund	Debt Service Fund	Totals
Assets								
Pooled Cash and Investments	$ 63,606	$ 3,745,145	$ 7,036,309	$ 5,254,093	$ 6,734,671	$ 347,903	$ 92,672	$ 23,274,399
Due from Other Governments	-	-	-	-	254,740	-	-	254,740
Accrued Interest Receivable	2	124	181	153	199	11	-	670
Total Assets	63,608	3,745,269	7,036,490	5,254,246	6,989,610	347,914	92,672	23,529,809
Liabilities and Fund Balances								
Liabilities								
Accounts Payable	-	13,134	50,217	4,093	-	1,251	-	68,695
Advances from Other Funds	-	-	-	18,982	-	-	-	18,982
Total Liabilities	-	13,134	50,217	23,075	-	1,251	-	87,677
Fund Balances								
Restricted for:								
Capital Improvements	-	-	-	5,231,171	6,989,610	-	-	12,220,781
Community Redevelopment	-	3,732,135	6,986,273	-	-	-	-	10,718,408
Law Enforcement	63,608	-	-	-	-	-	-	63,608
Debt Service Funds	-	-	-	-	-	-	92,672	92,672
Perpetual Care	-	-	-	-	-	346,663	-	346,663
Total Fund Balances	63,608	3,732,135	6,986,273	5,231,171	6,989,610	346,663	92,672	23,442,132
Total Liabilities and Fund Balances	$ 63,608	$ 3,745,269	$ 7,036,490	$ 5,254,246	$ 6,989,610	$ 347,914	$ 92,672	$ 23,529,809

CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds							
	Law Enforcement Trust Fund	Community Redevelopment Agency Fund	Northeast Redevelopment Agency Fund	Impact Fees Fund	Discretionary Sales Tax Fund	Cemetery Fund	Debt Service Fund	Totals
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ 2,338,478	$ -	$ -	$ 2,338,478
Charges for Services	-	-	-	-	-	107,848	-	107,848
Intergovernmental	-	921,139	667,080	-	-	-	-	1,588,219
Impact Fees	-	-	-	1,783,471	-	-	-	1,783,471
Miscellaneous	1,683	98,810	99,237	123,832	164,588	9,169	1,605	498,924
Total Revenues	1,683	1,019,949	766,317	1,907,303	2,503,066	117,017	1,605	6,316,940
Expenditures								
General Government	-	595,121	336,123	-	-	-	-	931,244
Public Safety	-	-	-	-	408,703	-	-	408,703
Culture and Recreation	-	-	-	147,683	-	120,483	-	268,166
Debt Services:								
Principal	-	371,000	-	-	59,402	-	455,000	885,402
Interest	-	44,258	43,533	-	4,531	-	788,863	881,185
Other Debt Service Costs	-	-	65,500	-	-	-	-	65,500
(Total Expenditures)	-	(1,010,379)	(445,156)	(147,683)	(472,636)	(120,483)	(1,243,863)	(3,440,200)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,683	9,570	321,161	1,759,620	2,030,430	(3,466)	(1,242,258)	2,876,740
Other Financing Sources (Uses)								
Issuance of Debt	-	-	6,081,000	-	-	-	-	6,081,000
Transfer in	-	1,007,790	729,268	-	-	-	1,242,864	2,979,922
Transfer (out)	-	(410,654)	(2,689,416)	(559,915)	(847,509)	-	-	(4,507,494)
Total Other Financing Sources (Uses)	-	597,136	4,120,852	(559,915)	(847,509)	-	1,242,864	4,553,428
Net Change in Fund Balances	1,683	606,706	4,442,013	1,199,705	1,182,921	(3,466)	606	7,430,168
Fund Balances, Beginning	61,925	3,125,429	2,544,260	4,031,466	5,806,689	350,129	92,066	16,011,964
Fund Balances, End of Year	$ 63,608	$ 3,732,135	$ 6,986,273	$ 5,231,171	$ 6,989,610	$ 346,663	$ 92,672	$ 23,442,132

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NON-MAJOR FUND
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	$ -	$ -	$ -
Miscellaneous	-	1,683	1,683
Total Revenues	-	1,683	1,683
Expenditures			
Public Safety:			
Operating	-	-	-
(Total Expenditures)	-	-	-
Net Change in Fund Balance	-	1,683	1,683
Fund Balances, Beginning of Year	-	61,925	61,925
Fund Balances, End of Year	$ -	$ 63,608	$ 63,608

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NON-MAJOR FUND
COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 900,265	$ 921,139	$ 20,874
Miscellaneous	15,750	98,810	83,060
Total Revenues	916,015	1,019,949	103,934
Expenditures			
General Government:			
Operating	754,126	192,709	561,417
Allocations	402,412	402,412	-
Debt Service:			
Principal	371,000	371,000	-
Interest	72,000	44,258	27,742
(Total Expenditures)	(1,599,538)	(1,010,379)	589,159
Excess (Deficiency) of Revenues Over (Under) Expenditures	(683,523)	9,570	693,093
Other Financing Sources (Uses)			
Transfers in	1,060,832	1,007,790	(53,042)
Transfers (out)	(1,535,309)	(410,654)	1,124,655
Total Other Financing Sources (Uses)	(474,477)	597,136	1,071,613
Net Change in Fund Balance	(1,158,000)	606,706	1,764,706
Fund Balances, Beginning of Year	1,158,000	3,125,429	1,967,429
Fund Balances, End of Year	$ -	$ 3,732,135	$ 3,732,135

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NON-MAJOR FUND
NORTHEAST REDEVELOPMENT AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 642,857	$ 667,080	$ 24,223
Miscellaneous	11,025	99,237	88,212
Total Revenues	653,882	766,317	112,435
Expenditures			
General Government			
Operating	1,201,376	77,463	1,123,913
Allocations	258,660	258,660	-
Debt Service:			
Interest	-	43,533	(43,533)
Other	-	65,500	(65,500)
(Total Expenditures)	(1,460,036)	(445,156)	1,014,880
Excess (Deficiency) of Revenues Over (Under) Expenditures	(806,154)	321,161	1,127,315
Other Financing Sources (Uses)			
Issuance of Debt	16,000,000	6,081,000	(9,919,000)
Transfers in	761,154	729,268	(31,886)
Transfers (out)	(16,280,000)	(2,689,416)	13,590,584
Total Other Financing Sources (Uses)	481,154	4,120,852	3,639,698
Net Change in Fund Balance	(325,000)	4,442,013	4,767,013
Fund Balances, Beginning of Year	325,000	2,544,260	2,219,260
Fund Balances, End of Year	$ -	$ 6,986,273	$ 6,986,273

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NON-MAJOR FUND
IMPACT FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Impact Fees	$ 4,631,093	$ 1,783,471	$ (2,847,622)
Miscellaneous	-	123,832	123,832
Total Revenues	4,631,093	1,907,303	(2,723,790)
Expenditures			
Culture and Recreation:			
Capital Outlay	146,000	147,683	(1,683)
(Total Expenditures)	(146,000)	(147,683)	(1,683)
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,485,093	1,759,620	(2,725,473)
Other Financing Sources (Uses)			
Transfers (out)	(1,234,119)	(559,915)	674,204
Total Other Financing Sources (Uses)	(1,234,119)	(559,915)	674,204
Net Change in Fund Balance	3,250,974	1,199,705	(2,051,269)
Fund Balances, Beginning of Year	(3,250,974)	4,031,466	7,282,440
Fund Balances, End of Year	$ -	$ 5,231,171	$ 5,231,171

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NON-MAJOR FUND
DISCRETIONARY SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Taxes	$ 2,124,656	$ 2,338,478	$ 213,822
Miscellaneous	-	164,588	164,588
Total Revenues	2,124,656	2,503,066	378,410
Expenditures			
Public Safety:			
Capital Outlay	524,315	408,703	115,612
Transportation:			
Capital Outlay	100,000	-	100,000
Debt Service:			
Principal	66,000	59,402	6,598
Interest	-	4,531	(4,531)
(Total Expenditures)	(690,315)	(472,636)	217,679
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,434,341	2,030,430	596,089
Other Financing Sources (Uses)			
Transfers (out)	(5,222,300)	(847,509)	4,374,791
Total Other Financing Sources (Uses)	(5,222,300)	(847,509)	4,374,791
Net Change in Fund Balance	(3,787,959)	1,182,921	4,970,880
Fund Balances, Beginning of Year	3,787,959	5,806,689	2,018,730
Fund Balances, End of Year	$ -	$ 6,989,610	$ 6,989,610

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NON-MAJOR FUND
CEMETERY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Charges for Services	$ 80,000	$ 107,848	$ 27,848
Miscellaneous	-	9,169	9,169
Total Revenues	80,000	117,017	37,017
Expenditures			
Culture and Recreation:			
Operating	112,090	64,851	47,239
Capital Outlay	52,600	55,632	(3,032)
(Total Expenditures)	(164,690)	(120,483)	44,207
Net Change in Fund Balance	(84,690)	(3,466)	81,224
Fund Balances, Beginning of Year	84,690	350,129	265,439
Fund Balances, End of Year	$ -	$ 346,663	$ 346,663

CITY OF MOUNT DORA, FLORIDA
BUDGET TO ACTUAL COMPARISON - NON-MAJOR FUND
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues			
Miscellaneous	$ 1,500	$ 1,605	$ 105
Total Revenues	1,500	1,605	105
Expenditures			
Debt Service:			
Principal	455,000	455,000	-
Interest	788,863	788,863	-
Other Debt Service Costs	500	-	500
(Total Expenditures)	(1,244,363)	(1,243,863)	500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,242,863)	(1,242,258)	605
Other Financing Sources (Uses)			
Transfers in	1,242,863	1,242,864	1
Total Other Financing Sources (Uses)	1,242,863	1,242,864	1
Net Change in Fund Balance	-	606	606
Fund Balances, Beginning of Year	-	92,066	92,066
Fund Balances, End of Year	$ -	$ 92,672	$ 92,672

INTERNAL SERVICE FUNDS COMBINING STATEMENTS

CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2025

	Warehouse and Vehicle Replacement Fund	Self Insurance Fund	Total
Assets			
Current Assets:			
Pooled Cash and Investments	$ 2,720,856	$ 3,211,178	$ 5,932,034
Restricted Cash	1,726,948	-	1,726,948
Accounts Receivable	-	71,239	71,239
Accrued Interest Receivable	98	72	170
Total Current Assets	4,447,902	3,282,489	7,730,391
Capital Assets:			
Right to Use Lease Buildings	-	349,129	349,129
Property, Plant and Equipment	27,321,196	38,331	27,359,527
(Accumulated Depreciation and Amortization)	(75,892)	(192,609)	(268,501)
Total Capital Assets - Cost Less Depreciation	27,245,304	194,851	27,440,155
Total Assets	$ 31,693,206	$ 3,477,340	$ 35,170,546
Liabilities and Net Position			
Current Liabilities			
Accounts Payable and Accrued Liabilities	$ 34,761	$ 769,301	$ 804,062
Leases Payable	-	43,006	43,006
Bonds Payable	659,000	-	659,000
Total Current Liabilities	693,761	812,307	1,506,068
Non-Current Liabilities			
Leases Payable	-	157,280	157,280
Bonds Payable	17,954,276	-	17,954,276
Total Non-Current Liabilities	17,954,276	157,280	18,111,556
Total Liabilities	18,648,037	969,587	19,617,624
Net Position			
Net Investment in Capital Assets	$ 8,949,349	$ (5,435)	$ 8,943,914
Restricted for Debt Service	400,000	-	400,000
Unrestricted	3,695,820	2,513,188	6,209,008
Total Net Position	13,045,169	2,507,753	15,552,922
Total Liabilities and Net Position	$ 31,693,206	$ 3,477,340	$ 35,170,546

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, 2025

	Warehouse and Vehicle Replacement Fund	Self Insurance Fund	Total
Operating Revenues			
Charges for Services	$ -	$ 6,007,347	$ 6,007,347
Total Operating Revenues	-	6,007,347	6,007,347
Operating Expenses			
Administration and General	29,318	5,437,049	5,466,367
Depreciation and Amortization	75,892	46,363	122,255
Total Operating Expenses	105,210	5,483,412	5,588,622
Operating Income (Loss)	(105,210)	523,935	418,725
Non-Operating Revenues (Expenses)			
Investment Earnings (Loss)	391,959	56,692	448,651
(Loss) on Asset Disposal	(215,654)	-	(215,654)
Interest Expense	(602,529)	-	(602,529)
Total Non-Operating Revenues (Expenses)	(426,224)	56,692	(369,532)
Income (Loss) Before Capital Contributions and Transfers	(531,434)	580,627	49,193
Capital Contributions and Transfers			
Transfers in	694,800	-	694,800
Net Capital Contributions and Transfers	694,800	-	694,800
Change in Net Position	163,366	580,627	743,993
Net Position, Beginning of Year	12,881,803	1,927,126	14,808,929
Net Position, End of Year	$ 13,045,169	$ 2,507,753	$ 15,552,922

CITY OF MOUNT DORA, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Warehouse and Vehicle Replacement Fund	Self Insurance Fund	Total
Cash Flows from Operating Activities			
Cash Received from Customers, Including Cash	$ -	$ 5,937,641	$ 5,937,641
Cash Paid to Suppliers	(2,137,568)	(5,130,146)	(7,267,714)
Total Cash Provided by (Used in) Operating Activities	(2,137,568)	807,495	(1,330,073)
Cash Flows from Non-Capital Financing Activities			
Transfers in	694,800	-	694,800
Total Cash Provided by Non-Capital Financing Activities	694,800	-	694,800
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(15,223,128)	-	(15,223,128)
Proceeds from loans and leases	8,000,000	-	8,000,000
Principal Paid	(268,271)	(38,835)	(307,106)
Interest Paid	(602,529)	-	(602,529)
Net Cash (Used in) Capital and Related Financing Activities	(8,093,928)	(38,835)	(8,132,763)
Cash Flows from Investing Activities			
Net Investment Activity	921,974	24,001	945,975
Total Cash Flows from Investing Activities	921,974	24,001	945,975
Net Increase (Decrease) in Cash and Cash Equivalents	(8,614,722)	792,661	(7,822,061)
Cash and Cash Equivalents, Beginning of Year	13,592,633	2,385,896	15,978,529
Revision to Cash and Cash Equivalents	(760,087)	(133,417)	(893,504)
Cash and Cash Equivalents, Beginning of Year - Revised	12,832,546	2,252,479	15,085,025
Cash and Cash Equivalents, End of Year	$ 4,217,824	$ 3,045,140	$ 7,262,964
Cash and Cash Equivalents	$ 4,217,824	$ 3,045,140	$ 7,262,964
Investments	229,980	166,038	396,018
Total Cash, Cash Equivalents and Investments	$ 4,447,804	$ 3,211,178	$ 7,658,982
Shown in the Financial Statements as			
Pooled Cash and Investments	$ 2,720,856	$ 3,211,178	$ 5,932,034
Restricted Cash	1,726,948	-	1,726,948
Total Cash and Cash Equivalents	$ 4,447,804	$ 3,211,178	$ 7,658,982
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ (105,210)	$ 523,935	$ 418,725
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	75,892	46,363	122,255
Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease):			
Prepaid Expenses	-	4,385	4,385
Accounts Receivable	-	(69,706)	(69,706)
Accounts Payable	(2,108,250)	302,518	(1,805,732)
Total Adjustments	(2,032,358)	283,560	(1,748,798)
Net Cash Provided by (Used in) Operating Activities	$ (2,137,568)	$ 807,495	$ (1,330,073)

Noncash Investing, Capital and Financing Activities

None

STATISTICAL SECTION
(UNAUDITED)

CITY OF MOUNT DORA, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2025

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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax

Debt Capacity

These schedules 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 additional debt in the future

Demographic and Economic Information

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

Operating Information

These schedules 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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.

CITY OF MOUNT DORA
NET POSITION BY COMPONENT
Table A - 1
(accrual basis of accounting)
Last Ten Fiscal Years

	Fiscal Year				
	2025	**2024**	**2023**	**2022**	**2021**
Governmental Activities					
Net investment in capital assets	$ 50,885,531	$ 48,443,058	$ 41,179,460	$ 39,136,604	$ 39,559,388
Restricted	27,235,274	21,527,771	19,489,970	15,842,236	14,687,023
Unrestricted	8,752,123	8,490,647	3,364,936	(2,588,563)	(8,244,155)
Total governmental activities net position	86,872,928	78,461,476	64,034,366	52,390,277	46,002,256
Business-type activities					
Net investment in capital assets	54,006,748	49,871,326	47,954,183	48,025,267	48,923,097
Restricted	21,876,534	16,482,446	12,692,032	9,983,281	7,762,319
Unrestricted	33,347,525	26,976,482	18,336,535	14,288,076	10,625,465
Total business-type activities net position	109,230,807	93,330,254	78,982,750	72,296,624	67,310,881
Primary government					
Net investment in capital assets	104,892,279	98,314,384	89,133,643	87,161,871	88,482,485
Restricted	49,111,808	38,010,217	32,182,002	25,825,517	22,449,342
Unrestricted	42,099,648	35,467,129	21,701,471	11,699,513	2,381,310
Total primary government net position	$ 196,103,735	$ 171,791,730	$ 143,017,116	$ 124,686,901	$ 113,313,137

	Fiscal Year				
	2020	**2019**	**2018**	**2017**	**2016[1]**
Governmental Activities					
Net investment in capital assets	$ 36,679,848	$ 38,203,305	$ 36,914,412	$ 38,265,015	$ 38,465,921
Restricted	10,219,447	9,095,455	9,116,325	7,126,140	5,238,368
Unrestricted	(7,820,206)	(11,257,473)	(11,995,733)	636,760	2,027,583
Total governmental activities net position	39,079,089	36,041,287	34,035,004	46,027,915	45,731,872
Business-type activities					
Net investment in capital assets	47,499,468	46,898,927	44,662,505	46,272,293	44,565,914
Restricted	5,684,207	5,118,454	3,985,588	3,387,839	3,541,192
Unrestricted	11,091,842	10,960,143	9,372,725	10,435,533	6,419,413
Total business-type activities net position	64,275,517	62,977,524	58,020,818	60,095,665	54,526,519
Primary government					
Net investment in capital assets	84,179,316	85,102,232	81,576,917	84,537,308	83,031,835
Restricted	15,903,654	14,213,909	13,101,913	10,513,979	8,779,560
Unrestricted	3,271,636	(297,330)	(2,623,008)	11,072,293	8,446,996
Total primary government net position	$ 103,354,606	$ 99,018,811	$ 92,055,822	$ 106,123,580	$ 100,258,391

[1] Prior year adjusted for prior period adjustment

CITY OF MOUNT DORA
CHANGES IN NET POSITION

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

	Fiscal Year				
	2025	**2024**	**2023**	**2022**	**2021**
Program Revenues					
Governmental activities					
Charges for Services					
General government	$ 1,265,895	$ 1,233,902	$ 1,339,297	$ 1,139,870	$ 239,304
Public safety	5,089,716	5,044,870	4,831,426	4,482,664	5,043,231
Transportation	62,317	60,501	78,510	129,442	-
Culture and recreation	1,469,731	1,332,933	1,454,296	1,384,732	578,062
Operating Grants and Contributions					
General government	1,889,438	481	1,653,256	243,926	-
Public safety	403,256	31,524	16,632	36,535	835,159
Transportation	-	-	-	-	-
Culture and recreation	155,977	221,207	120,548	55,976	140,950
Capital Grants and Contributions					
General government	-	6,857,165	715,800	720,170	-
Public safety	504,653	313,578	503,972	381,784	-
Transportation	-	-	-	-	-
Culture and recreation	1,384,050	1,448,337	1,173,938	1,905,703	640,330
Total governmental activities program revenues	$ 12,225,033	$ 16,544,498	$ 11,887,675	$ 10,480,802	$ 7,477,036
Business-type activities					
Charges for services					
Electric Utility	11,437,370	9,978,217	9,941,605	13,123,561	9,355,489
Water and Wastewater Utility	20,523,069	17,990,873	15,266,845	14,060,046	12,760,625
Sanitation	3,620,585	3,256,995	2,795,760	2,600,190	2,385,059
Stormwater Utility	3,115,941	2,840,781	2,193,140	1,448,846	1,294,888
Cemetery		-	-	-	-
Capital Grants and Contributions					
Electric Utility	803,553	2,879,187	803,525	374,220	636,404
Water and Wastewater Utility	6,790,827	3,988,122	2,770,519	3,195,707	3,430,044
Stormwater Utility	20,350	493,410	-	105,950	12,540
Total business-type activities program revenues	46,311,695	41,427,585	33,771,394	34,908,520	29,875,049
Total primary government program revenues	$ 58,536,728	$ 57,972,083	$ 45,659,069	$ 45,389,322	$ 37,352,085

CITY OF MOUNT DORA
CHANGES IN NET POSITION
Table A - 2, Part 1B
(accrual basis of accounting)
Prior Five Fiscal Years*

	Fiscal Year				
	2020	**2019**	**2018**	**2017**	**2016**
Program Revenues					
Governmental activities					
Charges for Services					
General government	$ 372,507	$ 242,634	$ 99,980	$ 136,237	$ 82,736
Public safety	3,062,087	3,340,793	1,496,587	1,877,663	1,373,357
Transportation	-	-	-	-	-
Culture and recreation	442,088	698,161	331,235	405,371	300,502
Operating Grants and Contributions					
General government	29,916	867,598	123,769	86,792	20,896
Public safety	1,846,575	412,254	-	-	-
Transportation	-	-	116,117	-	-
Culture and recreation	-	121,958	46,000	-	-
Capital Grants and Contributions					
General government	-	-	-	-	-
Public safety	70,209	146,254	116,439	384,674	174,909
Transportation	-	-	-	-	-
Culture and recreation	370,922	672,883	526,192	553,569	501,827
Total governmental activities program revenues	$ 6,194,304	$ 6,502,535	$ 2,856,319	$ 3,444,306	$ 2,454,227
Business-type activities					
Charges for services					
Electric utility	9,472,881	9,940,283	10,013,428	9,382,512	9,931,019
Water and Wastewater utility	11,600,336	11,024,880	10,451,116	10,351,583	9,187,745
Sanitation	2,108,034	2,008,061	1,990,391	1,972,182	2,296,079
Stormwater utility	1,097,604	1,062,898	1,024,745	945,199	943,421
Cemetery	83,290	172,500	62,345	61,594	69,282
Capital Grants and Contributions					
Electric utility	128,402	171,406	-	-	-
Water and Wastewater utility	1,581,149	2,578,807	1,527,808	2,932,137	2,358,499
Stormwater utility	-	1,995,786	20,789	-	-
Total business-type activities program revenues	26,071,696	28,954,621	25,090,622	25,645,207	24,786,045
Total primary government program revenues	$ 32,266,000	$ 35,457,156	$ 27,946,941	$ 29,089,513	$ 27,240,272

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

	Fiscal Year				
	2025	2024	2023	2022	2021
Expenses					
Governmental Activities					
General Government	$ 8,770,565	$ 7,152,872	$ 5,527,617	$ 4,781,648	$ 3,158,901
Public Safety	14,909,416	13,360,519	11,764,440	12,319,094	11,374,990
Transportation	2,664,925	2,442,757	1,718,814	1,463,688	1,538,899
Culture and Recreation	7,137,045	6,325,249	5,059,003	5,557,603	4,124,004
Interest on long-term debt	1,491,247	1,248,653	1,280,690	1,381,667	1,354,335
Total governmental activities expenses	34,973,198	30,530,050	25,350,564	25,503,700	21,551,129
Business-type activities					
Electric	9,251,906	8,832,366	8,519,908	11,617,269	9,405,814
Water / Wastewater	13,629,377	11,667,760	10,865,230	10,321,467	9,822,105
Sanitation	2,985,393	2,577,318	2,796,767	2,700,821	2,450,887
Stormwater	1,095,509	775,772	1,066,863	1,372,237	1,583,060
Cemetery	-	-	-	-	-
Total business-type activities expenses	26,962,185	23,853,216	23,248,768	26,011,794	23,261,866
Total primary government expenses	61,935,383	54,383,266	48,599,332	51,515,494	44,812,995
Net (Expense)/Revenue					
Governmental activities	(22,748,165)	(13,985,552)	(13,462,889)	(15,022,898)	(14,074,093)
Business-type activities	19,349,510	17,574,369	10,522,626	8,896,726	6,613,183
Total primary government net expense	(3,398,655)	3,588,817	(2,940,263)	(6,126,172)	(7,460,910)
General revenues and other changes in net position					
Governmental activities					
General revenues					
Property taxes	12,010,087	10,358,693	8,911,274	7,983,744	7,500,167
Public service taxes	2,911,986	2,695,132	2,686,319	2,418,019	2,179,048
Other taxes (1)					
Discretionary Sales Surtax	2,338,478	2,105,860	1,961,446	1,874,300	1,573,560
Local Option Fuel Taxes	381,518	398,314	377,801	359,070	246,882
Local Business Tax	20,297	28,373	44,302	28,483	25,038
Franchise fees	1,397,015	1,213,514	1,234,843	1,028,524	953,035
State and County shared rev. - unrestricted	4,094,560	3,847,130	3,546,137	3,171,654	3,326,200
Investment earnings (losses)	2,158,630	2,839,182	1,774,253	167,716	97,255
Miscellaneous revenue	598,656	93,893	109,293	151,563	850,794
Transfers	5,248,390	4,832,571	4,461,310	4,227,846	3,953,355
Total governmental activities	31,159,617	28,412,662	25,106,978	21,410,919	20,705,334
Business-type activities					
Interest earnings (losses)	1,421,566	1,310,521	351,736	(21,627)	88,186
Miscellaneous revenue	377,867	295,185	273,074	338,490	287,350
Transfers	(5,248,390)	(4,832,571)	(4,461,310)	(4,227,846)	(3,953,355)
Total business-type activities	(3,448,957)	(3,226,865)	(3,836,500)	(3,910,983)	(3,577,819)
Total primary government	27,710,660	25,185,797	21,270,478	17,499,936	17,127,515
Change in Net Position					
Governmental activities	8,411,452	14,427,110	11,644,089	6,388,021	6,631,241
Business-type activities	15,900,553	14,347,504	6,686,126	4,985,743	3,035,364
Total primary government: change in net position	$ 24,312,005	$ 28,774,614	$ 18,330,215	$ 11,373,764	$ 9,666,605

(1) Beginning in fiscal year 2019, other taxes were broken out to provide more detail

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

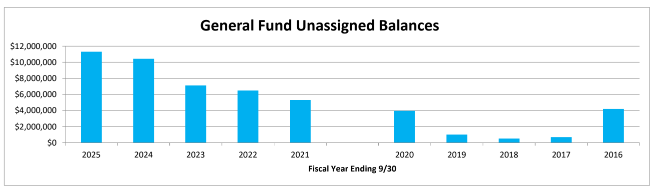
	Fiscal Year				
	2020	2019	2018	2017	2016
Expenses					
Governmental Activities					
General Government	$ 2,499,513	$ 4,624,635	$ 3,765,569	$ 4,378,473	$ 2,515,665
Public Safety	11,267,125	10,703,799	8,599,093	9,141,534	8,459,167
Transportation	2,136,548	2,419,628	2,221,672	1,783,024	1,711,706
Culture and Recreation	3,786,678	3,851,962	3,283,801	3,360,990	3,534,111
Interest on long-term debt	1,077,395	851,287	118,451	133,730	114,861
Total governmental activities expenses	20,767,259	22,451,311	17,988,586	18,797,751	16,335,510
Business-type activities					
Electric	10,049,088	9,082,979	9,082,774	8,783,558	8,790,242
Water / Wastewater	9,256,439	9,521,722	8,048,315	7,008,509	6,915,678
Sanitation	2,325,968	2,181,117	2,139,906	1,953,190	2,310,103
Stormwater	1,339,586	1,109,290	1,349,877	835,402	813,456
Cemetery	130,408	135,975	123,700	145,160	141,672
Total business-type activities expenses	23,101,489	22,031,083	20,744,572	18,725,819	18,971,151
Total primary government expenses	43,868,748	44,482,394	38,733,158	37,523,570	35,306,661
Net (Expense)/Revenue					
Governmental activities	(14,572,955)	(15,948,776)	(15,132,269)	(15,941,432)	(12,891,204)
Business-type activities	2,970,207	6,923,538	4,346,051	6,364,803	6,674,056
Total primary government net expense	(11,602,748)	(9,025,238)	(10,786,218)	(9,576,629)	(6,217,148)
General revenues and other changes in net position					
Governmental activities					
General revenues					
Property taxes	7,183,425	6,613,825	6,123,406	5,443,802	5,250,124
Public service taxes	2,089,971	2,081,078	1,966,452	2,032,368	1,981,001
Other taxes (1)		-	1,657,236	1,559,177	1,521,904
Discretionary Sales Surtax	1,353,343	1,379,467	-	-	-
Local Option Fuel Taxes	243,863	265,905	-	-	-
Local Business Tax	33,339	24,138	-	-	-
Franchise fees	798,545	778,203	750,159	714,320	721,220
State and County shared rev. - unrestricted	2,988,766	2,937,416	2,620,194	2,437,309	2,355,149
Investment income	340,814	707,449	99,318	111,107	98,226
Miscellaneous revenue	351,940	315,278	599,589	211,955	1,449,531
Transfers	2,226,751	2,852,300	2,782,250	3,139,450	2,997,250
Total governmental activities	17,610,757	17,955,059	16,598,604	15,649,488	16,374,405
Business-type activities					
Interest earnings	289,323	553,748	161,064	107,508	117,241
Miscellaneous revenue	265,214	331,720	128,590	95,297	28,599
Transfers	(2,226,751)	(2,852,300)	(2,782,250)	(3,139,450)	(2,997,250)
Total business-type activities	(1,672,214)	(1,966,832)	(2,492,596)	(2,936,645)	(2,851,410)
Total primary government	15,938,543	15,988,227	14,106,008	12,712,843	13,522,995
Change in Net Position					
Governmental activities	3,037,802	2,006,283	1,466,335	(291,944)	3,483,201
Business-type activities	1,297,993	4,956,706	1,853,455	3,428,158	3,822,646
Total primary government: change in net position	$ 4,335,795	$ 6,962,989	$ 3,319,790	$ 3,136,214	$ 7,305,847

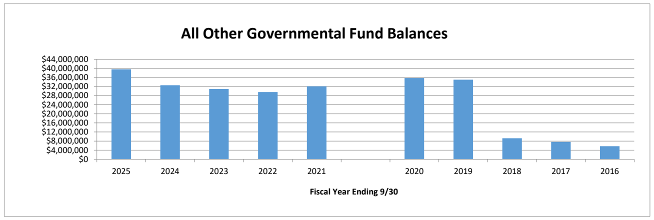
(1) Beginning in fiscal year 2019, other taxes were broken out to provide more detail

CITY OF MOUNT DORA
FUND BALANCES - GOVERNMENTAL FUNDS
Table A - 3
(modified accrual basis of accounting)
Last Ten Fiscal Years

	Fiscal Year 2025	2024	2023	2022	2021
General Fund					
Nonspendable - Inventory, Prepaids, and Receivables	$ 49,686	$ 305,106	$ 686,359	$ 958,728	$ 1,353,397
Assigned for Future Expenditures	1,483,370	1,109,401	2,953,598	1,062,359	518,619
Unassigned	11,305,994	10,434,020	7,128,865	6,487,762	5,317,920
Total General Fund	12,839,050	11,848,527	10,768,822	8,508,849	7,189,936
All Other Governmental Funds					
Nonspendable- Inventory & Prepaids	90,074	1,235	-	-	-
Restricted for					
Capital Improvements	12,220,781	9,838,155	8,390,083	7,856,141	6,744,896
Redevelopment	10,718,408	5,669,689	4,869,137	4,245,498	3,835,826
Debt Service	92,672	92,066	86,815	84,529	4,422
Building Inspections	1,243,286	2,099,606	3,569,946	3,055,755	2,765,809
Fire Protection	14,987,900	14,633,319	14,261,996	15,035,410	19,444,988
Law Enforcement	63,608	61,925	59,351	21,220	37,618
Special Events	-	-	-	-	-
Perpetual Care	346,663	350,129	317,027	263,640	226,939
Assigned					
Subsequent Year's Budgets	-	-	-	-	-
Debt Service	-	-	-	-	-
Unassigned	(192,421)	(192,421)	(623,824)	(1,017,217)	(992,818)
Total all other governmental funds	39,570,971	32,553,703	30,930,531	29,544,976	32,067,680
Total Fund Balances	$ 52,410,021	$ 44,402,230	$ 41,699,353	$ 38,053,825	$ 39,257,616

	Fiscal Year 2020	2019	2018	2017	2016
General Fund					
Nonspendable- Inventory & Prepaids	$ 1,219,206	$ 2,206,182	$ 1,897,557	$ 1,730,112	$ 86,104
Assigned for Future Expenditures	99,969	-	1,294,513	1,234,144	-
Unassigned	3,965,872	1,022,691	527,479	694,909	4,196,476
Total General Fund	5,285,047	3,228,873	3,719,549	3,659,165	4,282,580
All Other Governmental Funds					
Nonspendable- Inventory & Prepaids	2,104,610	7,897	7,897	39,544	7,498
Restricted for					
Capital Improvements	6,617,788	6,962,279	3,791,261	3,296,847	3,629,598
Redevelopment	3,905,080	2,931,172	3,541,414	-	-
Debt Service	6,135	-	-	540,888	621,764
Building Inspections	2,142,757	2,213,935	1,757,858	1,654,917	969,462
Fire Protection	20,863,708	22,752,700	-	-	-
Law Enforcement	29,293	18,850	22,733	14,057	13,795
Special Events	55,115				
Perpetual Care	-				
Library Improvements	-	9,219	3,059	-	-
Assigned					
Subsequent Year's Budgets	-	-	-	1,977,700	562,123
Debt Service	-	-	99,860	97,526	95,067
Unassigned	-	103,023	-	(4,888)	(148,216)
Total all other governmental funds	35,724,486	34,999,075	9,224,082	7,616,591	5,751,091
Total Fund Balances	$ 41,009,533	$ 38,227,948	$ 12,943,631	$ 11,275,756	$ 10,033,671





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CITY OF MOUNT DORA

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Table A - 4

(modified accrual basis of accounting)

Last Ten Fiscal Years

	Fiscal Year									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Program Revenues										
Governmental Activities										
Taxes	$ 17,542,955	$ 15,469,820	$ 13,870,415	$ 12,558,420	$ 9,951,135	$ 10,903,941	$ 10,364,413	$ 9,746,944	$ 9,035,347	$ 8,753,029
Permits and Fees	6,159,253	5,682,891	5,565,493	4,924,389	6,844,473	3,610,509	3,832,250	1,467,949	1,840,878	1,371,848
Intergovernmental	6,677,753	5,485,394	6,300,699	4,336,554	4,161,358	4,981,489	4,154,535	2,814,429	2,636,455	2,467,748
Charges for service	1,868,630	1,888,328	2,173,299	1,870,942	1,248,837	1,023,706	1,084,176	726,715	685,474	574,372
Fines and forfeitures	203,712	153,472	103,444	73,748	103,360	41,012	51,677	61,211	47,843	56,842
Impact fees	1,783,471	1,564,362	1,750,679	1,835,258	1,346,294	441,131	818,715	1,081,981	1,283,849	1,036,818
Miscellaneous revenue	2,383,014	2,229,325	1,435,559	453,405	469,327	663,554	1,171,735	505,874	424,497	396,024
Interfund Charges	3,874,673	3,503,844	3,863,068	4,047,051	4,894,366	4,815,019	2,936,392	2,852,492	2,364,750	-
Total revenues	40,493,461	35,977,436	35,062,656	30,099,767	29,019,150	26,480,361	24,413,893	19,257,595	18,319,093	14,656,681
Program Expenditures										
Governmental activities										
General government	12,123,157	10,362,236	10,264,679	8,098,689	9,320,227	6,953,921	7,170,089	6,360,293	6,118,729	2,043,490
Public safety	14,749,970	14,419,962	10,960,976	11,087,543	10,591,588	10,684,813	9,907,681	8,613,452	8,118,344	8,005,980
Transportation	2,112,663	1,775,099	1,169,951	945,154	969,632	1,215,756	1,487,764	1,519,363	1,021,572	983,647
Culture and recreation	5,624,851	5,108,948	4,380,717	4,078,802	3,257,402	2,791,844	2,673,629	2,439,149	2,371,247	2,626,538
Grants and aid	-	-	-	-	-	-	-	-	110,070	57,155
Capital outlay	6,518,800	3,734,727	6,177,984	6,360,930	5,003,183	2,345,892	3,227,823	2,374,164	2,596,066	842,649
Debt service										
Principal payments	1,042,038	1,396,372	1,376,314	1,625,201	1,325,981	1,133,965	1,892,218	915,207	903,109	539,261
Interest	882,764	877,787	907,138	1,014,695	1,008,343	1,138,112	559,809	118,451	133,730	122,000
Other costs	66,017	517	517	862	-	8,931	319,043	-	-	-
Total expenditures	43,120,260	37,675,648	35,238,276	33,211,876	31,476,356	26,273,234	27,238,056	22,340,079	21,372,867	15,220,720
(Deficiency) Excess of Revenues										
(under) over expenditures	(2,626,799)	(1,698,212)	(175,620)	(3,112,109)	(2,457,206)	207,127	(2,824,163)	(3,082,484)	(3,053,774)	(564,039)
Other financing sources (uses)										
Transfers in	14,870,997	12,130,107	12,939,379	13,795,979	4,469,036	4,626,002	3,957,220	4,612,461	5,468,235	5,684,250
Transfer out	(10,317,407)	(7,792,564)	(9,172,869)	(11,975,880)	(4,233,547)	(2,399,251)	(1,104,920)	(1,850,672)	(2,328,785)	(2,687,000)
Sale of Capital Assets		-	-	-	-	29,462	65,089	151,455	-	-
Issuance of debt	6,081,000	-	54,638	88,219	469,800	728,407	25,191,091	1,837,115	1,156,409	-
SBITAs Agreements Entered Into	-	63,546								
Payment to Refund Bond Escrow	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	10,634,590	4,401,089	3,821,148	1,908,318	705,289	2,984,620	28,108,480	4,750,359	4,295,859	2,997,250
Net change in fund balance	$ 8,007,791	$ 2,702,877	$ 3,645,528	$ (1,203,791)	$ (1,751,917)	$ 3,191,747	$ 25,284,317	$ 1,667,875	$ 1,242,085	$ 2,433,211
Debt service as a percentage										
of non-capital expenditures	5.5%	7.4%	8.2%	9.8%	8.8%	9.5%	11.5%	5.2%	5.5%	4.6%

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

Table B - 1

Last Ten Fiscal Years

Fiscal Fiscal Year Ending September 30	Taxable Value for Operating Purposes of: Real Property (1)	Personal Property (1)	Centrally Assessed Property (2)	Gross Taxable Value	Final Taxable Value	Millage Rate (3)
2025	$ 1,915,495,880	$ 65,324,980	$ 491,726	$ 1,981,312,586	$ 1,799,908,407	6.3000
2024	1,740,735,349	62,618,850	698,739	1,804,052,938	1,703,931,776	5.9603
2023	1,496,833,147	54,702,130	1,376,557	1,552,911,834	1,522,038,345	5.9603
2022*	1,336,069,099	51,710,662	2,146,973	1,389,926,734	1,356,569,077	5.9603
2021	1,251,232,500	53,128,248	435,044	1,304,795,792	1,266,700,639	5.9603
2020	1,153,606,046	46,191,825	414,701	1,200,212,572	1,199,875,039	6.2000
2019	1,043,419,892	45,287,665	379,019	1,089,086,576	1,087,000,621	6.3000
2018	962,774,319	44,382,663	364,524	1,007,521,506	1,006,271,334	6.3000
2017	899,551,477	44,962,477	311,607	944,825,561	940,285,927	5.9970
2016	861,847,155	45,311,719	325,695	907,484,569	906,012,014	5.9970

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

Notes: (1) 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.

(2) Centrally assessed property consists of railroad and telegraph systems which are assessed by the State of Florida.

(3) Millage rates are levied per $1,000 of taxable value.

* FY 2022 was updated based on 2023 Final Millage Rate and Comparison Sheet.

CITY OF MOUNT DORA
DIRECT AND OVERLAPPING PROPERTY TAX RATES

Table B - 2

(rate per $1,000 of assessed value)

Last Ten Fiscal Years

Fiscal Year	Direct Rate[1]: City of Mount Dora Operating Millage	Overlapping Rates[2]: Lake County BCC General Fund	Lake County BCC Voted Debt Service	Lake County District School Board (State)	Lake County District School Board (Local)	Lake County Water Authority	Lake County Ambulance Service	North Lake Hospital	St. Johns River Water Mgt District	Total
2025	6.3000	5.0364	0.0918	3.1240	2.9980	0.2940	0.4629	0.4100	0.1793	18.8964
2024	5.9603	5.0364	0.0918	3.2080	2.9980	0.2940	0.4629	0.1500	0.1793	18.3807
2023	5.9603	5.0364	0.0918	3.2080	2.9980	0.3083	0.4629	0.1500	0.1793	18.3950
2022	5.9603	5.0364	0.0918	3.2500	2.9980	0.3083	0.4629	0.5000	0.1974	18.8051
2021	5.9603	5.0529	0.0000	3.7010	2.9980	0.3557	0.4629	0.8950	0.2287	19.6545
2020	6.2000	5.0734	0.1100	3.8850	2.9980	0.4900	0.4629	0.9500	0.2414	20.4107
2019	6.3000	5.1180	0.1324	4.8550	1.5000	0.2554	0.4629	0.9800	0.2562	19.8599
2018	6.3000	5.1180	0.1524	5.1030	1.5000	0.2554	0.4629	1.0000	0.2724	20.1641
2017	5.9970	5.1180	0.1524	5.3750	1.5000	0.2554	0.4629	1.0000	0.2885	20.1492
2016	5.9970	5.3051	0.1600	5.6970	1.5000	0.2554	0.4629	1.0000	0.3023	20.6797

Source: Lake County Property Appraiser

Notes: (1) Direct rate is the rate levied by the City of Mount Dora City Council for operating purposes (i.e. the general fund millage).

(2) Overlapping rates are those of State, County and other governmental entities that apply to property owners within the City of Mount Dora.

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

	Fiscal Year														
	2025			2024			2023*			2022			2021**		
Taxpayer	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	$ 31,188,010	1	1.58%	$ 28,352,740	2	1.58%	$ 51,550,440	1	3.33%	$ 25,496,426	1	1.84%	$ 24,398,617	1	1.87%
Deancurt Mount Dora	26,297,990	2	1.33%	23,907,270	3	1.33%	43,467,780	2	2.81%	19,758,088	2	1.42%	18,321,100	2	1.41%
Waterman Communities	21,981,537	3	1.11%	39,532,413	1	2.20%	18,545,006	6	1.20%	16,354,410	5	1.18%	9,122,321	8	0.70%
HI-C Investments, Ltd.	16,978,370	4	0.86%	15,434,890	5	0.86%	28,063,440	3	1.81%	13,600,324	3	0.98%	12,048,362	4	0.92%
Waterman Healthcare Care Systems, Inc.	16,038,136	5	0.81%	13,543,854	7	0.75%	22,587,920	5	1.46%	20,266,158	6	1.46%	9,779,189	6	0.75%
Main Street Leasing Co.	15,020,491	6	0.76%	14,642,877	6	0.81%	26,998,220	4	1.74%	12,559,070	4	0.91%	12,528,225	3	0.96%
Wal-Mart Stores East, Inc.	9,753,840	7	0.49%	9,346,362	9	0.52%	17,949,966	7	1.16%	9,858,781	7	0.71%	9,859,200	5	0.76%
Real Sub LLC	9,212,684	8	0.47%	8,666,421	10	0.48%	16,322,342	8	1.05%	8,257,496	9	0.60%	8,274,874	9	0.64%
Ross TCSP DRE LLC	9,001,503	9	0.46%				16,196,340	9	1.05%						
Lowe's Home Centers, Inc.*	8,432,775	10	0.43%				15,555,296	10	1.00%	7,297,969	10	0.53%	7,299,992	10	0.56%
Wetherbee Partners LLC				15,520,399	4	0.86%									
Park Square Enterprises LLC				9,388,243	8	0.52%									
Tri Cities LLC										8,676,841	8	0.63%	9,321,345	7	0.72%
Veranda Mt Dora, LLC															
Target Corp															
Pine Tree PME Loch Leven LLC															
Spring Harbor, Ltd.															
Lake Care Systems, Inc.															
Total Taxable Assessed Value Ten Largest Taxpayers	$ 163,905,336		8.30%	$ 178,335,469		9.91%	$ 257,236,750		16.61%	$ 142,125,563		10.24%	$ 120,953,225		9.28%
Total Taxable Assessed Value All Other Taxpayers	1,811,153,827		91.70%	1,621,572,938		90.09%	1,291,574,523		83.39%	1,245,558,894		89.76%	1,181,988,740		90.72%
Total Taxable Assessed Value - All Taxpayers	$ 1,975,059,163		100.00%	$ 1,799,908,407		100.00%	$ 1,548,811,273		100.00%	$ 1,387,684,457		100.00%	$ 1,302,941,965		100.00%

Source: Lake County Property Appraiser

* Value for 2023 was updated to reflect more accurate information.
** Percentages were updated to reflect more accurate information.

CITY OF MOUNT DORA
PRINCIPAL PROPERTY TAXPAYERS
Table B - 3, Part 2
Previous Five Fiscal Years

	Fiscal Year														
	2020			2019**			2018**			2017**			2016**		
Taxpayer	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	$ 20,932,829	1	1.74%	$ 19,122,715	1	1.76%	$ 18,349,808	1	1.82%	$ 17,347,031	1	1.84%	$ 16,176,809	1	1.79%
Deancurt Mount Dora	14,009,151	3	1.17%												
Waterman Communities	8,562,490	8	0.71%	7,971,916	6	0.73%									
HI-C Investments, Ltd.	10,542,240	4	0.88%	10,107,079	2	0.93%	9,953,508	2	0.99%	8,834,978	2	0.94%	8,421,859	2	0.93%
Waterman Healthcare Care Systems, Inc.	9,657,608	5	0.80%	9,560,748	3	0.88%	7,553,233	5	0.75%	7,149,013	4	0.76%	7,415,557	4	0.82%
Main Street Leasing Co.	11,706,582	2	0.98%	7,522,743	7	0.69%	7,032,357	6	0.70%	6,387,712	9	0.68%	5,882,905	10	0.65%
Wal-Mart Stores East, Inc.	9,321,630	6	0.78%	8,772,358	5	0.81%	8,688,761	3	0.86%	8,411,587	3	0.89%	8,411,860	3	0.93%
Real Sub LLC	7,779,632	9	0.65%	7,526,241	8	0.69%									
Ross TCSP DRE LLC															
Lowe's Home Centers, Inc.	6,947,743	10	0.58%	6,697,972	9	0.62%	6,730,888	7	0.67%	6,429,662	8	0.68%	6,462,577	6	0.71%
Wetherbee Partners LLC															
Park Square Enterprises LLC															
Tri Cities LLC															
Veranda Mt Dora, LLC				10,130,743	4	0.93%	8,169,099	4	0.81%	6,768,340	5	0.72%	6,399,439	7	0.71%
Target Corp				6,690,279	10	0.62%	6,716,418	8	0.67%	6,189,384	10	0.66%	6,215,522	8	0.69%
Pine Tree PME Loch Leven LLC							7,162,934	9	0.71%						
Spring Harbor, Ltd.							6,480,792	10	0.64%	6,482,611	7	0.69%	6,156,978	9	0.68%
Lake Care Systems, Inc.										6,736,402	6	0.72%	6,516,939	5	0.72%
Total Taxable Assessed Value Ten Largest Taxpayers	$ 99,459,905		8.29%	$ 94,102,794		8.66%	$ 86,837,798		8.63%	$ 80,736,720		8.59%	$ 78,060,445		8.62%
Total Taxable Assessed Value All Other Taxpayers	$ 1,100,415,134		91.71%	$ 992,897,827		91.34%	$ 919,433,536		91.37%	$ 859,549,207		91.41%	$ 827,951,569		91.38%
Total Taxable Assessed Value - All Taxpayers	$ 1,199,875,039		100.00%	$1,087,000,621		100.00%	$1,006,271,334		100.00%	$ 940,285,927		100.00%	$ 906,012,014		100.00%

Source: Lake County Property Appraiser

** Percentages were updated to reflect more accurate information.

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CITY OF MOUNT DORA
PROPERTY TAX LEVIES AND COLLECTIONS
Table B - 4
Last Ten Fiscal Years

Fiscal Year	Millage Rate(1)	Gross Taxable Value(2)	Taxes Levied for the Fiscal Year(1)	Collected within the Fiscal Year of the Levy: Amount(2)	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years(2)	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2025	6.3000	$1,981,312,586	$13,076,663	$12,010,087	91.84%	$ 63	$12,010,150	91.84%
2024	5.9603	1,804,052,938	11,004,723	10,358,693	94.13%	335	10,359,028	94.13%
2023	5.9603	1,552,911,834	9,472,762	8,911,274	94.07%	868	8,912,142	94.08%
2022*	5.9603	1,389,926,734	8,617,546	7,983,744	92.65%	3,531	7,987,275	92.69%
2021*	5.9603	1,304,795,792	8,089,734	7,498,745	92.69%	2,895	7,501,640	92.73%
2020	6.2000	1,200,212,572	7,441,318	7,183,425	96.53%	13,697	7,197,122	96.72%
2019	6.3000	1,089,086,576	6,861,245	6,607,118	96.30%	6,707	6,613,825	96.39%
2018	6.3000	1,007,521,506	6,347,385	6,118,382	96.39%	5,024	6,123,406	96.47%
2017	5.9970	944,825,561	5,666,119	5,436,646	95.95%	7,156	5,443,802	96.08%
2016	5.9970	907,484,569	5,442,185	5,245,260	96.38%	4,865	5,250,124	96.47%

Source: (1) Lake County Property Appraiser Form DR-403CC

(2) City of Mount Dora Finance Department

* Some values may differ from prior report to reflect updated information.

CITY OF MOUNT DORA
PRINCIPAL ELECTRICAL CUSTOMERS
Table B - 5 - Part 1
Last Five Fiscal Years

	Fiscal Year									
	2025		2024		2023		2022		2021	
Electric Customer	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank
The City of Mount Dora	4,316,403	1	3,938,209	1	3,883,849	1	1,804,032	2	747,456	5
Mount Dora High School	2,782,720	2	2,580,984	2	2,572,584	2	2,426,424	1		
Lakeside at Waterman Village	2,022,000	3	2,234,000	3	1,911,200	3				
Mount Dora Middle School	1,747,904	4	1,619,072	4	1,480,608	4	1,571,264	3	671,424	7
Bravo Supermarket	1,390,960	5	1,333,360	5	1,262,040	6	1,238,760	7	1,275,280	2
Triangle Elementary School	1,320,976	6	1,289,856	6	1,423,924	5	1,436,072	4	1,341,392	1
City of Mount Dora - Pumps-Wells	1,211,000	7	1,079,800	7	1,056,900	7				
Hallmark Nameplate	804,360	8	912,600	8	843,840	8	816,360	8	874,200	4
Mount Dora Christian Academy	761,784	9	827,952	9	763,720	9	1,354,464	5	406,656	10
Lakeside Inn Corporation	722,800	10	736,600	10	715,000	10				
Lakeside Corp of Mount Dora							1,251,000	6	676,600	6
Surgery Center of Mount Dora							610,360	9	606,320	8
Avante At Mount Dora							609,240	10	604,120	9
City of Mount Dora - Wastewater Plant									986,800	3
City of Mount Dora - Water Dept.										
Riley's Mobile Home Park										
City of Mount Dora - Police/Fire										
City of Mount Dora - Perc Ponds										
National Deaf Academy										
Total	17,080,907		16,552,433		15,913,665		13,117,976		8,190,248	

Source: City Utility Records

CITY OF MOUNT DORA
PRINCIPAL ELECTRICAL CUSTOMERS
Table B - 5 - Part 2
Previous Five Fiscal Years

	Fiscal Year									
	2020		2019		2018		2017		2016	
Electric Customer	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank	Kilowatt Hours	Rank
The City of Mount Dora	1,809,344	2								
Mount Dora High School	2,127,004	1	2,361,204	1	2,411,540	1	2,375,992	2	2,272,204	1
Lakeside at Waterman Village										
Mount Dora Middle School	1,258,576	3	886,464	6	992,384	4	1,544,240	3	1,425,120	2
Bravo Supermarket	1,210,440	4	1,111,800	3						
Triangle Elementary School	1,140,548	5	1,358,224	2	1,332,696	2	1,193,360	4	1,190,900	3
City of Mount Dora - Pumps-Wells										
Hallmark Nameplate	839,880	8	907,440	5	852,480	6	850,200	6	890,400	6
Mount Dora Christian Academy	878,280	7			1,038,888	3	6,299,800	1	1,035,160	4
Lakeside Inn Corporation										
Lakeside Corp of Mount Dora	668,600	10	716,000	7	740,600	7	752,800	8	755,600	9
Surgery Center of Mount Dora			684,880	9						
Avante At Mount Dora			625,480	10	713,120	8	709,720	9	790,480	7
City of Mount Dora - Wastewater Plant			691,008	8	702,720	9	760,512	7	779,760	8
City of Mount Dora - Water Dept.	946,500	6	1,059,700	4	984,500	5	921,900	5	951,000	5
Riley's Mobile Home Park	718,200	9								
City of Mount Dora - Police/Fire							615,480	10		
City of Mount Dora - Perc Ponds					679,776	10			741,648	10
National Deaf Academy										
Total	11,597,372		10,402,200		10,448,704		16,024,004		10,832,272	

Source: City Utility Records

CITY OF MOUNT DORA
PRINCIPAL WATER CUSTOMERS
Table B - 6 - Part 1
Last Five Fiscal Years

	Fiscal Year									
	2025		**2024**		**2023**		**2022**		**2021**	
Water Customer	Gallons*	Rank	Gallons*	Rank	Gallons*	Rank	Gallons*	Rank	Gallons*	Rank
Lakes of Mount Dora H.O.A.	28,927,000	1	27,247,000	1					115,804,000	1
Waterman Communities Inc.	26,540,890	2	27,140,410	2	6,368,700	5	2,867,800	10	41,293,400	2
City of Mount Dora	24,163,960	3	10,452,100	10	5,476,590	7	7,671,300	4		
Swell Construction	20,907,600	4								
Eudora Reserve, LLC	15,724,100	5	22,801,700	3	5,530,000	6				
Timberwalk of Lake County Community Association	15,438,500	6								
Hammock Oaks	15,414,200	7	14,339,300	6	13,457,700	2	12,535,600	2	13,044,000	4
Christian Home and Bible School	15,057,700	8	16,419,700	5					13,793,000	3
SPT Dolphin Spring Harber LLC	12,627,700	9	17,555,100	4	20,603,900	1	17,687,200	1		
Seasons at Wekiva Ridge HOA	10,494,840	10								
Car Wash Headquarter, Inc			12,219,600	7			4,407,700	7		
Superior Landscaping & Lawn Service			11,696,400	8						
Lakeside At Waterman Village			10,694,600	9						
Southernaire MHC, Inc.					8,688,000	3	9,289,000	3	5,955,900	9
DBA Veranda Way Apt/Deancurt Mount					7,204,100	4	7,415,300	5	7,378,700	7
Mount Dora High School					4,939,900	8	4,897,100	6		
Avante At Mount Dora					4,581,780	9				
Oakwood FL, LLC					4,524,200	10				
Granite Hibiscus Estates, LLC							4,062,600	8		
Lake Dora Villas Management							2,877,100	9		
Sullivan Ranch H.O.A.									12,076,900	5
Dora Landing HOA									8,457,900	6
Riley's Mobile Home Park									6,658,600	8
Stoneybrook Hills HOA									5,035,100	10
Sullivan Ranch Neighbors										
JTD Land Company										
City of Mount Dora Water Pumps/Wells										
Spring Harbor, Ltd										
Wal-Mart, Inc.										
Rath Harper & Assoc. (Veranda Apart.)										
Mount Dora Commons										
GC Wen FL, LLC (Wendy's)										
Kentucky Fried Chicken										
Total - Gallons*	185,296,490		170,565,910		81,374,870		73,710,700		229,497,500	

Source: City Utility Records
* City converted to gallon based meters in July, 2017 and there are not records available for entire year usage per customer
Starting in FY 2018, usage is reported in gallons

CITY OF MOUNT DORA
PRINCIPAL WATER CUSTOMERS
Table B - 6 Part 2
Previous Five Fiscal Years

	Fiscal Year									
	2020		**2019**		**2018**		**2017**		**2016**	
Water Customer	Gallons*	Rank	Gallons*	Rank	Gallons*	Rank	Hundred Cubic Feet	Rank	Hundred Cubic Feet	Rank
Lakes of Mount Dora H.O.A.	95,834,000	1	82,912,000	1	97,968,000	1	*	2	49,250	2
Waterman Communities Inc.	58,402,554	2	50,051,300	2	45,031,670	2	*	1	56,221	1
City of Mount Dora	7,565,670	9								
Swell Construction										
Eudora Reserve, LLC										
Timberwalk of Lake County Community Association, Inc										
Hammock Oaks	13,838,000	5	12,060,700	5	12,812,900	5	*	6	15,451	6
Christian Home & Bible School	15,142,800	4	12,607,700	4	12,162,200	6				
SPT Dolphin Spring Harber LLC	12,766,100	7								
Seasons at Wekiva Ridge HOA										
Car Wash Headquarter, Inc										
Superior Landscaping & Lawn Service										
Lakeside At Waterman Village										
Southernaire MHC, Inc.			8,706,500	6	6,904,900	7	*	8	9,224	8
DBA Veranda Way Apt/Deancurt Mount										
Mount Dora High School	7,565,670	10	8,621,720	7	6,753,920	8	*	9	8,491	9
Avante At Mount Dora										
Oakwood FL, LLC										
Granite Hibiscus Estates, LLC										
Lake Dora Villas Management										
Sullivan Ranch H.O.A.	24,016,350	3	30,487,570	3	15,476,990	3	*	3	31,616	3
Dora Landing HOA										
Riley's Mobile Home Park			5,431,400	10	5,158,800	10				
Stoneybrook Hills HOA										
Sullivan Ranch Neighbors	13,056,800	6								
JTD Land Company	10,944,300	8								
City of Mount Dora Water Pumps/Wells							*	4	31,425	4
Spring Harbor, Ltd					14,963,700	4	*	5	18,353	5
Wal-Mart, Inc.							*	7	11,524	7
Rath Harper & Assoc. (Veranda Apart.)					6,570,200	9	*	10	7,969	10
Mount Dora Commons										
GC Wen FL, LLC (Wendy's)			5,884,300	8						
Kentucky Fried Chicken			5,670,500	9						
Total - Hundred Cubic Feet	259,132,244		222,433,690		223,803,280		-		239,524	

Source: City Utility Records
* City converted to gallon based meters in July, 2017 and there are not records available for entire year usage per customer
Starting in FY 2018, usage is reported in gallons

CITY OF MOUNT DORA
RATIOS OF OUTSTANDING GENERAL DEBT BY TYPE
Table C - 1
Last Ten Fiscal Years

	Governmental Activities										Business-Type Activities					
Fiscal Year	Fire Protection Assessment Rev. Bonds (1)	Capital Improvement Refunding Bonds (2)	Capital Improvement Revenue Bonds (3)	Financed Purchases	Leases Payable	SBITAs Payable	Tax Increment Revenue Notes (4)	Capital Improvement Revenue Notes (5)	Other Notes	Subtotal	Utility Revenue Bonds/Loans	Leases Payable	Capital Improvement Revenue Bonds (3)	Total Primary Government *	Percent of Personal Income	Per Capita
2025	$ 18,316,733	$ -	$ 10,613,276	$ 185,512	$ 264,164	$ 22,245	$ 6,648,000	$ 8,620,000		$ 44,669,930	$ 13,046,405	$ 4,564		$ 57,720,899	5.25%	$ 3,055
2024	18,831,796	-	10,881,547	244,914	285,777	69,534	748,000	810,000		31,871,568	14,516,134	73,247		46,460,949	4.59%	2,542
2023	19,335,759	313,300	11,142,715	303,237	159,158	144,805	925,000	995,000		33,318,974	15,952,033	103,375		49,374,382	5.29%	2,767
2022	19,823,849	620,600	11,396,870	360,500	213,012		1,098,000	1,175,000		34,687,831	17,954,831	99,018		52,741,680	6.18%	3,079
2021	20,301,242	922,100	11,644,079	1,195,015			1,268,000	1,350,000		36,680,436	18,439,293			55,119,729	7.61%	3,303
2020	20,460,000	1,217,800	2,986,250	1,129,511			1,435,000	1,515,000		28,743,561	16,628,812		$ 8,958,750	54,331,123	8.23%	3,574
2019	20,840,000	1,570,800	3,040,000	1,355,523			1,598,000	865,000		29,269,323	15,515,360		9,120,000	53,904,683	8.56%	3,611
2018		1,792,300		1,989,037			1,757,000	865,000		6,403,337	14,918,591			21,321,928	3.62%	1,467
2017		2,071,400		801,761			1,913,000		$ 121,769	4,907,930	13,203,690			18,111,620	3.28%	1,256
2016		2,345,100					2,066,000		243,564	4,654,664	13,159,409			17,814,073	3.39%	1,277

Notes:
(1) Fire Protection Revenue Bonds of $21,740,000 were issued in November 2018 to finance the construction of new fire stations
(2) 2011 Capital Improvement Refunding Bonds were issued on September 22, 2011 to refund the 2001 Series.
(3) Capital Improvement Revenue Bonds Series 2018 were issued in November 2018 in the amount of $12,160,000.
The bonds are secured by all available revenues including Ad Valorem Revenues.
The bonds were allocated between governmental activities ($3,040,000) and business-type activities ($9,120,000).
(4) Redevelopment Revenue Note, Series 2025 were issued in January 2025 not to exceed $16,000,000.
(5) Capital Improvement Revenue Note Series 2024 was issued in November 2024 in the amount of $8,000,000.

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.

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CITY OF MOUNT DORA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Table C - 2
As of September 30, 2025

Taxing District	Debt Outstanding[1]	Estimated Percentage Applicable[2]	Estimated Share of Overlapping Debt
Other Debt			
Lake County Board of County Commissioners	$ 2,480,000	4.24%	$ 105,231
School District of Lake County	1,129,000	4.24%	47,906
Subtotal - overlapping debt			153,137
City direct debt[3]			44,669,930
Total Direct and Overlapping Debt			$ 44,823,067

[1]General Obligation only

[2]The estimated percentage is based on the city's population to total county population.
[3]Total Governmental Activities Debt including leases.

Source: FY 2024-25 Lake County and FY 2024-25 Lake County School Board ACFR

CITY OF MOUNT DORA
PLEDGED REVENUE COVERAGE - UTILITY BONDS
Table C - 3
Utility (Water and Wastewater) Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Operating Revenue (1)	Direct Operating Expenses (2)	Net Available for Debt Service (3)	Debt Service Principal	Debt Service Interest	Coverage
2025	$ 21,533,628	$ 10,688,182	$ 10,845,446	$ 1,469,729	$ 240,304	6.34
2024	18,862,715	8,729,468	10,133,247	1,435,899	274,248	5.93
2023	15,514,596	7,932,512	7,582,084	2,166,123	346,779	3.02
2022	14,003,228	7,269,073	6,734,155	1,421,615	466,447	3.57
2021	12,760,625	6,954,888	5,805,737	1,077,189	362,814	4.03
2020	11,600,336	6,680,387	4,919,949	913,145	272,770	4.15
2019	11,040,246	6,801,465	4,238,781	959,349	395,114	3.13
2018	10,540,074	5,891,634	4,648,440	776,000	189,572	4.81
2017	10,432,779	5,061,871	5,370,908	743,000	345,091	4.94
2016	9,259,375	4,785,464	4,473,911	720,000	446,328	3.84

(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)(2)
Last Ten Fiscal Years

Fiscal Year	Fire Assessments	Utility Taxes	Telecommunication Taxes	Investment Earnings (3)	Available for Debt Service	Debt Service Principal	Debt Service Interest	Coverage
2025	$ 2,068,599	$ 2,279,575	$ 632,411	$ 657,818	$ 5,638,402	$ 455,000	$ 788,863	4.53
2024	2,018,245	2,111,482	583,649	747,201 *	5,460,578 *	753,300	812,605	3.49
2023	1,964,006	2,155,549	530,770	748,903 *	5,399,228 *	727,300	835,364	3.46
2022	1,912,753	1,917,239	500,780	126,241	4,457,013	706,500	857,443	2.85
2021	2,007,713	1,680,986	498,062	20,343 *	4,207,104 *	685,700	878,778	2.69
2020	2,015,152	1,592,491	497,480	247,340 *	4,352,463 *	670,000	895,865	2.78
2019	1,952,675	1,586,210	494,869	434,526 *	4,468,280 *	1,184,500	378,188	2.86
2018		1,457,012	509,440	18,520	1,984,972	279,100	40,170	6.22
2017		1,451,627	580,741	2,556	2,034,924	273,700	45,671	6.37
2016		1,415,482	565,519	2,362	1,983,363	268,500	50,937	6.21

(1) Includes the Capital Improvement Rev. Refunding Bonds 2011 and Fire Protection Assessment Revenue Bonds, Series 2018
(2) The Capital Improvement Revenue Bonds, Series 2018 (non-Fire Assessment) are secured by pledges of all available revenues. These are considered general obligation bonds and are not included on this schedule
(3) Investment Earnings (Losses) on funds in the Pledged Revenue Fund.

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CITY OF MOUNT DORA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Table D - 1
Last Ten Calendar Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Personal Income Inc. (Dec.)	Unemployment Rate (4)
2025	18,896	$ 1,099,010,256	$ 58,161	5.01%	4.5%
2024	18,277	1,012,308,199	55,387	5.92%	3.8%
2023	17,843	933,028,313	52,291	4.94%	3.3%
2022	17,129	853,555,199	49,831	2.34%	2.8%
2021	16,688	724,676,400	48,690	12.12%	5.9%
2020	15,200	660,060,000	43,425	2.93%	7.4%
2019	14,928	629,812,320	42,190	4.07%	2.8%
2018	14,536	589,303,976	40,541	5.95%	2.9%
2017	14,421	551,833,986	38,266	1.51%	3.4%
2016	13,949	525,849,402	37,698	5.34%	4.8%

(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) Lake County Office of Economic & Demographic Research
(4) Per FRED Economic Research

CITY OF MOUNT DORA
PRINCIPAL EMPLOYERS
Table D - 2
Latest Year and Ten Years Ago

2025

Employer	Number of Employees	Rank	Percent of Total County Employment
Lake County Public Schools	5,669	1	2.97%
Advent Health Waterman (2)	3,300	2	1.73%
Publix Supermarkets	3,049	3	1.60%
Lake County Government	2,298	4	1.20%
Walmart Supercenter	2,115	5	1.11%
Orlando Health South Lake Hospital (3)	1,897	6	0.99%
UF Health Leesburg Hospital (2)	1,828	7	0.96%
Central Florida Health Alliance	1,342	8	0.70%
The Kroger Co.	943	9	0.49%
Lowes	784	10	0.41%

2016

Employer	Number of Employees	Rank	Percent of Total County Employment
Lake County Public Schools	5,435	1	3.90%
Central Florida Health	2,686	2	1.93%
UF Health Leesburg Hospital (1)	1,826	3	1.31%
Lake County Government	1,785	4	1.28%
Advent Health Waterman (2)	1,482	5	1.06%
Orlando Health South Lake Hospital (3)	1,143	6	0.82%
Villages of Lake Sumter, Inc.	1,120	7	0.80%
Ace Staffing Unlimited Inc.	700	8	0.50%
City of Leesburg	520	9	0.37%
Dura-Stress, Inc.	425	10	0.30%

(1) Previously named Leesburg Regional Medical Center
(2) Previously named Florida Hospital Waterman
(3) Previously named South Lake Hospital
Source: Lake County Annual Comprehensive 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				
	2025	**2024**	**2023**	**2022**	**2021**
General Government					
Legislative	7.00	7.00	7.00	0.00	0.00
Administration	6.00	5.00	6.00	7.50	5.00
Finance	29.00	29.00	28.00	34.50	30.00
Planning	7.00	7.00	6.50	6.00	5.00
Building Maintenance	5.50	6.00	6.00	7.00	6.00
Facility Care	6.00	6.00	5.00	5.50	6.00
Public Safety					
Police	60.50	58.50	52.50	57.00	55.00
Police Communications	0.00	0.00	11.50	10.50	10.00
Fire	35.00	31.00	31.00	31.00	45.25
Code	2.00	2.00	1.00	0.00	0.00
Physical Environment					
Electric	12.00	12.00	12.00	12.00	12.00
Water / Wastewater	34.00	33.00	31.50	31.50	29.50
Sanitation	0.00	0.00	1.75	1.75	1.75
Stormwater	0.00	0.00	4.50	7.00	7.00
Cemetery	0.00	0.00	0.00	0.00	0.00
Transportation					
Roads and Streets	15.00	15.00	8.75	7.25	7.25
Engineering	0.00	0.00	0.00	0.00	1.00
Economic Development					
Economic Development	1.00	1.00	1.00	2.00	2.00
Culture and Recreation					
Library Services	12.00	13.00	12.00	11.00	11.00
Recreation	20.50	18.50	8.00	12.00	12.50
Parks Maintenance	12.50	11.50	11.50	13.50	7.50
Other					
CRA	0.00	0.00	0.00	0.00	4.25
NECRA	0.00	0.00	0.00	0.00	2.25
Protective Inspections	12.00	12.00	12.00	12.00	6.00
Total	277.00	267.50	257.50	269.00	266.25

Source: City Finance Department - Annual Budget 24-25

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				
	2020	**2019**	**2018**	**2017**	**2016**
General Government					
Legislative	0.00	0.00	0.00	0.00	0.00
Administration	8.50	8.44	8.25	7.50	7.40
Finance	25.98	23.90	24.50	22.70	21.77
Planning	5.37	4.12	4.12	3.12	3.12
Building Maintenance	6.50	6.00	12.40	11.40	9.10
Facility Care	5.70	5.70	8.15	0.00	0.00
Public Safety					
Police	55.25	53.50	49.58	44.01	44.01
Police Communications	9.45	9.45	9.40	8.88	8.88
Fire	41.80	40.80	28.80	26.40	25.40
Code	0.00	0.00	0.00	0.00	0.00
Physical Environment					
Electric	12.92	12.22	11.73	11.03	11.35
Water / Wastewater	34.51	33.51	30.17	30.17	29.15
Sanitation	1.28	1.38	1.23	1.23	1.25
Stormwater	5.51	6.08	3.53	3.53	3.15
Cemetery	1.88	2.25	2.35	1.85	1.85
Transportation					
Roads and Streets	8.90	9.23	8.10	8.15	8.18
Engineering	1.13	1.13	0.55	0.90	0.93
Economic Development					
Economic Development	2.00	1.00	0.00	0.00	0.00
Culture and Recreation					
Library Services	12.88	13.00	10.92	9.92	9.84
Recreation	9.75	7.75	8.62	7.70	7.70
Parks Maintenance	7.00	7.20	7.45	6.75	6.75
Other					
CRA	4.90	4.90	4.78	4.20	3.55
NECRA	2.10	2.10	2.10	1.95	1.95
Protective Inspections	7.38	7.38	6.30	4.23	4.23
Total	270.69	261.04	243.03	215.62	209.56

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.

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

	Fiscal year				
	2025	2024	2023	2022	2021
Schools *					
Elementary	2	2	2	2	2
Junior/Senior High***	1	1	1	1	1
Fire					
Stations	2	2	2	2	2
Firefighters	30	30	27	27	39
Response Vehicles	4	4	4	4	4
Parks and Recreation					
Park Acreage	275	275	275	216	216
Sports Fields & Courts Operated	32	30	24	16	16
City Facilities Operated	43	41	41	40	40
Police					
Stations	1	1	1	1	1
Officers **	50	47	46	38	38
Patrol Vehicles	68	61*	46	38	38

	Fiscal year				
	2020	2019	2018	2017	2016
Schools *					
Elementary	2	2	2	2	2
Junior/Senior High	1	1	1	1	1
Fire					
Stations	2	2	2	2	2
Firefighters	39	35	23	22	21
Response Vehicles	4	4	4	4	4
Parks and Recreation					
Park Acreage	216	216	216	216	216
Sports Fields & Courts Operated	16	16	16	16	16
City Facilities Operated	40	40	40	40	40
Police					
Stations	1	1	1	1	1
Officers **	38	38	38	35	35
Patrol Vehicles	38	38	38	40	38

* Public schools owned and operated by Lake County School Board
** Sworn officers

Information is from Lake County and City Budget

CITY OF MOUNT DORA
OPERATING INDICATORS BY FUNCTION / PROGRAM

	For Fiscal Years Ending September 30,				
	2025	2024	2023	2022	2021
Water/Wastewater System					
Number of Water Accounts	11,154	11,033	10,717	10,579	9,974
Average Daily Consumption (in Gallons*)	4,356,167	4,117,900	3,448,333	3,289,391	2,892,727
Wastewater System					
Number of Wastewater Accounts	8,516	8,561	8,242	8,119	7,512
Average Daily Consumption (in Gallons*)	1,704,000	1,840,000	1,384,667	1,919,000	1,331,000
Number of Reclaimed Water Accounts	2,997	2,924	2,603	2,493	2,015
Average Daily Consumption (in Gallons*)	2,290,878	2,106,033	2,069,083	1,872,000	1,831,000
*Water/Wastewater consumption measured in gallons starting FY17-18					
Electric					
Energy Purchased (kWh)	106,038,031	102,197,579	101,623,141	101,888,512	103,236,299
Annual Peak Demand (kW)	25,695	24,594	25,696	24,366	23,448
Avg. Number of Accounts - Total	6,605	6,173	6,143	6,103	5,980
Energy Sales (kWh) - Total	100,740,339	97,976,383	96,451,415	95,662,966	90,956,241
Avg. Monthly Non-demand Consumption (kWh)	1,318	1,299	1,247	1,182	1,172
Planning					
Total Building permits issued	2,224	1,909	1,880	1,995	1,825
Total Value of Construction (Thousands)	$ 1,641,605	$ 137,651	$ 131,411	$ 104,991	$ 119,517
Number Planning Docket Items	19	89	81	65	51
Historic Preservation					
Number Historic properties reviewed*	29	40	38	23	33
Cost of Improvements made to**:					
Historic Commercial Properties	$ 165,000	$ 1,188,516	$ 876,875	$ 418,833	$ 1,571,475
Historic Residential Properties	$ 481,780	$ 1,625,650	$ 1,861,933	$ 1,882,377	$ 2,517,343
*Number of Certificate of Appropriateness (COA) brought before the Historic Preservation Board.					
**Cost of improvements associated with a Certificate of Appropriateness (COA) reviewed by the Historic Preservation Board.					
Police					
Physical Arrests (Excl. DUI / DWI)	645	862	487	387	533
Warrant Arrests	68	81	22	34	151
Filed with SAO*	0	14	574	318	734
DUI / DWI Arrests	43	18	18	30	24
Emergency Calls*	N/A**	N/A**	N/A**	10,016	10,807
Incident Reports	1,905	2,086	2,024	2,414	2,202
Traffic Stops	8,179	5,007	2,942	4,413	3,831
Traffic Tickets	1,997	2,593	1,572	1,322	931
Accident (Crash) Reports	713	1,008	1,056	704	954
*There is a drastic change in these number for FY 2019-20 due to a more accurate way of tracking.					
** The City of Mount Dora no longer has a dispatch unit. It was outsourced to Lake County, FL.					
Fire					
Fire/Rescue Calls	5,466	5,001	5,244	6,128	5,496
Total Number of Inspections	723	1,110	810	757	782
Total Number of Fire Calls	1,398	1,601	76	89	83
Parks and Recreation					
Recreation Programs	111	76	101	115	66
Program Attendance	3,741	3,434	4,795	4,927	1,715
Aquatic Programs	153	143	117	18	6
Aquatic Program Attendance*	7,977	7,133	5,845	5,718	4,229
*Please note 2018 numbers may have changed drastically due to more accurate way of tracking participation.					
Library					
Registered Borrowers	15,550	14,160	12,822	11,960	11,469
Volumes in Collection	77,556	78,032	77,222	76,013	70,735
Total Annual Circulation	249,843	285,997	279,060	250,877	211,265
Library Visits	172,186	183,095	167,278	140,353	155,498

Information is from the City's internal information

FY 2019-20 numbers are down in several areas due to COVID-19

CITY OF MOUNT DORA
OPERATING INDICATORS BY FUNCTION / PROGRAM

	For Fiscal Years Ending September 30,				
	2020	2019*	2018*	2017	2016
Water/Waterwater System					
Number of Water Accounts	9,809	5,778	9,401	9,191	9,388
Average Daily Consumption (in Hcf)	2,581,842	2,481,822	2,292,418	3,085	3,244
Number of Wastewater Accounts	7,358	7,189	6,869	6,652	6,831
Average Daily Consumption (in Hcf)	1,751,935	1,695,537	1,778,062	2,332	2,320
Number of Reclaimed Water Accounts	1,898	1,776	1,638	1,562	1,437
Average Daily Consumption (in Hcf)	1,789,672	1,606,730	1,516,003	1,980	1,846
*Water/Wastewater consumption measured in gallons starting FY17-18					
Electric					
Energy Purchased (kWh)	92,353,809	94,100,629	92,214,603	89,968,777	94,373,633
Annual Peak Demand (kW)	22,871	23,016	23,079	22,199	23,284
Avg. Number of Accounts - Total	5,906	5,882	5,890	5,851	5,823
Energy Sales (kWh) - Total	89,045,887	91,242,633	88,640,204	86,948,531	90,205,112
Avg. Monthly Non-demand Consumption (kWh)	1,095	1,158	1,015	1,026	1,140
Planning					
Total Building permits issued	1,653	1,452	1,522	1,230	1,262
Total Value of Construction (Thousands)	$ 45,422	$ 62,883	$ 43,662	$ 69,665	$ 36,204
Number Planning Docket Items	46	44	60	37	22
Historic Preservation					
Number Historic properties reviewed	39	51	88	47	32
Cost of Improvements made to:					
Historic Commercial Properties	$ 2,138,736	$ 848,309	$ 386,744	$ 181,227	$ 210,218
Historic Residential Properties	$ 2,166,727	$ 1,123,147	$ 623,758	$ 224,232	$ 162,100
Police					
Physical Arrests (Excl. DUI / DWI)	601	631	297	645	622
Warrant Arrests	101	21	121		
Filed with SAO*	763	90	52		
DUI / DWI Arrests	15	16	18	22	43
Emergency Calls*	9,775	3,254	4,922	4,692	4,128
Incident Reports	2,268	2,136	2,413	2,832	2,692
Traffic Stops	4,316	9,610	9,298	9,649	8,713
Traffic Tickets	933	900	1,086	1,656	2,131
Accident (Crash) Reports	1,032	1,103	1,099	1,079	863
*There is a drastic change in these number for FY 2019-20 due to a more accurate way of tracking.					
** The City of Mount Dora no longer has a dispatch unit. It was outsourced to Lake County, FL.					
Fire					
Fire/Rescue Calls	3,651	5,306	4,648	7,381	3,492
Total Number of Inspections	1,563	2,063	1,418	1,312	1,811
Total Number of Building Fire Calls	103	102	79	96	20
Parks and recreation					
Recreation Programs	72	101	73	34	32
Program Attendance	2,073	4,306	4,306	17,877	17,556
Aquatic Programs	3	67	29	26	296
Aquatic Program Attendance*	89	6,281	4,582	455	6,987
*please note 2018 numbers may have changed drastically due to more accurate way of tracking participation					
Library					
Registered Borrowers	11,979	12,571	15,872	13,855	13,874
Volumes in Collection	71,804	72,436	76,015	78,360	84,305
Total Annual Circulation	248,791	268,306	223,593	199,856	227,095
Library Visits	184,726	315,256	301,585	273,038	329,411

Information is from City internal information

COMPLIANCE SECTION

Forvis Mazars, LLP
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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*

Independent Auditor's Report

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 (*Government Auditing Standards*), 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, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated July 16, 2026.

Report on 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) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of 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.

Forvis Mazars, LLP

Orlando, Florida
July 16, 2026

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forvis mazars

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Mount Dora Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Forvis Mazars, LLP

Orlando, Florida
July 16, 2026

CITY OF MOUNT DORA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
Federal Awards				
U.S. Department of Agriculture - Forest Service				
Passed through Florida Department of Agriculture and Consumer Services (FDACS)				
Division of Administation				
Urban and Community Forestry - Inflation Reduction Act Grant Program	23-DG-11083112-500	10.727	$ -	$ 26,000
Total U.S. Department of Agriculture - Forest Service			**-**	**26,000**
U.S. Department of Justice				
Direct:				
Bulletproof Vest Partnership Program		16.607	-	4,518
Indirect:				
Passed through Florida Department of Law Enforcement				
Edward Bryne Memorial Justice Assistance Grant Program	15PBJA-23-GG-02972-MUMU	16.738	-	5,600
Total U.S. Department of Justice			**-**	**10,118**
U.S. Department of Transportation				
SS4A (Safe Streets and Roads) - Safety Action Plan		20.939	-	156,277
Total U.S. Department of Transportation			**-**	**156,277**
U.S. Department of Homeland Security				
Indirect:				
Passed through Florida Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Delared Disasters)	F# 1281	97.036	-	769
Disaster Grants - Public Assistance (Presidentially Delared Disasters)	F#288	97.036	-	703,444
Disaster Grants - Public Assistance (Presidentially Delared Disasters)	F#1535	97.036	-	89,365
Disaster Grants - Public Assistance (Presidentially Delared Disasters)	F#227	97.036	-	857,667
Disaster Grants - Public Assistance (Presidentially Delared Disasters)	F#4743	97.036	-	11,361
Disaster Grants - Public Assistance (Presidentially Delared Disasters)	F#4744	97.036	-	8,179
Disaster Grants - Public Assistance (Presidentially Delared Disasters)	F#1534	97.036	-	334,182
			-	**2,004,966**
Hazard Mitigation Grant Program	FEMA-DR-4486-FL	97.039		41,400
Total U.S. Department of Homeland Security			**-**	**2,046,366**
Total Expenditures of Federal Awards			**$ -**	**$ 2,238,761**

City of Mount Dora, Florida
Notes to Schedule of Expenditures of Federal Awards
September 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Mount Dora, Florida under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Mount Dora, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of the City of Mount Dora, Florida.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The City of Mount Dora, Florida has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal programs:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

5. Type of auditor's report issued on compliance for major federal program(s):

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

7. Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

8. Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000.

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

City of Mount Dora, Florida
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2025

Reference Number	Summary of Finding	Status
	No matters were reported in the prior year.	

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Independent Accountant's Report

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

We have examined the compliance of the City of Mount Dora, Florida (the "City"), with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied with the aforementioned requirements for the fiscal year ended September 30, 2025, in all material respects.

Forvis Mazars, LLP

Orlando, Florida
July 16, 2026

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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 financial statements of the City of Mount Dora, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated July 16, 2026.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditor's Report on Compliance the Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated July 16, 2026, 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 financial audit report. There were no findings or recommendations made in the preceding financial audit report.

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 official title and legal authority of the City is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we identified the following recommendation:

MLC 2025-001 – Capitalization of Infrastructure Assets

Criteria: Generally accepted accounting principles (GAAP) require expenditures that meet the City's capitalization policy and the definition of a capital asset to be capitalized and reported within the appropriate capital asset classification, including infrastructure assets.

Condition: During our audit procedures over capital assets, we identified infrastructure-related expenditures that had been recorded as current-year expenditures rather than capitalized as infrastructure assets. Management subsequently recorded an adjustment to properly classify these expenditures in the financial statements.

Cause: The misclassification resulted from significant personnel turnover within the Finance Department and inadequate year-end communication between the Finance Department and the Electric Utility Department regarding capital projects and related expenditures.

Effect: If the adjustment had not been made, capital assets and net position may have been understated and expenditures overstated. Additionally, the deficiency increases the risk that capital asset activity may not properly reported.

Recommendation: We recommend the City enhance its year-end financial reporting procedures by requiring the Finance Department to coordinate with all departments to identify, review, and evaluate capital expenditures for capitalization. Such procedures should include a documented review of significant capital outlay activity to ensure capital assets are accurately recorded and reported in accordance with GAAP.

Management Response: Management concurs with the finding and recommendation.

The identified misclassification resulted from significant staffing changes within the Finance Department during the fiscal year, including the retirement of the Finance Director and turnover in key accounting positions, combined with the implementation of a new cloud-based ERP system and conversion of the City's payroll system to ADP. These events affected established year-end communication and review processes between the Finance Department and the Electric Utility Department regarding capital projects and infrastructure expenditures.

Upon Identification during the audit, management recorded the necessary adjustment to properly capitalize the infrastructure expenditures in accordance with generally accepted accounting principles (GAAP).

To prevent similar occurrences in future reporting periods, the City has implemented enhanced year-end capital asset review procedures. These procedures require the Finance Department to coordinate with all operating departments, including the Electric Utility Department, to identify projects that meet the City's capitalization policy. Management will also perform and document a comprehensive review of significant capital outlay expenditures before the financial statements are finalized to ensure that all qualifying infrastructure and other capital assets are properly classified and reported in accordance with GAAP. Management believes these enhanced procedures will strengthen internal controls over capital asset reporting and reduce the risk of future misclassification.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the City's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., *Rules of the Auditor General*, the following program administrator administered the PACE program within the geographical areas of the City during the fiscal year under audit:

- Florida Resiliency and Energy District ("FRED")

As required by Section 10.554(1)(i)6.c., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the City, the full names and contract information of each PACE program administrator and third-party administrator within the geographical areas of the City are as follows:

- Florida Development Finance Corporation
  - Ryan Bartkus (Sr. Director) – 407-712-6353 – rbartkus@fdfcbonds.com
  - Ahisha Rodriguez (Programs Manager) – 407-712-6352 – arodriguez@fdfcbonds.com

Special District Component Units

Section 10.554(1)(i)5.c, *Rules of the Auditor General,* requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific information of the City of Mount Dora, Florida Community Redevelopment Agency (the "CRA"), a dependent special district of the City, that is required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General,* is reported in the CRA's management letter for the year ended September 30, 2025.

Specific information of the City of Mount Dora, Florida Northeast Community Redevelopment Agency (the "NECRA"), a dependent special district of the City, that is required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General,* is reported in the NECRA's management letter for the year ended September 30, 2025.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General,* requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

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

Purpose of This Letter

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

Forvis Mazars, LLP

Orlando, Florida
July 16, 2026

CITY OF MOUNT DORA
OFFICE OF THE CITY MANAGER

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

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

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

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

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

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

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

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

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

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

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

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

Website:
www.cityofmountdora.com

June 30, 2026

The City of Mount Dora, Florida has complied with Section 163.31801 of Florida Statues regarding accounting and reporting of impact fee collections and expenditures.

Vince Sandersfeld
City Manager

Jennifer Gates
Finance Director

STATE OF FLORIDA
COUNTY OF LAKE

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Vince Sandersfeld and Jennifer Gates, whom I know personally and whom executed the foregoing instrument and acknowledged before me that they executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 30th day of June, 2026:

(Seal/Stamp)
(Commission Expiration Date)

Notary Public
State of Florida at Large

JEANANN HAND
Notary Public - State of Florida
Commission # HH 295587
My Comm. Expires Aug 1, 2026
Bonded through National Notary Assn.

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APPENDIX C

COPY OF RESOLUTION

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RESOLUTION NO. 2026-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOUNT DORA, FLORIDA AUTHORIZING THE ISSUANCE OF THE CITY OF MOUNT DORA, FLORIDA NON-AD VALOREM REFUNDING REVENUE BONDS, SERIES 2026 IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $17,250,000 FOR THE PURPOSE OF REFUNDING THE CITY'S OUTSTANDING REDEVELOPMENT REVENUE NOTE, SERIES 2025 WHICH PROVIDED INTERIM FINANCING FOR A COMMUNITY RESOURCE AND RECREATION CENTER LOCATED IN THE NORTHEAST COMMUNITY REDEVELOPMENT AREA, AND TO PAY TRANSACTION COSTS, ALL SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS CONTAINED HEREIN; FIXING CERTAIN DETAILS OF SAID BONDS; APPROVING THE FORMS OF THE SUMMARY NOTICE OF SALE AND OFFICIAL NOTICE OF SALE WITH RESPECT TO SUCH BONDS; DELEGATING TO THE CITY MANAGER THE AUTHORITY TO DETERMINE THE PRINCIPAL AMOUNTS OF THE BONDS TO BE ISSUED AND THE BID DATE WITH RESPECT TO SUCH BONDS, TO AWARD THE SALE THEREOF TO THE LOWEST CONFORMING BIDDER BASED ON BIDS SUBMITTED AT PUBLIC SALE, AND TO DETERMINE THE TERMS OF SUCH SALE; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; APPOINTING A BOND REGISTRAR AND PAYING AGENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A BOND REGISTRAR AND PAYING AGENT AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT PERTAINING TO THE BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY AND THE NORTHEAST COMMUNITY REDEVELOPMENT AGENCY; APPROVING THE FORM OF THE SERIES 2026 BONDS; ESTABLISHING CERTAIN FUNDS AND ACCOUNTS FOR THE SERIES 2026 BONDS; AUTHORIZING CERTAIN OFFICIALS OF THE CITY TO EXECUTE ANY DOCUMENT OR TO TAKE ANY ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council (the "City Council") of the City of Mount Dora, Florida (the "City") established the Northeast Community Redevelopment Agency (the "Agency") pursuant to Chapter 163, Part III, Florida Statutes (the "Redevelopment Act"), and City Resolution No. 89-19, as amended and supplemented from time to time, to conduct the community redevelopment purposes of the provisions of the Redevelopment Act; and

WHEREAS, City Ordinance No. 2024-07 adopted the "City of Mount Dora Northeast Community Redevelopment Agency Redevelopment Plan of 2024" (as may be amended from time to time, the "Redevelopment Plan") which, among other things, described the current boundaries of the Northeast Community Redevelopment Area and identified the need for a community resource and recreation center to be located in such area (the "Project") as a redevelopment objective thereunder; and

WHEREAS, the City provided interim construction financing for the Project by obtaining a non-revolving, draw-down loan evidenced by the City's Redevelopment Revenue Note, Series 2025 (the "Series 2025 Note"), in anticipation of a future issuance of revenue bonds or other debt obligations to permanently finance the Project; and

WHEREAS, the Series 2025 Note was issued in the principal amount of not to exceed $16,000,000 pursuant to City Resolution No. 2025-03 adopted by the City Council on January 21, 2025, and that certain Loan Agreement dated January 24, 2025 (the "Loan Agreement"), by and between the City and Regions Capital Advantage, Inc.; and

WHEREAS, the City intends to have drawn down all of the principal amount of the Series 2025 Note to finance the design, construction, acquisition, improvement, and equipping of the Project by August 28, 2026, and the Project is scheduled for completion on or before September 30, 2026; and

WHEREAS, the City Council has determined to authorize the issuance of its not to exceed $17,250,000 City of Mount Dora, Florida Non-Ad Valorem Refunding Revenue Bonds, Series 2026 (the "Series 2026 Bonds") to (i) currently refund the principal amount drawn on the Series 2025 Note and thereby provide for the long-term financing of the Project, (ii) finance any additional costs of the Project if deemed necessary by the City Manager, and (iii) pay transaction costs and expenses relating to the issuance and sale of the Series 2026 Bonds which may include the costs of bond insurance if deemed desirable by the City Manager upon the advice of the Municipal Advisor; and

WHEREAS, the Series 2026 Bonds shall be secured solely by the City's covenant to budget, appropriate and deposit non-ad valorem revenues of the City; and

WHEREAS, City Ordinance No. 546, as amended and supplemented from time to time, established a redevelopment trust fund for the purpose of carrying out redevelopment in the Northeast Community Redevelopment Area pursuant to the Redevelopment Plan (the "Redevelopment Trust Fund"); and

WHEREAS, the City and the Agency desire to enter into an interlocal agreement providing for the Agency's payment to the City of tax increment revenues deposited to the Redevelopment Trust Fund (the "Northeast Increment Revenues"), for use by the City to make principal and interest payments on the Series 2026 Bonds when due (the "Interlocal Agreement"); and

WHEREAS, such Northeast Increment Revenues shall be a non-ad valorem revenue source available to the City to pay the principal and interest payments on the Series 2026 Bonds, but shall not be pledged as a source of security and payment for such Series 2026 Bonds; and

WHEREAS, the City intends to sell the Series 2026 Bonds pursuant to a competitive sale and wishes to delegate to the City Manager the authority to determine the bid date with respect to the Series 2026 Bonds, to award the sale thereof to the lowest conforming bidder (the "Original Purchaser") in the aggregate principal amount of not exceeding $17,250,000 for the purposes of refunding the Series 2025 Note and paying the costs of issuance with respect to the Series 2026 Bonds, and to determine the terms of such sale, all in accordance with the Official Notice of Sale; and

WHEREAS, in furtherance thereof, the City wishes to approve the forms of the Summary Notice of Sale attached hereto as Exhibit A and the Official Notice of Sale attached hereto as Exhibit B, each by reference made a part hereof; and

WHEREAS, the Official Notice of Sale is to be provided to all parties expressing an interest in the offering of the Series 2026 Bonds; and

WHEREAS, prior to the award and sale of the Series 2026 Bonds, the City will be provided all applicable disclosure information required by Section 218.385, Florida Statutes, a copy of which will be attached to or otherwise included as part of the Official Notice of Sale; and

WHEREAS, the City Council desires to approve the form of and authorize the distribution of a Preliminary Official Statement, a form of which is attached hereto as Exhibit C (the "Preliminary Official Statement") in connection with the marketing and sale of the Series 2026 Bonds, and to authorize the execution and delivery of a final Official Statement (the "Official Statement") incorporating the final details of the Series 2026 Bonds; and

WHEREAS, the City Council desires to approve the form of and authorize the execution of a Continuing Disclosure Certificate, a form of which is attached hereto as Exhibit D (the "Disclosure Certificate"); and

WHEREAS, the City Council desires to appoint a Bond Registrar and Paying Agent, and approve and authorize the execution of a Bond Registrar and Paying Agent Agreement in substantially the form attached hereto as Exhibit E (the "Bond Registrar and Paying Agent Agreement"); and

WHEREAS, the City Council desires to approve the form of and authorize the execution of the Interlocal Agreement, in substantially the form attached hereto as Exhibit F (the "Interlocal Agreement").

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT DORA, FLORIDA:

SECTION 1. AUTHORITY FOR THIS BOND RESOLUTION. This Bond Resolution of the City is adopted pursuant to the Constitution and laws of the State of Florida, Chapter 166, Parts I and II, Florida Statutes, the municipal charter of the City, and other applicable provisions of law (collectively, the "Act").

SECTION 2. DEFINITIONS. Capitalized terms used herein and not otherwise defined in the recitals above or elsewhere in this Bond Resolution shall have the following meanings. Unless the context clearly requires otherwise, as used herein, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

"Agency" shall mean the Northeast Community Redevelopment Agency established by the City pursuant to Chapter 163, Part III, Florida Statutes, and City Resolution No. 89-19, as amended and supplemented from time to time.

"Amortization Installment" means the funds to be deposited in the Redemption Account in a given Bond Year for the payment at maturity or redemption of a portion of any Series 2026 Bonds issued as Term Bonds hereunder.

"Authorized Investments" means any investment, obligation, agreement or other financial instrument to the extent not inconsistent with the terms of the investment policy of the City and applicable law.

"Bond Counsel" shall mean Bryant Miller Olive P.A., or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Registrar and Paying Agent" shall mean the Bond Registrar and Paying Agent for the Series 2026 Bonds appointed hereunder and any successor thereto.

"Bond Service Payment Date" shall mean the date in which any component of Debt Service Requirement becomes due, as set forth in the Official Notice of Sale.

"Bond Year" shall mean each twelve-month period beginning on October 1 and ending on September 30 or such other period as shall be determined by supplemental resolution of the City Council.

"Business Day" shall mean any day other than a Saturday, a Sunday, or a day on which banks in the City of Mount Dora, Florida are authorized or required to be closed.

"City Attorney" shall mean the City Attorney or his or her designee.

"City Clerk" means the City Clerk or Deputy City Clerk of the City.

"City Manager" means the City Manager of the City.

"City" shall mean the City of Mount Dora, Florida, a municipal corporation of the State of Florida.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

"Debt Service Fund" means the City of Mount Dora, Non-Ad Valorem Refunding Revenue Bonds, Series 2026 Debt Service Fund created hereunder.

"Debt Service Requirement" shall mean, for any Bond Year, the sum of the amount required to be deposited into the Debt Service Fund in such Bond Year.

"Debt Service" means principal of and interest on the Series 2026 Bonds, and other debt related costs, due in connection therewith.

"Event of Default" shall mean an Event of Default as defined in Section 21 hereof.

"Federal Securities" shall mean direct obligations of the United States of America and obligations the principal of and interest on which are fully guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor.

"Finance Director" shall mean the Finance Director of the City or any assistant or deputy thereof.

"Fiscal Year" shall mean the twelve-month period commencing October 1 of each year and ending on the succeeding September 30, or such other twelve month period as the City may designate as its "fiscal year" as permitted by law.

"Holder" or "Holder of Bonds" or "Bondholder" or any similar term shall mean any person who shall be the registered owner of any outstanding Series 2026 Bonds.

"Interlocal Agreement" shall mean the Interlocal Agreement between the City and the Agency dated the date of issuance of the Series 2026 Bonds.

"Mayor" means the Mayor of the City, or in his/her absence, the Vice Mayor of the City or any designee.

"Municipal Advisor" shall mean the City's municipal advisor, Hilltop Securities Inc., Orlando, Florida, and any successor thereto.

"Non-Ad Valorem Revenues" means all revenues of the City, other than revenues generated from ad valorem taxation on real or personal property, which are legally available to make the payments on the Series 2026 Bonds.

"Northeast Community Redevelopment Area" shall mean the community redevelopment area established by the City pursuant to Chapter 163, Part III, Florida Statutes and City Ordinance No. 2020-11, as amended and supplemented from time to time.

"Pledged Revenues" means the Non-Ad Valorem Revenues deposited into the Debt Service Fund.

"Rebate Fund" shall mean the "City of Mount Dora, Florida Non-Ad Valorem Refunding Revenue Bonds, Series 2026 Rebate Fund" created hereunder.

"Record Date" means the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the applicable Bond Service Payment Date.

"Redemption Account" means the account established within the Debt Service Fund by Section 17 hereof, into which the City shall deposit Amortization Installments for any Series 2026 Bonds issued as Term Bonds.

"Serial Bonds" means Series 2026 Bonds other than Term Bonds.

"Series 2026 Bonds" or "Bonds" shall mean the City of Mount Dora, Florida Non-Ad Valorem Refunding Revenue Bonds, Series 2026 contemplated hereunder.

"Term Bonds" means Series 2026 Bonds for which Amortization Installments are established, if any.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared as follows:

A. The WHEREAS clauses recited above are hereby incorporated herein as a part of this Bond Resolution.

B. The City is a duly constituted and validly existing municipality within the State of Florida with requisite home rule powers derived from the Constitution and Laws of the State of Florida.

C. The City deems it a public purpose and necessary, beneficial and in its best interests to issue the Series 2026 Bonds to refund the Series 2025 Note.

D. The City is authorized pursuant to the Act to borrow moneys necessary to refund the Series 2025 Note to provide permanent financing for the Project.

SECTION 4. AUTHORIZATION OF THE SERIES 2026 BONDS AND REFUNDING OF THE SERIES 2025 NOTE. The City hereby authorizes the issuance of City of Mount Dora, Florida Non-Ad Valorem Refunding Revenue Bonds, Series 2026, in the aggregate principal amount of not to exceed $17,250,000 to (i) currently refund the principal amount drawn on the Series 2025 Note and thereby provide for the long-term financing of the Project, (ii) finance any additional costs of the Project if deemed necessary by the City Manager, and (iii) pay transaction costs and expenses relating to the issuance and sale of the Series 2026 Bonds which may include the costs of bond insurance if deemed desirable by the City Manager upon the advice of the Municipal Advisor. It is hereby ascertained, determined, and declared that it is in the best interests of the City to provide for the sale by competitive bid of the Series 2026 Bonds. The series designation and account names relating to the Series 2026 Bonds can be changed to reflect the calendar year of issue. The Series 2026 Bonds shall be in substantially the form attached hereto as Exhibit G, shall be signed by the Mayor and attested by the City Clerk, and the official seal of the City shall be imprinted on the Series 2026 Bonds.

The City hereby authorizes the refunding of the Series 2025 Note. The City Manager is authorized and directed to provide notice to Regions Capital Advantage, Inc. of the City's intent to refund and prepay the Series 2025 Note, in accordance with the Loan Agreement, at such time as may be determined by the City Manager in consultation with the Municipal Advisor.

SECTION 5. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Series 2026 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Bond Resolution shall be deemed to be and shall constitute a contract between the City and such Holders. The covenants and agreements herein set forth to be performed by the City shall be for the equal benefit, protection and security of the legal Holders of any and all of such Series 2026 Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Series 2026 Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 6. TERMS OF BONDS.

A. The Series 2026 Bonds shall be dated the date of their delivery or such other date or dates as determined by the City Manager, and the Series 2026 Bonds shall bear interest (at a rate not to exceed the maximum rate permitted by applicable law) from their dated date, payable semiannually on February 1 and August 1 of each calendar year, commencing on February 1, 2027, or such other date as may be set forth in a Certificate of Award (the "Certificate of Award") as approved by the City Manager, at the rates, and shall mature annually on August 1 of each calendar year, or such other date as determined by the City Manager, substantially in accordance with the maturity schedule set forth or incorporated by reference in the Certificate of Award as herein contemplated. The Series 2026 Bonds shall be issued as fully registered bonds in the denomination of $5,000 each or any integral multiple thereof.

B. The Series 2026 Bonds shall be numbered from one upward preceded by the letter "R" prefixed to the number, respectively. Principal of and premium, if any, on the Series 2026 Bonds shall be payable upon presentation and surrender of such Series 2026 Bonds at maturity or upon redemption at the designated trust office of the Bond Registrar and Paying Agent.

Interest on the Series 2026 Bonds shall be paid by check or draft drawn upon the Bond Registrar and Paying Agent and mailed to the registered owners of such Series 2026 Bonds as of the Record Date at the addresses as they appear on the registration books held by the Bond Registrar and Paying Agent. The registration of the Series 2026 Bonds may be transferred as provided in Section 10 hereof.

Each Series 2026 Bond shall bear interest from the Bond Service Payment Date next preceding the date on which it is authenticated, unless authenticated on a Bond Service Payment Date, in which case it shall bear interest from such Bond Service Payment Date, or, unless authenticated prior to the first Bond Service Payment Date, in which case it shall bear interest from its date; provided, however, that if at the time of authentication, interest is in default, such Series 2026 Bond shall bear interest from the date to which interest shall have been paid. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months or on such other basis as set forth in the Certificate of Award.

The principal of and the interest on the Series 2026 Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

Any Registered Owner of the Series 2026 Bonds in the aggregate principal amount of $1,000,000 or more may, upon written notice to the Bond Registrar and Paying Agent, given not less than five (5) business days prior to the Record Date, direct that payment of interest on such Series 2026 Bonds be made by wire transfer or other medium acceptable to the Bond Registrar and Paying Agent and specifying the account in the continental United States to which such funds are to be transferred.

C. The Series 2026 Bonds may be subject to such optional and mandatory redemption provisions as determined by the City Manager, based on the advice of the Municipal Advisor, and provided in the Certificate of Award. The Series 2026 Bonds may be issued as Serial Bonds and/or Term Bonds, as determined by the City Manager and set forth in the Certificate of Award.

SECTION 7. COVENANT TO BUDGET AND APPROPRIATE.

A. Subject to the next paragraph, the City covenants and agrees and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund hereinafter created, amounts sufficient to pay principal of and interest on the Series 2026 Bonds not being paid from other amounts as the same shall become due. Such covenant and agreement on the part of the City to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided herein. The City further acknowledges and agrees that the obligations of the City to include the amount of such amendments in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Until such monies are budgeted, appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Registered Owner a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a lien on and pledge of specific components of the Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in this Bond Resolution to the contrary notwithstanding, it is understood and agreed that all obligations of the City hereunder shall be payable solely from the portion of Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided for herein and nothing herein shall be deemed to pledge ad valorem taxing power or ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the City and no Registered Owner of the Series 2026 Bonds nor any other person, may compel the levy of ad valorem taxes on any real or personal property within the boundaries of the City or the use or application of ad valorem tax revenues in order to satisfy any payment obligations hereunder or to maintain or continue any of the activities of the City which generate user service charges, regulatory fees, or any other Non-Ad Valorem Revenues. Notwithstanding any provisions of this Bond Resolution or the Series 2026 Bonds to the contrary, the City shall never be obligated to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any other Non-Ad Valorem Revenues. The City is prohibited by law from expending moneys not appropriated or in excess of its current budgeted revenues and surpluses. Until such monies are budgeted, appropriated and deposited as provided herein, neither this Bond Resolution nor the obligations of the City hereunder shall be construed as a pledge of or a lien on all or any Non-Ad Valorem Revenues of the City, but shall be payable solely as provided herein subject to the availability of Non-Ad Valorem Revenues after satisfaction of funding requirements for obligations having an express lien on or pledge of such revenues, payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City, and the provisions of Section 166.241, Florida Statutes.

There is hereby created and established a "Non-Ad Valorem Refunding Revenue Bonds, Series 2026 Debt Service Fund," which shall be maintained on the books of the City as a separate account (but need not be maintained as a separate bank or deposit account) (the "Debt Service Fund"). Moneys in the Debt Service Fund shall be used only to pay principal of and interest on the Series 2026 Bonds and for no other purpose.

Amounts on deposit in the Debt Service Fund may be invested and reinvested by the City in Authorized Investments maturing or redeemable at the option of the City not later than the date such amounts are needed for the payments required hereunder. All income from the

investment of moneys in the Debt Service Fund shall be retained therein and used for the purposes thereof.

The City shall not be required to make any further payments into the Debt Service Fund when the aggregate amount of money and Authorized Investments therein is at least equal to the maximum principal amount outstanding on the Series 2026 Bonds plus accrued interest thereon through maturity.

The designation of the Debt Service Fund (including subaccounts therein) as a special fund for this Bond Resolution shall not be construed to require the establishment of completely independent, self-balancing fund, as such term is commonly used and defined in governmental accounting, but is intended solely to constitute an earmarking of certain moneys and investments for certain purposes and to establish certain priorities for application of such moneys and investments as herein provided. The moneys and investments required to be accounted for in such funds may be pooled with other moneys in a single fund or account, provided that adequate accounting records are maintained to reflect the allocation of the moneys and investments on deposit therein to the respective funds and to control the restricted uses of such moneys and investments for the various purposes as herein provided.

B. Until applied in accordance with this Bond Resolution, the Non-Ad Valorem Revenues of the City on deposit in the Debt Service Fund and other amounts on deposit from time to time therein, plus any earnings thereon, are pledged to the repayment of the Series 2026 Bonds as Pledged Revenues. The City has lawful power and authority to pledge such Pledged Revenues and expects that Non-Ad Valorem Revenues of the City will be sufficient to pay the principal of and interest on the Series 2026 Bonds when due as provided herein and in the Series 2026 Bonds.

SECTION 8. EXECUTION. The Series 2026 Bonds shall be signed by, or bear the facsimile signature of the Mayor, shall be attested and countersigned by or bear the facsimile signature of the City Clerk. A facsimile of the official seal of the City shall be imprinted on each Bond.

SECTION 9. SIGNATURES; REGISTRATION. In the event that any officer whose signature, or a facsimile of whose signature, shall appear on any Series 2026 Bond shall cease to be such officer before the delivery of such Bonds, said signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery. Any Series 2026 Bond may bear the facsimile signature of, or may be signed by, such person who, at the actual time of the execution of such Bonds, shall be the proper officer to sign such Bonds although, at the date of said Bonds, such person may not have been such an officer.

Only such of the Series 2026 Bonds as shall have been endorsed thereon, a certificate of authentication substantially in the form hereinbelow set forth, duly executed by the Bond Registrar and Paying Agent, as authenticating agent, shall be entitled to any benefit or security under this Bond Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly and manually executed by the Bond Registrar and Paying Agent, and such certificate of the Bond Registrar and Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Bond Resolution. The certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Registrar and Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication of all of the Bonds that may be issued hereunder at any one time.

Any Series 2026 Bonds, upon surrender thereof at the principal corporate trust office of the Bond Registrar and Paying Agent, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar and Paying Agent, may, at the option of the Bondholder, be exchanged for an aggregate principal amount of Bonds equal to the designated amount of the Bond or Bonds so surrendered.

The Bond Registrar and Paying Agent shall make provision for the exchange of Series 2026 Bonds at the principal corporate trust office of the Bond Registrar and Paying Agent.

SECTION 10. NEGOTIABILITY, REGISTRATION AND TRANSFER OF BONDS. The Bond Registrar and Paying Agent shall keep books for the registration of transfers of Series 2026 Bonds as provided in this Bond Resolution. The transfer of any Bonds may be registered only upon such books and only upon surrender thereof to the Bond Registrar and Paying Agent together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar and Paying Agent. Upon any such registration of transfer, the City shall execute, and the Bond Registrar and Paying Agent shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds registered in the name of the transferee, and in an aggregate principal amount equal to the principal amount of such Bond or Bonds so surrendered.

In all cases in which Bonds shall be exchanged, the City shall execute, and the Bond Registrar and Paying Agent shall authenticate and deliver, at the earliest practicable time, Bonds in accordance with the provision of this Bond Resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar and Paying Agent. The City or the Bond Registrar and Paying Agent may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Bondholder for the privilege of exchanging or registering the transfer of Bonds under the provisions of this Bond Resolution. Neither the City nor the Bond Registrar and Paying Agent shall be required to make any such exchange or registration of transfer of Bonds during fifteen (15) days immediately preceding any Bond Service Payment Date or, in the case of any proposed redemption of the Bonds then, for the Bonds called for redemption, during the fifteen (15) days preceding the date of the mailing of notice of such redemption and continuing until such redemption date.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bond, and the interest on any such Bonds, shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the premium, if any, and interest thereon to the extent of the sum or sums so paid.

SECTION 11. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Series 2026 Bond shall become mutilated, or be destroyed, stolen or lost, the City may, in its sole discretion, cause to be executed, and the Bond Registrar and Paying Agent shall authenticate and deliver, a new Series 2026 Bond of like date and tenor as the Series 2026 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the City and the Bond Registrar and Paying Agent proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City and the Bond Registrar and Paying Agent may prescribe and paying such expenses as the City and the Bond Registrar and Paying Agent may incur. All Series 2026 Bonds so surrendered shall be canceled by the City. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and if such Bond is lost, stolen or destroyed, without surrender thereof.

SECTION 12. REDEMPTION OF BONDS.

A. Privilege of Redemption. The Series 2026 Bonds shall be subject to optional and/or mandatory redemption at the times and in the amounts provided in the Official Statement.

B. Selection of Series 2026 Bonds to Be Redeemed. The Series 2026 Bonds shall be redeemed only in the principal amount of $5,000 each and integral multiples thereof. The Issuer shall, at least sixty (60) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount of Series 2026 Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Series 2026 Bonds of a single maturity, the particular Series 2026 Bonds or portions of Series 2026 Bonds to be redeemed shall be selected not more than forty-five (45) days prior to the redemption date by the Bond Registrar from the outstanding Series 2026 Bonds of the maturity or maturities designated by the Issuer by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2026 Bonds or portions of Series 2026 Bonds in principal amounts of $5,000 and integral multiples thereof. Notwithstanding the foregoing, in the event that less than the entire principal amount of a Term Bond is to be optionally redeemed, the Issuer shall determine how the principal amount of such refunded Term Bond is to be allocated to the Amortization Installments for the Term Bond and shall notify the Paying Agent and Bond Registrar of such allocation.

If less than all of the outstanding Series 2026 Bonds of a single maturity are to be redeemed, the Bond Registrar shall promptly notify the Issuer and Paying Agent (if the Bond Registrar is not the Paying Agent for such Series 2026 Bonds) in writing of the Series 2026 Bonds or portions of Series 2026 Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

C. Notice of Redemption. Unless waived by any Holder of Series 2026 Bonds to be redeemed, notice of any redemption made pursuant to this section shall be given by the Bond Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Holder of Series 2026 Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Bond Registrar or at such other address as shall be furnished in writing by such Holder to the Bond Registrar; provided, however, that no defect in any notice given pursuant to this Section to any Holder of Series 2026 Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Owners of Series 2026 Bonds to be redeemed.

Every official notice of redemption shall be dated and shall state:

(1) the redemption date,

(2) the Redemption Price,

(3) if less than all outstanding Series 2026 Bonds are to be redeemed, the number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed,

(4) that, on the redemption date, the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(5) that such Series 2026 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Bond Registrar.

Prior to any redemption date, the Issuer shall deposit with the Bond Registrar an amount of money sufficient to pay the Redemption Price of all the Series 2026 Bonds or portions of Series 2026 Bonds which are to be redeemed on that date.

The Issuer may provide that a notice of redemption may be contingent upon the occurrence of condition(s) and that if such condition(s) do not occur, the notice will be rescinded; provided notice of such rescission shall be mailed in the manner described herein to all Bondholders as soon as practicable after the Issuer has determined to rescind the redemption.

D. Redemption of Portions of Series 2026 Bonds. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to, the Bond Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Issuer shall execute and the Bond Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2026 Bonds so surrendered.

E. Payment of Redeemed Series 2026 Bonds. Notice of redemption having been given substantially as aforesaid, the Series 2026 Bonds or portions of Series 2026 Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2026 Bonds or portions of Series 2026 Bonds shall cease to bear interest. Upon surrender of such Series 2026 Bonds for redemption in accordance with said notice, such Series 2026 Bonds shall be paid by the Bond Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Series 2026 Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

SECTION 13. SUMMARY NOTICE OF SALE AND OFFICIAL NOTICE OF SALE; DELEGATED AWARD.

A. The forms of the Summary Notice of Sale and the Official Notice of Sale attached hereto as Exhibit A and Exhibit B, respectively, are hereby approved, subject to such changes, insertions and omissions and filling of blanks therein as may be approved and made in such form by the City Manager in a manner consistent with the terms of this Bond Resolution. The City Manager is hereby authorized to accept the offer of the Original Purchaser to purchase the Series 2026 Bonds in accordance with the terms of the Official Notice of Sale; provided, however, that (i) the aggregate principal amount of the Series 2026 Bonds shall not exceed $17,250,000, (ii) the true interest cost rate of the Series 2026 Bonds shall not exceed 5.50%, (iii) the Series 2026 Bonds may be issued as serial bonds and/or term bonds to be determined in the Original Purchaser's bid proposal in accordance with the Official Notice of Sale, and (iv) the final maturity date for the Series 2026 Bonds shall not be later than December 31, 2049. The City Manager is hereby authorized to deliver a Certificate of Award and thereby award the sale of the Series 2026 Bonds to the Original Purchaser for and on behalf of the City pursuant to the terms hereof and of the Official Notice of Sale. The City hereby authorizes the publication of the Summary Notice of Sale pursuant to the requirements of law.

B. Prior to the delivery of the Series 2026 Bonds, the Original Purchaser will provide the City with a disclosure statement containing the information required by Section 218.38(1)(b)2., Florida Statutes and a Truth in Bonding Statement pursuant to Section 218.385, Florida Statutes.

SECTION 14. APPROVAL OF PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT. The City hereby ratifies and approves the form of the Preliminary Official Statement relating to the Series 2026 Bonds which is attached hereto as Exhibit C. The City hereby authorizes the City Manager to execute and deliver a certificate of the City which deems such Preliminary Official Statement "final" within the contemplation of rule 17 CFR § 240.15c2-12 of the U.S. Security Exchange Commission ("Rule 15c2-12"). The City hereby ratifies and approves the use of such Preliminary Official Statement as part of the competitive sale of the Series 2026 Bonds. The City hereby authorizes execution and delivery of a final Official Statement (with such changes as are necessary to describe the final terms of the Series 2026 Bonds) by the Mayor and the City Manager, which execution and delivery shall constitute complete evidence of the approval of such final Official Statement by the City.

SECTION 15. CONTINUING DISCLOSURE. The City hereby covenants and agrees that, in order to assist the Holders in complying with the continuing disclosure requirements of Rule 15c2-12 with respect to the Series 2026 Bonds, it will comply with and carry out all of the provisions of the Disclosure Certificate by the City prior to the time the City delivers the Series 2026 Bonds to the Original Purchaser, as may be amended from time to time in accordance with the terms thereof. The form of the Disclosure Certificate, attached hereto as Exhibit D, is hereby approved and ratified. Subject to satisfaction of the conditions in Section 12 hereof, the Disclosure Certificate shall be executed in the name of the City with the manual signature of the Mayor and the official seal of the City shall be imprinted thereon, attested with the manual signature of the City Clerk and approved as to form and legal correctness by the City Attorney. The execution and delivery thereof in the manner described in the preceding sentence shall constitute complete approval of such Disclosure Certificate by the City, including any changes to the form being approved, and shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

Failure of the City to comply with such Disclosure Certificate shall not be considered an event of default. However, the Disclosure Certificate shall be enforceable by the Holders of the Series 2026 Bonds in the event that the City fails to cure a breach thereunder within a reasonable time after written notice from a Holder of the Series 2026 Bonds to the City that a breach exists. Any rights of the Holders of the Series 2026 Bonds to enforce the provisions of this covenant shall be on behalf of all Holders of the Series 2026 Bonds and shall be limited to a right to obtain specific performance of the City's obligations thereunder.

SECTION 16. BOND REGISTRAR AND PAYING AGENT. U.S. Bank Trust Company, National Association is hereby appointed Bond Registrar and Paying Agent for the Series 2026 Bonds. The City hereby approves the form of the Bond Registrar and Paying Agent Agreement relating to the Series 2026 Bonds which is attached hereto as Exhibit E to be entered into by the City and the Bond Registrar and Paying Agent. Subject to satisfaction of the conditions in Section 12 hereof, the Bond Registrar and Paying Agent Agreement shall be executed in the name of the City with the manual signature of the Mayor and the official seal of the City shall be imprinted thereon, attested with the manual signature of the City Clerk and approved as to form and legal correctness by the City Attorney. The execution and delivery thereof in the manner described in

the preceding sentence shall constitute complete approval of such Bond Registrar and Paying Agent Agreement by the City.

SECTION 17. INTERLOCAL AGREEMENT. The form of the Interlocal Agreement attached hereto as Exhibit F is hereby approved, with such changes, insertions and filling of blanks therein as shall be made in such form and approved by the City, with execution by any of the authorized officers executing the same constituting conclusive evidence of such approval.

SECTION 18. ADDITIONAL COVENANTS OF CITY. For so long as any of the principal of and interest on any of the Series 2026 Bonds shall be outstanding and unpaid or until there shall have been set apart in the Debt Service Fund, a sum sufficient to pay when due, the entire principal of the Series 2026 Bonds remaining unpaid, together with interest accrued or to accrue thereon, the City covenants with the Holders of each and all of the Bonds as follows:

A. Redemption Account. Within the Debt Service Fund there may be established a redemption account in the event any Series 2026 Bonds are issued as Term Bonds (the "Redemption Account"). If applicable, an amount each Bond Year equal to the Amortization Installments for any Series 2026 Bonds issued as Term Bonds shall be deposited to the Redemption Account to provide for redemption of such Term Bonds as the same become due.

B. Special Funds; Investments. Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts, respectively. All such funds shall be continuously secured in the manner by which the deposit of City funds are authorized to be secured by the laws of the State of Florida. Amounts on deposit in the funds and accounts created under this Bond Resolution may be invested and reinvested in Authorized Investments. Earnings on such Authorized Investments shall be retained in the respective funds and accounts from which such earnings derive.

The moneys required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

The designation and establishment of the various funds and accounts in and by this Bond Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

C. Books and Records. Books and records of the City shall be kept in which complete and correct entries shall be made, in accordance with generally accepted accounting principles.

The City shall require that an annual audit of the books, records and accounts of the City be completed as soon as reasonably practicable after the end of each Fiscal Year by a qualified independent certified public accountant. The results of such audit shall be mailed, upon request, and made available, at all reasonable times, to any Holder or Holders of Bonds or anyone acting for and on behalf of the Holders of such Bonds; provided, however, that any such costs shall be borne by such Holder or Holders as the case may be.

SECTION 19. APPLICATION OF PROCEEDS. Proceeds from the sale of the Series 2026 Bonds, including accrued interest, if any, shall be disposed of as follows:

A. Any accrued interest and interest to accrue on the Series 2026 Bonds from the dated date thereof to the date of delivery shall be deposited in the Debt Service Fund and shall be used only for the purpose of paying interest becoming due on the Series 2026 Bonds.

B. An amount equal to the costs of issuance of the Series 2026 Bonds shall be used to pay transaction costs and expenses relating to the issuance and sale of the Series 2026 Bonds.

C. An amount which, together with other legally available funds of the City, if any, shall be sufficient to pay all of the outstanding principal amount of the Series 2025 Note, plus interest accrued on such principal amount to the date of prepayment, shall be applied to the current refunding of the Series 2025 Note.

D. Any amount issued to fund additional costs of the Project shall be deposited into a segregated fund to be known as the "City of Mount Dora, Florida Non-Ad Valorem Refunding Revenue Bonds, Series 2026 Project Fund" to be created and held by the City to be used to pay the remaining costs of the Project.

SECTION 20. DEFEASANCE. If, at any time, the City shall have paid, or shall have made provision for payment of, the principal, interest, and redemption premiums, if any, with respect to any Series 2026 Bonds, then, and in that event, the pledge of and lien on the funds pledged in favor of the Holders of such Series 2026 Bonds shall be no longer in effect. For purposes of the preceding sentence, deposit of sufficient cash and/or Federal Securities in irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders in respect to which such Federal Securities, the principal and interest received will be sufficient to make timely payment of the principal, interest and redemption premiums, if any, on the outstanding Series 2026 Bonds, shall be considered "provision for payment." Nothing herein shall be deemed to require the City to call any of the outstanding Series 2026 Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, if applicable, or to impair the discretion of the City in determining whether to exercise any such option for early redemption, if applicable.

SECTION 21. DEFAULTS; EVENTS OF DEFAULT AND REMEDIES. Except as provided below, if any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default:"

A. Default in the due and punctual payment of any interest on the Series 2026 Bonds;

B. Default in the due and punctual payment of the principal of and premium, if any, on any Series 2026 Bond, at the stated maturity thereof, or upon proceedings for redemption thereof, if applicable;

C. Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the City contained in this Bond Resolution or in the Series 2026 Bonds and the continuance thereof for a period of thirty (30) days after written notice to the City given by the Holders of not less than twenty-five percent (25%) of aggregate principal amount of Series 2026 Bonds then outstanding (provided, however, that with respect to any obligation, covenant, agreement or condition which requires performance by a date certain, if the City performs such obligation, covenant, agreement or condition within thirty (30) days of written notice as provided above, the default shall be deemed to be cured);

D. Failure by the City promptly to remove any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations hereunder; or

E. Any act of bankruptcy or the rearrangement, adjustment or readjustment of the obligations of the City under the provisions of any bankruptcy or moratorium laws or similar laws relating to or affecting creditors' rights.

The term "default" shall mean default by the City in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Bond Resolution, any supplemental resolution or in the Series 2026 Bonds, exclusive of any period of grace required to constitute a default or an "Event of Default" as hereinabove provided.

Any Holder of Series 2026 Bonds issued under the provisions hereof or any trustee acting for the Holders of such Series 2026 Bonds may, either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under state or federal law, or granted and contained herein, and may enforce and compel the performance of all duties required herein or by any applicable law to be performed by the City or by any officer thereof.

The foregoing notwithstanding:

(i) No remedy conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder.

(ii) No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient.

(iii) No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

(iv) Acceleration of the payment of principal of and interest on the Series 2026 Bonds shall not be a remedy hereunder in the case of an Event of Default.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bondholders under this Bond Resolution, the Bondholders shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the City and the funds pending such proceedings, with such powers as the court making such appointment shall confer.

On the occurrence of an Event of Default, to the extent such rights may then lawfully be waived, neither the City nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Bond Resolution, and the City, for itself and all who may claim through or under it, hereby waives, to the extent it may lawfully do so, the benefit of all such laws and all right of redemption to which it may be entitled.

SECTION 22. MODIFICATION OR AMENDMENT. No material modification or amendment of this Bond Resolution or of any resolution amendatory thereof or supplemental thereto may be made without the consent in writing of the Holders of fifty-one percent (51%) or more in principal amount of the Series 2026 Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Series 2026 Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affecting the unconditional promise of the City to levy taxes, in the manner and to the extent provided herein, or to pay the principal of and interest on the Series 2026 Bonds, as the same shall become due, from the sources herein provided, or reduce such percentage of Holders of such Series 2026 Bonds required above for such modifications or amendments without the consent of all the Holders of the Series 2026 Bonds to be affected.

SECTION 23. TAX COVENANTS.

A. The City shall not use or permit the use of any proceeds of the Series 2026 Bonds or any other funds of the City, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the City with respect to the Series 2026 Bonds in any manner, and shall not take or permit to be taken any other action or actions, which would cause any such Series 2026 Bonds to be a "private activity bond" within the meaning of Section 141 or an "arbitrage bond" within the meaning of Section 148, or "federally guaranteed" within the meaning of Section 149(b), of the Code, or otherwise cause interest on such Series 2026 Bonds to become subject to federal income taxation.

B. The City shall, at all times, do and perform all acts and things permitted by law and this Bond Resolution which are necessary or desirable in order to ensure that interest paid

on such Series 2026 Bonds will be excluded from gross income for purposes of federal income taxes and shall take no action that would result in such interest not being so excluded.

C. The City shall pay or cause to be paid to the United States Government any amounts required by Section 148(f) of the Code and the regulations thereunder (the "Regulations"). In order to ensure compliance with the rebate provisions of Section 148(f) of the Code with respect to any Series 2026 Bonds for which the City intends on the date of issuance thereof to be excluded from gross income for purposes of federal income taxation, the City hereby creates the "City of Mount Dora, Florida Non-Ad Valorem Refunding Revenue Bonds, Series 2026 Rebate Fund" (the "Rebate Fund") to be held by the City. The Rebate Fund need not be maintained so long as the City timely satisfies its obligation to pay any rebatable earnings to the United States Treasury; however, the City may, as an administrative convenience, maintain and deposit funds in the Rebate Fund from time to time. Moneys in the Rebate Fund (including earnings and deposits therein) shall be held for future payment to the United States Government as required by the Regulations and as set forth in instructions of Bond Counsel delivered to the City upon issuance of such Bonds.

SECTION 24. BOOK-ENTRY ONLY SYSTEM. The person in whose name any Series 2026 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price, if applicable, of any such Series 2026 Bond, and the interest on any such Series 2026 Bonds shall be made only to or upon the order of the registered owner thereto or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2026 Bond including the premium, if any, and interest thereon to the extent of the sum or sums so paid.

The City has previously executed a blanket letter of representation (the "Letter of Representation") with The Depository Trust Company ("DTC"). It is intended that the Series 2026 Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such Letter of Representation. The Series 2026 Bonds shall be initially issued in the form of a single fully registered Series 2026 Bond of each maturity. Upon initial issuance, the ownership of such Series 2026 Bonds shall be registered by the Bond Registrar and Paying Agent in the name of Cede & Co., as nominee for DTC (including any successor nominee of DTC with respect to the Bonds, "Cede & Co."). With respect to Series 2026 Bonds registered by the Bond Registrar and Paying Agent in the name of Cede & Co., as nominee of DTC, the City and the Bond Registrar and Paying Agent shall have no responsibility or obligation to any broker dealer, bank or other financial institution for which DTC holds Series 2026 Bonds from time to time as securities depositary (each such broker-dealer, bank or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Series 2026 Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the City and the Bond Registrar and Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to the ownership interest in the Series 2026 Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Bond as shown in the

Bond register, of any notice with respect to the Series 2026 Bonds, including any notice of redemption, if applicable, or (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Series 2026 Bond as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on, if applicable, the Series 2026 Bonds. No person other than a registered owner of a Series 2026 Bond as shown in the Bond register shall receive a Bond certificate with respect to any Series 2026 Bond. Upon delivery by DTC to the Bond Registrar and Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Series 2026 Bonds appearing as registered owners in the registration books maintained by the Bond Registrar and Paying Agent at the close of business on a Record Date, the name "Cede & Co." in this Bond Resolution shall refer to such new nominee of DTC.

In the event that (a) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representation, (b) the agreement among the City, the Bond Registrar and Paying Agent and DTC evidenced by the Letter of Representation shall be terminated for any reason or (c) the City determines that it is in the best interests of the beneficial owners of the Series 2026 Bonds that they be able to obtain certificated Series 2026 Bonds, the City shall notify DTC of the availability through DTC of Bond certificates and the Series 2026 Bonds shall no longer be restricted to being registered in the Bond register in the name of Cede & Co., as nominee of DTC, but only in accordance with the Letter of Representation between the City and DTC. At that time, the City may determine that the Series 2026 Bonds shall be registered in the name of and deposited with a successor depository operating a universal book entry system, as may be acceptable to the City, or such depository's agent or designee, and if the City does not select such alternate universal book-entry system, then the Series 2026 Bonds may be registered in whatever name or names registered owners of Series 2026 Bonds transferring or changing Series 2026 Bonds designate, in accordance with the provisions hereof. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Series 2026 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on, if applicable, such Series 2026 Bond and all notices with respect to such Series 2026 Bond shall be made and given, respectively, in the manner provided in the Letter of Representation.

As long as any Series 2026 Bonds are outstanding in book-entry form, the provisions of this Bond Resolution inconsistent with such system of book entry registration shall not be applicable to such Series 2026 Bonds, and the City covenants to cause adequate records to be kept with respect to the ownership of any Series 2026 Bonds issued in book-entry form or the beneficial ownership of Series 2026 Bonds issued in the name of a nominee.

SECTION 25. **GENERAL AUTHORITY.** The members of the City Council, the Mayor, the City Manager, the Finance Director, the City Attorney, the City Clerk and any other employees of the City are hereby authorized to perform all acts and things required of them by this Bond Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series

2026 Bonds and this Bond Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the Original Purchaser or Original Purchasers to effectuate the sale of the Series 2026 Bonds. All action taken to date by the members of the City Council, the Mayor, the City Manager, the Finance Director, the City Attorney, the City Clerk and any other employees of the City in furtherance of the issuance of the Series 2026 Bonds is hereby approved, confirmed and ratified.

SECTION 26. **PREREQUISITES PERFORMED.** The City has performed all acts, conditions, and things relating to the passage of this Bond Resolution as are required by the Constitution and Laws of the State of Florida.

SECTION 27. **SEVERABILITY.** If any provision of this Bond Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

SECTION 28. **APPLICABLE PROVISIONS OF LAW.** This Bond Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 29. **RULES OF INTERPRETATION.** Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Bond Resolution and not solely to the particular portion in which any such word is used.

SECTION 30. **CAPTIONS.** The captions and headings in this Bond Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Bond Resolution.

SECTION 31. **MEMBERS OF THE CITY COUNCIL EXEMPT FROM PERSONAL LIABILITY.** No recourse under or upon any obligation, covenant or agreement of this Bond Resolution, the Interlocal Agreement or the Series 2026 Bonds or for any claim based thereon or otherwise in respect thereof, shall be had against any member of the City Council, as such, of the City, past, present or future, either directly or through the City it being expressly understood (a) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the members of the City Council, as such, under or by reason of the obligations, covenants or agreements contained in this Bond Resolution or the Series 2026 Bonds or implied therefrom, and (b) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such member of the City Council, as such, are waived and released as a condition of, and as a consideration for, the execution of this Bond Resolution and the issuance of the Series 2026 Bonds, on the part of the City.

SECTION 32. **REPEALER.** All resolutions or parts thereof in conflict herewith, if any, are hereby repealed.

SECTION 33. **NO THIRD-PARTY BENEFICIARIES.** Except such other persons as may be expressly described in this Bond Resolution, nothing in this Bond Resolution, expressed or implied, is intended or shall be construed to confer upon any person, other than the City and the holder of the Series 2026 Bonds, any right, remedy or claim, legal or equitable, under and by reason of this Bond Resolution, or any provision thereof, all provisions thereof being intended to be and being for the sole and exclusive benefit of the City and the persons who shall from time to time be the holders of the Series 2026 Bonds.

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SECTION 34. **EFFECTIVE DATE.** This Bond Resolution shall take effect immediately upon its adoption.

Passed and adopted by the City Council of the City of Mount Dora, Florida this 18th day of August, 2026.

(SEAL)

CITY OF MOUNT DORA, FLORIDA

James L. Homich, Mayor

ATTEST:

Jeanann Hand, City Clerk

APPROVED AS TO FORM:

Patrick Brackins, City Attorney

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Mount Dora, Florida (the "Issuer") in connection with the issuance of its $__________ Non-Ad Valorem Refunding Revenue Bonds, Series 2026 (the "Bonds"). The Bonds are being issued pursuant to the Constitution and Laws of the State of Florida, including particularly, Chapter 166, Florida Statutes, as amended, the Charter of the Issuer, and other applicable provisions of law, and Resolution No. 2026-22 duly adopted by the City Council of the Issuer (the "City Council") on August 18, 2026 (the "Bond Resolution").

SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of the Rule (defined below).

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the Digital Assurance Certification, LLC ("DAC"), or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access web portal of the MSRB, located at http://www.emma.msrb.org.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity or credit facilities).

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each entity authorized and approved by the U.S. Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall, or shall cause the Dissemination Agent to, provide to each Repository, in electronic format as prescribed by such Repository, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Beginning with the fiscal year ending September 30, 2026, with respect to the report for the 2025-2026 fiscal year, each Annual Report shall be filed by not later than June 30 following the end of the prior fiscal year. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date provided, further, in such event unaudited financial statements are required to be delivered as part of the Annual Report in accordance with Section 4(a) below. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If on the fifteenth (15th) day prior to the annual filing date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Issuer shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the annual filing date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Certificate, state the date by which the

Annual Report for such year will be provided and instruct the Dissemination Agent that a failure to file has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit A, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth as Exhibit B.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository;

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing each Repository to which it was provided; and

(iii) if the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file shall have occurred and the Issuer irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth as Exhibit B.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement dated __________, 2026 (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report thirty (30) days following the date on which the audited financial statements of the Issuer are accepted by the City Council, but in no event later than September 30.

(b) Updates of the historical financial data set forth in the Official Statement in the following table: "GENERAL FUND AND HISTORICAL NON-AD VALOREM REVENUES" and information shown under the sub-heading entitled "GENERAL FUND AND HISTORICAL NON-AD VALOREM REVENUES-Other Debt of the City."

The information provided under Section 4(b) may be included in the financial statements of the Issuer or by specific reference to documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the Repository's Internet Website or filed with the Securities and Exchange Commission.

The Issuer reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds. Such notice shall be given in a timely manner not in excess of ten (10) business days after the occurrence of the event:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material (In accordance with the Securities and Exchange Commission's interpretive release that accompanied the final Rule, leases are considered to be Financial Obligations only if entered into as a vehicle to borrow money.);
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties; and
17. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof.

(b) The notice required to be given pursuant to Section 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

SECTION 6. IDENTIFYING INFORMATION. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Certificate to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

(a) the category of information being provided;
(b) the period covered by any annual financial information, financial statement or other financial information or operational data;
(c) the issues or specific securities to which such documents are related (including CUSIPs, Issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
(d) the name of any Obligated Person other than the Issuer;
(e) the name and date of the document being submitted; and
(f) contact information for the submitter.

SECTION 7. TERMINATION OF REPORTING OBLIGATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the Issuer, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 8. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be DAC.

SECTION 9. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the Issuer shall have the right to adopt amendments to this Disclosure Certificate necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. DEFAULT. The continuing disclosure obligations of the Issuer set forth herein constitute a contract with the holders of the Bonds. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution.

SECTION 12. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent’s obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Issuer’s failure to report to the Dissemination Agent Listed Events or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Certificate shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

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SECTION 13. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of __________, 2026.

CITY OF MOUNT DORA, FLORIDA

(SEAL)

By: ____
Mayor

Attested and Countersigned:

By: ____
City Clerk

Approved as to Form and Correctness:

By: ____
City Attorney

ACKNOWLEDGED BY:

DIGITAL ASSURANCE CERTIFICATION LLC,
as Dissemination Agent

By:____
Name:______________________________________
Title:_______________________________________

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Issuer:	City of Mount Dora, Florida
Name(s) of Bond Issue(s):	Non-Ad Valorem Refunding Revenue Bonds, Series 2026
Date(s) of Issuance:	__________, 2026
Date(s) of Disclosure Agreement:	________________________________
CUSIP Number:	________________________________

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate. The Issuer has notified the Dissemination Agent that it anticipates that the Annual Report will be filed by Digital Assurance Certification, LLC.

Dated:____________________________

DIGITAL ASSURANCE CERTIFICATION LLC,
as Dissemination Agent

____

cc:

EXHIBIT B
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

City of Mount Dora, Florida____

Issuer's Six-Digit CUSIP Number:

____

or Nine-Digit CUSIP Number(s) of the Bonds to which this event notice relates:

____

Number of pages attached: _____

____ Description of Notice Events (Check One):

1.______"Principal and interest payment delinquencies;"
2.______"Non-Payment related defaults, if material;"
3.______"Unscheduled draws on debt service reserves reflecting financial difficulties;"
4.______"Unscheduled draws on credit enhancements reflecting financial difficulties;"
5.______"Substitution of credit or liquidity providers, or their failure to perform;"
6.______"Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;"
7.______"Modifications to rights of securities holders, if material;"
8.______"Bond calls, if material, and tender offers;"
9.______"Defeasances;"
10._____"Release, substitution, or sale of property securing repayment of the Bonds, if material;"
11._____"Rating changes;"
12._____"An Event of Bankruptcy or similar event of an Obligated Person;"
13._____"The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;"
14._____"Appointment of a successor or additional trustee, or the change of name of a trustee, if material."
15._____"Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;" and
16._____"Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties."
17._____"Failure to provide annual financial information as required."

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

____

Name: ______________________________ Title: ____________________________________

Digital Assurance Certification, LLC
315 East Robinson Street, Suite 300
Orlando, Florida 32801
407-515-1100

Date: ________

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Series 2026 Bonds in definitive form, Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, proposes to render its opinion with respect to the Series 2026 Bonds in substantially the following form:

[Date of Delivery]

City of Mount Dora, Florida
Mount Dora, Florida

$__________
City of Mount Dora, Florida
Non-Ad Valorem Refunding Revenue Bonds, Series 2026

Ladies and Gentlemen:

We have served as Bond Counsel to the City of Mount Dora, Florida (the "Issuer") in connection with the issuance by the Issuer of its $__________ Non-Ad Valorem Refunding Revenue Bonds, Series 2026 (the "Series 2026 Bonds") pursuant to and under the authority of the Constitution of the State of Florida, including Chapter 163, Part III, Florida Statutes, Chapter 166, Parts I and II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law, and Resolution No. 2026-22 adopted by the City Council on August 18, 2026 (the "Bond Resolution"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meanings set forth in the Bond Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Bond Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Shepard, Smith, Hand & Brackins, P.A., City Attorney, as to the due creation and valid existence of the Issuer, the due adoption of the Bond Resolution and the authorization, due execution and delivery of the Series 2026 Bonds and the compliance by the Issuer with all conditions precedent contained in the Bond Resolution and to the issuance of the Series 2026 Bonds, and that the adoption of the Bond Resolution and the authorization, execution and delivery of the Series 2026 Bonds will not conflict with or constitute a breach or default under any ordinance or resolution of the Issuer.

The Series 2026 Bonds are payable from Non-Ad Valorem Revenues of the Issuer appropriated in its annual budget as provided in the Bond Resolution. Non-Ad Valorem Revenues are defined in the Bond Resolution to mean all legally available non-ad valorem revenues of the Issuer; provided, however that Non-Ad Valorem Revenues shall (a) be received by the Issuer from sources other than the levy of ad valorem taxes upon property, and (b) not be restricted by law so as to be unable to be applied to pay the debt service on the Series 2026 Bonds and other Issuer debt secured by Non-Ad Valorem Revenues, and to make the other payments, if any, required under the Series 2026 Bonds or the Bond Resolution. The Issuer has covenanted and agreed to appropriate in its annual budget for each fiscal year a sufficient amount of Non-Ad Valorem Revenues for payment of principal of and interest on the Series 2026 Bonds due each fiscal year, and to make certain other payments required by the Bond Resolution, subject to the limitations described in the Bond Resolution. The Bond Resolution further provides that the obligation of the Issuer to budget, appropriate, deposit and make payments under the Series 2026 Bonds from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided in the Bond Resolution.

The Series 2026 Bonds do not constitute general obligations or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the Series 2026 Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws and securities laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Bond Resolution constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

2. The Series 2026 Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the Pledged Revenues in the manner and to the extent provided in the Bond Resolution.

3. The Bond Resolution creates an obligation of the Issuer to appropriate in its annual budget and deposit to the Debt Service Fund amounts from the Non-Ad Valorem Revenues of the Issuer, sufficient to satisfy the annual debt service requirements of the Series 2026 Bonds, all in the manner and to the extent provided in the Bond Resolution.

4. Interest on the Series 2026 Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2026 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Bond Resolution to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026 Bonds.

It is to be understood that the rights of the Holders of the Series 2026 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Official Statement dated ___________, 2026, or any other offering material relating to the Series 2026 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2026 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2026 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2026 Bonds or regarding the perfection or priority of the lien on the Non-Ad Valorem Revenues appropriated in its budget for the security of the Series 2026 Bonds. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2026 Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

CITY OF MOUNT DORA, FLORIDA • NON-AD VALOREM REFUNDING REVENUE BONDS, SERIES 2026

CITY OF™
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DORA

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