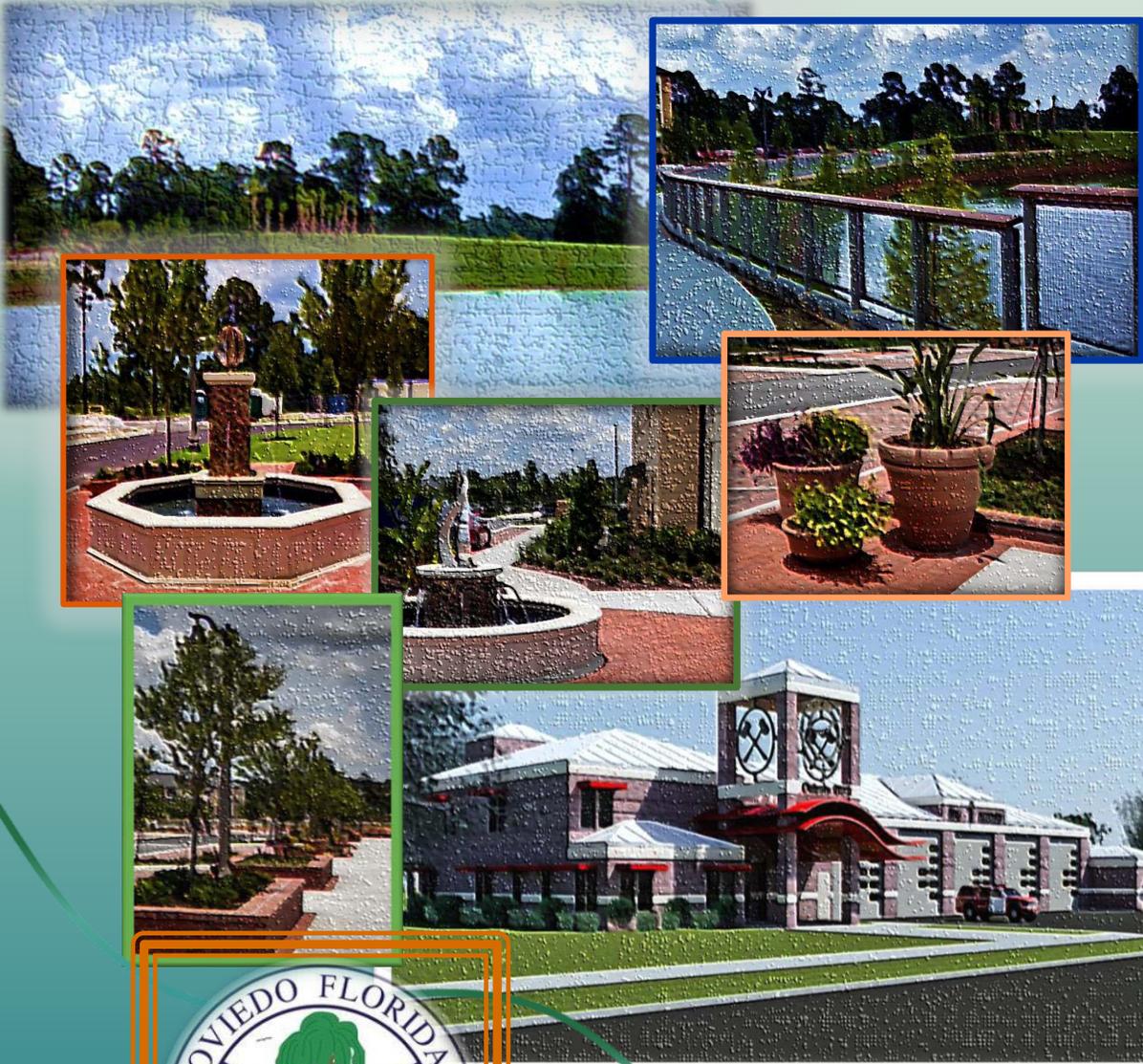


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COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2014

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

CITY OF OVIEDO, FLORIDA

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2014

PREPARED BY:
FINANCE DEPARTMENT

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CITY OF OVIEDO, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS**

Year Ended September 30, 2014

<u>INTRODUCTORY SECTION</u>	<u>Page No.</u>
Letter of Transmittal	i-xvi
GFOA Certificate of Achievement	xvii
Organizational Chart	xviii
List of Principal Officials	xix
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-15
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Balance Sheet	18
Reconciliation of the Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Proprietary Funds Financial Statements:	
Statement of Net Position	22
Statement of Revenues, Expenses, and Changes in Net Position	23
Statement of Cash Flows	24-25
Fiduciary Funds Financial Statements:	
Statement of Net Position	26
Statement of Changes in Net Position	27
Notes to Financial Statements	28-76
Required Supplementary Information Other Than MD&A	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	77
Schedule of Funding Progress - Police Officers' Retirement Trust Fund	78

CITY OF OVIEDO, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS (CONTINUED)**

Year Ended September 30, 2014

<u>FINANCIAL SECTION (CONTINUED)</u>	<u>Page No.</u>
Required Supplementary Information Other Than MD&A (Continued)	
Schedule of Contributions from the Employer and Other Contributing Entities - Police Officers' Retirement Trust Fund	78
Schedule of Funding Progress - Firefighters' Pension Trust Fund	78
Schedule of Contributions from the Employer and Other Contributing Entities - Firefighters' Pension Trust Fund	79
Schedule of Funding Progress - Retiree Continuation Insurance Plan	79
Schedule of Contributions from the Employer and other Contributing Entities - Retiree Continuation Insurance Plan	79
Schedule of Changes in the City's Net Pension Liability And Related Ratios	80
Schedule of City Contributions- Police Officer's Trust	81
Schedule of City Contributions- Firefighters' Trust	82
Schedule of Investment Returns	83
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	85
Special Revenue Funds	
Subcombining Balance Sheet - Nonmajor Special Revenue Funds	86-87
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	88-89
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds:	
Capital Expansion Special Revenue Fund	90
Local Option Gas Tax Special Revenue Fund	91
State Law Enforcement Special Revenue Fund	92
Federal DEA Grant (Forfeiture) Special Revenue Fund	93
Solid Waste Special Revenue Fund	94
Building Services Special Revenue Fund	95
Stormwater Special Revenue Fund	96
Transportation Impact Fees Fund	97
Law Enforcement	98
Police Donations	99
Second Dollar Education	100

CITY OF OVIEDO, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS (CONTINUED)**

Year Ended September 30, 2014

<u>FINANCIAL SECTION (CONTINUED)</u>	<u>Page No.</u>
Combining and Individual Fund Statements and Schedules (Continued)	
Nonmajor Governmental Funds (Continued)	
Debt Service Funds	
Subcombining Balance Sheet - Nonmajor Debt Service Funds	101
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds	102
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Debt Service Funds:	
Public Improvement Revenue Bonds Debt Service Fund	103
General Obligation Bonds Debt Service Fund	104
Lease Financing Debt Service Fund	105
Capital Projects Funds:	
Subcombining Balance Sheet - Nonmajor Capital Projects Funds	106-107
Subcombining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds	108-109
 <u>STATISTICAL SECTION</u>	 <u>TABLE No.</u>
Financial Trends	
Net Position by Component	1 110
Changes in Net Position	2 111-112
Governmental Activities Tax Revenues by Source	3 113
Fund Balances of Governmental Funds	4 114
Changes in Fund Balances of Governmental Funds	5 115
 Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	6 116
Direct and Overlapping Property Tax Rate	7 117
Principal Property Taxpayers	8 118
Property Tax Levies and Collections	9 119
 Debt Capacity	
Ratios of Outstanding Debt by Type	10 120
Ratios of General Bonded Debt Outstanding	11 121
Direct and Overlapping Governmental Activities Debt	12 122
Computation of Legal Debt Margin	13 123
Pledged-Revenue Coverage	14 124

CITY OF OVIEDO, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS (CONTINUED)**

Year Ended September 30, 2014

Demographic and Economic Information		
Demographic and Economic Statistics	15	125
Principal Employers	16	126
Operating Information		
Full-Time Equivalent City Government Employees by Function	17	127
Operating Indicators by Function	18	128
Capital Asset Statistics by Function	19	129
Other Supplemental Schedules		
Continuing Disclosure Requirements Utility Revenue		
Refunding Bonds	20	130-144
<u>OTHER REPORTS</u>		<u>Page</u>
		<u>No.</u>
Independent Auditor's Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing</i> <i>Standards</i>		145-146
Independent Auditor's Report on Compliance the Major State Project and On Internal Control Over Compliance Required by Chapter 10.550, <i>Rules of the Auditor General</i>		147-148
Schedule of Expenditures of State Financial Assistance		149
Notes to Schedule of Expenditures of State Financial Assistance		150
Schedule of Findings and Questioned Costs - State Projects		151
Management Letter		152-153
Communication with Those Charged with Governance		154-156
Independent Auditor's Report on Compliance with the Requirements Of Section 218.415, Florida Statutes		157
Affidavit of Impact Fee Compliance		158
Response to Management Comment		159

Introductory Section

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CITY OF OVIEDO FLORIDA

400 ALEXANDRIA BLVD • OVIEDO, FLORIDA 32765

407-971-5555 • WWW.CITYOFOVIEDO.NET

February 16, 2015

To the Honorable Mayor and City Council Members
And the Citizens of the *City of Oviedo, Florida*

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Oviedo, Florida, for the fiscal year ended September 30, 2014. This report fulfills the requirements of the City Charter, Florida Statutes, and the Rules of the Florida Auditor General. It is presented in conformity with generally accepted accounting principles (GAAP) and audited by an independent firm of certified public accountants. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board (GASB), the State of Florida and the Government Finance Officers Association of the United States and Canada (GFOA).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to fairly set forth the financial position and results of operations of the City of Oviedo, Florida as measured by the financial activity of its various funds.

McDermitt Davis and Company, LLC, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended September 30, 2014, 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. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion on the City's financial statements for the year ended September 30, 2014, and that the statements are fairly presented in conformity with GAAP. The independent auditor's report is presented at the front of the Financial Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The City of Oviedo's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Oviedo, Florida was incorporated in 1925. Located in Central Florida and considered part of the Orlando Metropolitan area, the City encompasses approximately 16 square miles and is the home of approximately 36,251 residents.

In accordance with the City Charter, the City Council operates under the Council-City Manager form of government. The City Council consists of a Mayor and four Council Members elected at-large. The Council appoints a City Manager who is the administrative head of the City and directs the business of the City and its departments. The City provides a full range of services to its citizens. These services include law enforcement; fire and rescue services; public works including engineering services, stormwater maintenance, fleet maintenance, landscaping and right of way maintenance, street and sidewalk maintenance, and the water and wastewater utility system; development services including building services, code enforcement, and planning and development; and general administrative services.

The annual budget serves as the foundation for the City of Oviedo's financial planning and control. The City Charter requires the City Manager to submit the proposed budget and the City Manager's Budget Message to the City Council on or before July 31st of each year. The City Council is then required to hold public hearings on the proposed budget and adopt a final budget by resolution on or before the 30th day of September of the fiscal year currently ending. The budget is legally adopted at the fund level. Expenditures may not legally exceed appropriations at the fund level. Transfers of appropriations between funds require the approval of City Council. The budget may be formally amended by the City Council at any time. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the Required Supplementary Information (RSI) subsection of this report. For other governmental funds with appropriated budgets, this comparison is presented in the Combined and Individual Statements subsection of this report. The financial plan may be obtained from the City's Budget Department or the City's website <http://www.cityofoviedo.net>.

Local Economy

The City of Oviedo is greatly encouraged by its most recent economic trends. The City's 2014-15 total taxable property assessed valuation increased 6.97% from the previous fiscal year. Estimates are not yet available fiscal year 2015-16, however, the trend is expected to maintain its positive momentum. Other changes in economic indicators from last year include a slight increase in population of 3.68% and a per capita income increase of 1.88%. The unemployment rate for Seminole County was 5.1% for September 2014 which is lower than the State of Florida's rate of 6.1%, and the national average of 5.9%.

In June 2014, the State of Florida approved a Certificate of Need for an 80 bed acute-care hospital adjacent to the Oviedo ER. Construction on the new hospital is estimated to begin within eighteen (18) months of the granting of the Certificate of Need. The hospital construction project will include expansion of the current facility to provide more emergency beds as well as a full range of medical and surgical services. Also included in the proposed project is the construction of multiple medical buildings to support the hospital.

In March of 2013, the City broke ground on Oviedo on the Park, the City's new downtown development for living, working and playing. Construction has been divided into several

phases. The early phases included construction of roadways, hardscape, landscape, utilities and site development. Construction on Park Place Apartments, 275 Luxury Apartment Homes, was completed in FY 2013-14. Construction on The Hamptons, two and three bedroom townhomes, began in FY 2013-14, along with construction of Center Lake Park and the Amphitheater/Cultural Center. Final phases will include additional residential construction and a minimum of 85,000 square feet of commercial, office, restaurant, and retail space. Estimated costs of the entire project, which is a public private partnership with P.A.C. Land Development, range between \$200 and \$250 million.

Seminole County, in conjunction with the City of Oviedo and the Florida Department of Transportation, is currently working on the design plans for the widening of State Road (SR) 426 and County Road (419) in the City of Oviedo. Because of funding issues, the project was divided into three phases for design. The design of Phase 1, SR 434 Widening from Smith Street to Franklin Street, was completed in April 2012 and is currently in the final right-of-way acquisition phase. Construction is anticipated to start in late 2015 or early 2016 and last for eighteen (18) months. The design of Phase 2, from Pine Avenue to Avenue B, is approximately 60% complete and anticipated to be completed by May 2015. Right-of-way acquisition is anticipated to begin in late 2015, although some early whole property takes have already commenced with willing sellers. Construction of Phase 2 is currently scheduled to commence in 2018/2019 according to the Metro Plan Orlando prioritized project list. Phase 3, from Avenue B to west of Lockwood Boulevard, is currently not funded for design. As part of the SR 426-CR419 project, the City of Oviedo completed negotiations with the Florida Department of Transportation for the right of way acquisition of Fire Station 44 and the Memorial Building. The funds received from this right of way acquisition will be applied to the construction of a new Fire Station that will be constructed at Boston Hill Park. The new Fire Station will merge Stations 44 and 46. The City of Oviedo broke ground on the new Fire Station in January 2015.

Bloomberg Business Week recognized Oviedo as one of the “Best Places to Raise Kids 2013” for our great schools, reasonable housing costs, lower unemployment rate, and for being a family friendly place. Oviedo won this distinction over all other cities in the State of Florida. To determine the best places to raise kids, Business Week teamed up with Bloomberg Rankings to evaluate more than 3,200 places nationwide with populations between 5,000 and 50,000. They evaluated such metrics as public school performance, safety, housing costs, commute time, poverty, adult education, share of households with children and diversity. In order to gauge the local job market they looked at median income and county-level unemployment. The data used to determine the eligible cities came from GreatSchools.Org, the FBI, U.S. Census Bureau and the U.S. Bureau of Labor Statistics. Additionally, in 2014, Safe Choice Security named Oviedo one of the “20 Safest Cities to Live in the State of Florida”. These prestigious recognitions are in addition to previous acknowledgements from Family Circle’s “10 Best Towns for Families”, Relocate America’s, “Top 100 Cities to live”, Coldwell Banker’s “Top 25 Suburbs to Live in Florida” and the Orlando Business Journal’s “Most Charitable Community in Central Florida.”

Long-term Financial Planning

The Budget serves as the annual financial plan for the City. It articulates public priorities, helps management make informed choices about the allocation of resources, promotes effective communications, establishes broad goals and management strategies to guide decision making and develops approaches to achieve those goals. The City develops and maintains a three to five year financial trend model that forecasts revenues and expenditures based on a set of accepted assumptions. A ten year Capital Improvement Program is prepared and updated annually to reflect the capital investment needs of the City consistent with the Comprehensive

Plan and other master plans approved by the City Council. Management has developed fiscal policies for the adopted financial plan regarding revenues, expenditures, reserves, capital improvements and debt management.

Relevant Financial Policies

Budget and financial policies adopted by the City are intended to guide elected officials, the City Manager and staff in their on-going roles as financial stewards of the City. Financial reserve policies have been established to provide sufficient cash flow for daily financial needs, to have the ability to offset significant economic downturns or revenue shortfalls, and to provide for unforeseen expenditures related to emergencies or other unanticipated needs. The General Fund financial reserve policy is to maintain at a minimum, un-appropriated fund balance equal to fifteen (15%) of the annual General Fund expenditure budget. Should the unassigned fund balance fall below 15%, the City Council will take necessary steps to replenish the reserve to the target level prior to the close of the following fiscal year. In order to protect the resources necessary to ensure continued operations of the Water and Sewer Utility System, a working cash reserve shall be established equal to a minimum of one hundred and twenty (120) days of the Utility System's operating budget less depreciation. Debt management policies include maintaining minimum debt service coverage of 125% in the Water and Sewer Utility Fund (income available for debt service divided by the maximum debt service requirement). The City shall also maintain a minimum capital reserve balance in the Water and Sewer Renewal and Replacement Fund equal to fifty (50%) of the prior year depreciation expense for plant and equipment. The City constantly reviews its outstanding debt for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue in an effort to reduce debt service costs. The City has also adopted an investment policy that governs cash reserves in excess of amounts needed to meet current expenses. The objectives are to first protect and safe keep City funds; second, to provide sufficient liquidity to meet operating, payroll and capital requirements; and third, to maximize return on the City's portfolio while minimizing risks. During the fiscal year, the City's investment portfolio earned 0.55% as calculated using the average portfolio balance.

Major Initiatives

City Clerk Initiatives Included:

- Implemented the Document Imaging portion of the SIRE software. Electronic cabinets have been built to house many of the paper records in the City Clerk's office and the process to upload documents into those cabinets is underway.
- All Ordinances, Resolutions, Minutes and Agenda documents have been made available to the public on the City's website.
- Lien Search requests have increased by 36% over the previous fiscal year. We have experienced a 50% decrease in the number of new Lot Mow Liens and a 12% increase in Lien Satisfactions.
- Maintained compliance with Florida Statutes regarding public record laws, implementation of the new laws, and disposition of records.
- Provided assistance to all City Departments with continuing public records management training and records disposition training.
- Coordinated numerous public records requests across various departments to ensure timely responses.

Development Services Initiatives Included:

- The Department was restructured. Planning and Development Review was separated into two distinct Divisions. In addition, the Zoning Tech position was transformed into a Planner I position.
- The Department acquired the Healthy Weight Community Champion Award for the City from the State of Florida Department of Health.
- The Director, Managers and Planners attended the American Planning Association Conference in Jacksonville.
- The Department held one-on-one meetings with the City Council Members on February 3, 2014 to discuss the flag ordinance and the approval process.
- A work-session was held with City Council on February 10, 2014 to discuss amendments to the Land Development Code relating to the approval process.
- The Director, Development Review Manager and Planning Manager attended a forum on Private Property Rights to gain insight on the creation of sound regulations for implementation into the Land Development Code. The forum hosted by VCARD, Volusia League of Cities, and FPZA was held on April 11, 2014.
- To stimulate economic development in the City, Staff provided assistance with the adoption of Resolution No. 2726-13 which resulted in a 20% general reduction to application fees.
- Staff provided assistance with the adoption of Ordinance No. 1576 which resulted in a revision to the schedule of impact fees. The revision allowed for the reduction of certain impact fees based on recommendations from the Impact Fee Update Study. Most land use impact fees decreased between 3%-47%.

Planning Division

- The Planning Manager served on the City's Wellness and Planning Technical Advisory Committees (PTAC).
- The Planning Manager provided staff support to the Public Schools Facilities Planning Committee (PSFPC).
- With the assistance of Information Technology, the collection of Business Tax Receipts via the internet was greatly improved. A total of 4,326 business tax receipts were processed which represents a 6% increase from previous fiscal year.
- Processed 8 Comprehensive Plan Amendments, 8 Zoning Map Amendments (an increase of 300%), 3 Annexations (an increase of 300%), 10 Certified Zoning letters, 57 Temporary Sign Permits and 110 Special Event Applications.
- Participated with the Metroplan Project Advisory Committee in the Regional Northeast Corridor Study which explored future transportation corridor opportunities between the Sanford SunRail station, Orlando-Sanford International Airport, and the University of Central Florida. The study is expected to stimulate economic development and community enhancement opportunities with SunRail.

Development Review Division

- Development Review Manager served on the Metroplan BPAC (Bicycle Pedestrian Advisory Committee).
- The Development Review Specialist achieved their Business Tax Receipt Certification.
- The Development Review Specialist and the Zoning Technician attended the Florida Association of Business Tax Receipt Officials Conference.
- Held 111 pre-application meetings, an increase of 13% from previous fiscal year.
- The Division processed a total of 35 applications, the most important representing: 5 final plats (an increase of 400%), 2 non-statutory development agreements (an increase

of 200%); 2 lot splits, 4 preliminary subdivision plans (an increase of 33%), and 9 final engineering plans (an increase of 80%).

- Coordinated interdepartmental discussion meetings and data collection for revision of LDC Article 10, Floodways, Floodplains, Drainage and Erosion; for revision of LDC Article 12, Landscaping, Tree Planting and Buffer Requirements and for revision of LDC Article 16, Utilities.

Code Enforcement

- Worked with the new Special Magistrate to establish processes, procedures and guidelines for Special Magistrate Hearings for Code Enforcement cases. Managed all administrative aspects of the Administrative Citation process for police, fire and code enforcement.
- The number of code enforcement cases processed increased from previous fiscal year by approximately 5% and the number of proactive cases increased by approximately 12%.
- Maintained response time of less than one day from complaint to inspection.
- Staff took over duties of preparing and presenting Tree Restoration Plans to DRC and created a new Restoration Plan Application for respondent use.
- Provided assistance to Public Works with the Pet Waste Ordinance.
- Assisted Development Review Staff with the drafting of the Flag Ordinance.
- Manager served on EMPACT Committee and on RFP Committee to select firm for salary and benefit study.
- Manager was appointed to FACE (Florida Association of Code Enforcement) Administrative Contract Review Committee.
- Code Enforcement Manager Shawn O'Rourke taught three different FACE Training Classes and mentored future trainers.
- Code Enforcement Officer Monica Cole was named Employee of the Quarter in January of 2014.
- Code Enforcement Officer Monica Cole was appointed to the FACE Education Committee in June of 2014.
- Code Enforcement Officers Monica Cole and Jim Orioles received their FACE Level IV Certification in January of 2014.

Finance Initiatives Included:

- Developed monthly financial reports for the following funds:
 - Fleet Fund
 - Special Revenue Funds
 - Capital Project Funds
- Implemented monthly reconciliation of payroll:
 - Payroll module is reconciled against the general ledger on a monthly basis.
 - Employer's Quarterly Federal Tax Return (941) is now reconciled to payroll on a quarterly basis. This was previously done annually during audit.
- Improved Pension reconciliation process:
 - Police and Fire Pension reconciliations are now completed on a monthly basis in lieu of annually.
 - Differences are reconciled and adjusted as necessary before closing each month.

- Developed a drawdown schedule for Oviedo on the Park. This schedule is an extremely comprehensive tool which tracks revenues received from multiple funding sources and costs incurred across multiple funds and projects.
- Debt Service Funds were restructured to reflect payments on April and October 1st of each fiscal year. Prior, the practice was to pay debt due October 1st on September 30th. This one-time adjustment had the effect of increasing the available fund balance at September 30, 2014.
- Refunded the Utility Revenue Refunding Bonds, Series 2004:
 - Annual savings in excess of \$26,000 to the Citizens of Oviedo
 - Present value savings in excess of \$250,000 over the life of the new Note
- Refunded the Utility Revenue Bonds, Series 2003:
 - Annual savings in excess of \$62,000 to the Citizens of Oviedo
 - Present value savings in excess of \$859,000 over the life of the new Note
- Assisted with Kronos version 6.3 training and implementation.
- Cleaned up codes and schedules in Kronos resulting in significant increases in efficiencies and accuracy.
- Implemented electronic audit of payroll hours for each pay period.
- Standard & Poor's Rating Service affirmed its rating of "AA-" for the City of Oviedo, Florida. (This was an extremely intense process which took over three months to complete).
- Initiated a Utility Revenue Sufficiency Analysis to review the Utility's rate structure and all components of operations and maintenance expense, current capital expense components, renewal and replacement, and future capital requirements.
- Established an Audit Committee for the selection of Audit Services.

Purchasing

- Presided over contract negotiations with the Cell Tower Provider. Coordinated meetings, contract review and negotiations between City Attorney, Consulting Attorney City Staff and Provider.
- Worked with several departments to facilitate the Bid for Fire Station Construction Services.
- Coordinated the Request For Proposal (RFP) for Health Clinic Services.
- Worked with the Finance Director, City Attorney and Members of Council to create and establish an audit committee and issue an RFP for Audit Services.

Customer Services

- Completed the Integrated Voice Response System (IVR) Selectron implementation. The IVR system allows Citizens to pay their utility bill safely and securely over the phone at any time.
- Customer service worked with GIS to combine duplicate accounts within the Customer Service and Land Management databases in NaviLine.

Computer Services

- Decommissioned legacy access control at Gym to integrate with City Hall Kantech system.
- Implemented Thorguard network based solution to provide expanded accessibility to lightning warning system.
- Reprovisioned data structure on FusionIO Storage Area Network (SAN) to provide for increased performance to Voicemail system.

- Transitioned Microsoft Forefront Online Protection for Exchange (FOPE) spam gateway to Microsoft Exchange Online Protection (EOP) system, rewriting rules to comply with new system and providing for cleaner outgoing footers.
- Repurposed old HP P4300 SAN to Public Works facilities to provide increased speed and data redundancy to City sites.
- Replaced numerous End-of-Life (EOL) City switches at various facilities providing increased bandwidth, upgrading fiber Wide Area Network (WAN) to 10gigabit on one segment, and allowing for future upgrades.
- Upgraded City SharePoint instance to 2010 allowing for native browser access via iPads and new functionality and look.
- Deployed Virtual Private Network (VPN) services for mobile units through City's firewall and decommissioned EOL VPN concentrator. Worked with Asystech to upgrade email and voicemail server to Exchange 2010 and changed Conference Room reservations to Room Resources from deprecated Public Folder system.
- Assisted with the implementation of Fleet Fuel Master System
- Assisted with the implementation of Selectron Integrated Permit Software:
 - Building Permits
- Conducted Kronos version 6.3 training
- Coordinated City Wide SunGard training for the following applications:
 - Payroll
 - Fleet
 - Utilities - Customer Service
 - Planning & Engineering
- Assisted SunGard with the upgrade to version 9.1.
- Initiated an Information Technology infrastructure and organizational assessment with EPIC Engineering and Consulting Group, LLC.

GIS

- Created Public Works Information Lookup Web Application for use by Public Works staff.
- Collected location, attribute data, and photos of all subdivision signs.
- Update all business names in building footprint layer on monthly basis.
- Designed and created 6'x9' wall map for engineering building.
- Kept infrastructure (street signs, street lights, fire hydrants) data layers up to date using GPS tags and photos.
- Made major improvements to automatic update process scripts.
- Completed addressing of Oviedo on the Park, including Park Place Apartments, Hamptons Townhomes, and all Center Lake Park structures.
- Facilitated major updates to Impervious Surface data and related Stormwater and ERU data.
- Performed a comprehensive analysis comparing residences near Oviedo on the Park and other cities' town centers.
- Created GIS layer showing bike lanes in Oviedo.
- Updated Zoning and FLU wall maps for Development Services.
- Created a heat map analysis of population density and police calls.
- Created data and maps displaying downtown Oviedo's No Feed Zones for Chickens.
- Updated city boundary layer to display most current annexations.
- Installed and created a Structured Query Language (SQL) Server 2012 database.
- Installed and set-up ArcGIS for Windows, ArcGIS for Server, ArcGIS geodatabase, and ArcViewer for Flex.

- Installed and set-up the Economic and Social Research Institute (ESRI) Local Government Information Model (LGIM).
- Created new web address/directory for public access of Oviedo GIS – gis.cityofoviedo.net
- Researched, located, downloaded and installed new benchmarks to control GIS base data.
- Identified all parcels in Oviedo officially designated “conservation”.
- Developed Python script and model that will allow seamless and unobtrusive update of Oviedo GIS data with Seminole County data.
- Developed workflow document for Utility Cut-off Process.
- Created handout for explaining Oviedo sign code.
- Collected and sent all GIS files concerning Stormwater pollutant loading to Seminole County.
- Updated all Building Inspector computers with Arm360 Disaster Management software and imagery.
- Created Vacant Parcel layer for Planning.
- Audited and updated E.R.U. data.
- Calculated Oviedo population.
- Completed Duke street light and pole audit.
- Completed Location ID audit of NaviLine.
- Created linked server between NaviLine and GIS.
- Completed GTG Vantage Points installation.
- Created Voting Precinct application.
- Created Public Service Request application.

Human Resources Initiatives Included:

Human Resources

- After department recessionary cut backs and 50% turnover during the year, the major initiative has been rebuilding the department. Three new staff members have been recruited, hired, and trained. A Benefits Analyst position, Technician position and Safety and Risk Analyst position. The Sr. Analyst has been devoted to recruitment, employee performance management, and organizational support for the City departments.
- Safety Committee meetings are held every two months to analyze accidents. New Safety Committee team members have been recruited and trained in safety audit techniques. Safety accomplishments to date include:
 - Review of job accidents and injuries for 3rd and 4th quarters of FY 2013-14.
 - Safety audits have been conducted on each City facility.
 - Established a program of bi-monthly safety meetings.
 - A regular monthly departmental Safety Training Program called “Safety Talks” has been implemented. The following Safety Topics and Policies have been delivered by the departments to 341 employees:
 - Safety Talk Training topics delivered
 - Workplace Heat Illness Prevention
 - Personal Lightning Safety Tips
 - Back Safety
 - Workers Compensation Reporting Procedures
 - Vehicle Accident Reporting Procedures
 - MSDS-GHS Conversion
 - Active Shooter Preparedness Training

- Policies and Procedures
 - Use of City Property
 - Use of City Vehicle
 - Safety Responsibilities of Directors, Supervisors and Employees
 - Hazard Communication
- Developed and implemented a new hire safety orientation program covering all essential core safety topics like personal protective equipment, hazard communications and reporting of workers' compensation and auto accidents.
- Revised claims submission procedures for workers' compensation, vehicle accidents, and City and non-City property damage.
- Coordinated with the Police Department mandatory Active Shooter Training for all employees.
- Coordinated Supervisory Development Training Program. Through a partnership with the University Of Central Florida Institute Of Government, the department planned and coordinated the delivery of seven (7) different topics which provided City Supervisors exposure to core supervisory and management skills. This program increased supervisory effectiveness, enhanced employee morale, and supported career development objectives. The topics included: Conflict Management and Resolution; Communication and Conflict Management; Discover Your Inner Genius; Sharing Leadership, Being Courageous; The Game Plan for Team Development; Award Winning Customer Service; and You Blinked: Harnessing the Speed of Change.
- Participated on the Employee Morale, Performance, and Compensation Team (EMPACT) to review compensation issues. Contributed in the development of an RFP to secure a provider of consulting services for a Compensation, Classification, and Benefit Study for the City.

Wellness and Care Management

- Coordinated the Annual Employee Health and Wellness Fair. Recruited over 25 vendors to participate and provide valuable wellness information to employees and their families. This year's event drew over 75 people.
- Provided 100 Angioscreens to employees and spouses to screen for risk of heart disease and stroke at the Employee Wellness Fair and during the insurance Open Enrollment meetings.
- Coordinated compliance of employer mandates on Healthcare Reform, PCORI Fee and Transitional Reinsurance Fee.
- City staff worked with its broker to facilitate bids for vision, life and disability lines of coverage. The change in vision providers resulted in a wider network coverage with a rate reduction of 8.64%. Another significant change was the selection of a new provider for life and long-term and short-term disability. The change was driven primarily by customer service issues. The overall result was improved customer service in short-term and long-term claims handling, significant reductions in turnaround times and cost savings to the City.
- Expanded the available Wellness Center coverage by providing full-time employees, who are non-group health plan participants' access to Wellness Center benefits, thereby improving the overall wellness and morale of City staff.
- Established a Wellness Committee with department representatives throughout the City.
- Significantly enhanced the effectiveness of the Wellness Program by adding a Wellness Incentive component to reward positive steps made by employees to better their health management.

- This enhancement included gift card incentives for completing an Annual Health Risk Assessment and corresponding health benchmarks or plan of care, and for following a program of long-term wellness education and maintenance.
- Efficient management of Employee Health through the Wellness Clinic continues to reduce group health claims and mitigate the impact of medical trends. The City's broker, The Gehring Group, analyzed the overall effect of the Wellness Center on the group health plan by looking at claims on a per employee, per month basis to establish a "trend." The City's cost trend during this time period experienced an average increase of .6% from 2009 to 2013, while medical trends in the state of Florida increased 9.3% (Kaiser Family Foundation). Taking this into consideration, the City's costs would be approximately 41% higher than they currently are if the clinic were not in place. Since inception, the City has realized a savings of over \$2.1 million.
- The health plan has experienced a significant reduction in costs for office visits, prescriptions, and hospital visits. The number of in-patient admissions has been reduced by an average of twenty-four (24) admissions per year.
- The return on investment (ROI) using a cost-avoidance method illustrates a savings of \$1.74 for every \$1.00 spent. When taking cost savings to employees into consideration, the ROI is \$2.23 for every \$1.00 spent.

Management Services Initiatives Included:

Budgeting/Strategic Planning

- Transmitted the quarterly Budget Prospectus to the City Council and Staff, and posted on the City's website. The Prospectus reports on the status of the Strategic Plan, the Budget to Actual Revenues and Expenditures and provides a Dashboard of annual financial statistics.
- Presented and processed Budget Amendments during the Mid-Year Review Process, reviewing adjustments with the City Council and updating the budgets with projected revenues and expenditures. Presented and reviewed with the City Council the proposed Carry Forwards and Year-End Budget Adjustments needed to amend the FY 13-14 and the FY 14-15 Budgets. Processed departmental budget amendments and budget amendments subject to agenda approval throughout the year.
- Updated City-wide Performance Measures and provided the data to Florida Benchmarking Consortium (FBC). FBC reports the City of Oviedo's performance data annually and compares the data to similar cities within the State of Florida.
- The City Branding platform was reviewed and discussed by the City Council in early 2013-2014.
- The Strategic Plan was updated by the City Manager and Staff to provide clarity and a true quarterly status report to the City Council. In a June Work session, the City Council authorized the City Manager and the Management Services Director to modify the Strategic Plan incorporating only the goals, strategies and objectives in which the City would be striving to reach in the next fiscal year.
- Cross-trained two employees in the Budget Process, one from Recreation and Parks and one from Public Works/Fleet. This process provides for training between several departments in the compilation of the budget and TRIM process. It also establishes greater understanding of revenues and expenditures at the department level.
- Presented a Balanced budget to the City Manager
- Received the GFOA's Award for Distinguished Budget Presentation for the 9th consecutive year.
- Updated all of the City's policies.
- Updated the City's Fee Schedule.

- Participated as Project Manager for the EMPACT process.
- Prepared work orders with both Little John Engineering and Gray Robinson.

Communications

- UCF Intern provided Social Media training to key personnel.
- The Communications Department worked with City Departments to support many great events, such as “The Taste of Oviedo”, “Great Day in the Country”, and other signature and City events. The City provided coloring books, crayons and sidewalk chalk to children at these events. Advertising and information via Facebook and Twitter was provided on each event.
- Published and emailed two Crossroad publications to citizens to communicate City events, calendars and other general information.
- Notifications sent to the public via: eblast = 100, Facebook page updates & notices with links to the website = 225, twitter = 175 tweets.

Public Safety Initiatives Included:

Police

- The City of Oviedo and the Central Florida Benevolent Association negotiated and executed a three (3) year contract.
- The radio frequency transition from an analog to digital system was completed and the City of Oviedo Police Department is now P-25 compliant.
- In response to a number of vehicle burglaries where unlocked vehicles were entered and valuables removed, the Oviedo Police Department initiated Operation Safeguard and went door to door throughout the City with crime prevention materials and had personal contact with Oviedo residents. This effort resulted in the officers personally contacting 8,459 out of approximately 11,558 residences or 73% of the City.

Community Response Team (CRT)

- CRT conducted a search warrant on a home after conducting an investigation on a suspected grow operation. Four (4) plants were confiscated along with approximately 998 grams of cannabis and a moderate amount of honey oil and hash. Additionally, a firearm was taken and 2 arrests were made.
- Conducted an undercover prostitution sting. One (1) arrest was made for solicitation of prostitution and drug paraphernalia.
- Since January 2014, the CRT has closed eighteen (18) cases. A total of 35 felony arrests were made and the CRT recovered approximately \$41,000 in court ordered restitution.

Community Involvement

- Officer Duffy conducted 6 Rape Aggression Defense (RAD) classes. There were approximately 25 women per class.
- Lieutenant Capetillo’s vision for remembering the fallen children of child abuse was accomplished with the completion of Faith’s Memorial Garden at Kids House of Seminole.
- Completed a Community Police Academy with an attendance of 22 participants.
- Community on Patrol volunteers increased to 18 volunteers.
- The Police Explorers post reached 15 active Explorers.
- Shop with a Cop assisted 28 children with the ability to purchase Christmas gifts for family members. The children involved also received gifts and a new bicycle.

Criminal Investigation Division

- Maintained a clearance rate of all investigations of over 25% and Part One crime clearance rate of over 30%.
- Detectives interviewed and received a confession from a suspect responsible for numerous restaurant burglaries throughout Central Florida, including 5 restaurants in Oviedo.
- Detectives interviewed and received a confession from a suspect responsible for approximately 5 vehicle burglaries.
- Detectives interviewed and received a confession in a murder case.

Community Policing Division

- Driving under the influence arrests increased by approximately 70%.
- Part One crimes are down approximately 5%.

Fire

- The Fire Rescue Department completed the architect design of the new Fire Station and awarded the contractors bid in order to commence with construction in early 2015. This follows settlement with the Florida Department of Transportation (FDOT) for \$1.6 million for land right of way requiring the demolition of the existing Fire Station 44 in the old downtown area. The new Fire Station will also incorporate the existing Fire Station 44 and Fire Station 46 into a consolidated single Super Fire Station. Completion of the project is anticipated by summer of 2015.
- The Fire Rescue Department received delivery of a new Fire Engine and Transport Rescue as part of the apparatus and vehicle replacement program. The new Fire Engine will replace a 1998 Fire Engine and the new Rescue will allow for an additional reserve Rescue to accommodate downtimes of the existing Rescue apparatus for general repairs or maintenance issues.

Recreation and Parks Initiatives Included:

- Installed new playground equipment at Round Lake Park. Funding was provided by the Seminole County Development Block Grant totaling \$299,999.
- Renovated the existing playground at Round Lake Park.
- Installed a Memorial Tribute to Dr. Martin Luther King at Round Lake Park in association with Oviedo Citizens in Action (OCIA), Oviedo Recreation and Parks Department and Oviedo Police Department.
- Renovated the Aulin House at Shane Kelly Park
- Completed the Annual Stewardship Report for the Florida Communities Trust – Shane Kelly Park
- Purchased new fitness equipment (treadmills) at the Gym and Aquatic Facility and upgraded the TV monitors.
- Resurfaced and repaired the parking lots at City Hall, Annex Building and Public Safety Buildings.
- Resurfaced one double tennis court and a basketball ball court at Round Lake Park.
- Resurfaced two tennis courts at Sweetwater Park.
- Retrofitted the sports lighting on eight (8) fields at the Oviedo Sports Complex.
- Replaced the impeller at the Oviedo Aquatic Center.
- Installed a flat roof at Riverside Park.
- Installed a 16X24 storage shed with two (2) 9X8 garage doors.
- Repaired Splash Zone motor.

- Repaired irrigation pump #3 at the Oviedo Sports Complex.
- Motor and seal replacement on main pool circulation pump – Big Kahuna pool.
- Refinished the wood floors at the Gym and Aquatic Facility and at Riverside Park racquetball courts.
- Successful in the following City Sponsored Special Events:
 - MLK Celebration at Round Lake Park (Partnered with OCIA, which coordinates the MLK Parade)
 - Marshmallow Drop – Easter event
 - 4th of July celebration
 - Halloween Carnival of Screams
 - Snow Mountain
 - Annual Relay for Life Charity Gold Outing (donated \$27,000 to the American Cancer Society)
- Staff helped facilitate the design and development of Oviedo on the Park with the architects, designers and construction company.
- Staff provided observation of the construction site at Oviedo on the Park’s Amphitheater and Cultural Center.
- Renovation of the old post office into a new community center have been placed on hold.

Public Works Design and Construction Initiatives Included:

- Initiated construction of the Lawton Elementary Sidewalk Project.
- Completed construction of the Evans Street Roadway Improvement Project.
- Finished construction of the Lockwood Seminole Creek Median Improvement Project.
- Improvements to the intersection of Clara Lee Evans Way and Mitchell Hammock Road were finalized. These included a new traffic signal, turn lane, brick crosswalks, and Stormwater improvements.
- Initiated design on the Mitchell Hammock Road Right Turn Lane Improvement at Alafaya Woods Boulevard Project.
- Completed design on the Evans Street Roadway Improvement Phase II (trail) Project.
- Initiated the Transportation Master Plan Update.
- Initiated an Alternative Truck Route study.
- The annual roadway resurfacing project was completed within the Bentley Woods development to include: Red Maple Court, Hartford Court, New Castle Lane, Bentley Street, Manchester Avenue, Rochester Street, Yorkshire Drive, Wellington Avenue, Wellington Court, and Artesia Street.
- Completed construction of the Shady Lane Drainage Improvement Project.
- Completed design on the Alafaya Woods Boulevard Drainage Improvement – Pearson Drive to Conley Drive Project.
- Began the design phase for the construction of the Historic Downtown Regional Stormwater Pond.
- Initiated the Aulin Avenue North Stormwater Improvements Project.
- Assisted in project management for Oviedo on the Park Amphitheater/Cultural Center. Construction began in May 2014.
- Assisted in design and bidding of the New Fire Station Project.
- Initiated the Beautification and Way-Finding Study Update.
- Initiated hardscape and landscape design for the SR 426-CR 419 Phase I Widening Project.

- Initiated a feasibility study (preliminary hardscape/landscape design) for the SR 426-CR 419 Phase II Road Widening Project.
- Initiated and installed the new Fuel Master Fuel Management system for Fleet Maintenance.
- Provided private development inspections to the following:
 - Enclave at the Sanctuary (Development)
 - Gateway Gardens (Development)
 - Hamptons (Development)
 - Le Parc (Development)
 - Oviedo on the Park (Amphitheater and Cultural Center)
 - Oviedo on the Park (Park Place Apartments/Infrastructure)
 - Oviedo ER (Emergency Room)
 - Panera Bread (Restaurant)
 - Southern Oaks (Development)
 - O2B Kids (Day Care)

Utility Initiatives Included:

- Successfully renewed the Wastewater Facility's FDEP operational permit with expansion from 1.55 MGD to 2.4 MGD.
- Added 400 new reclaimed services at Alafaya 17 & 18 and Little Creek (Phase II) reclaimed infrastructure project and the completion of the Alafaya system reclaimed meter infill project.
- Completed Wastewater RIB lift-station rehabilitation.
- Installed six (6) independent by-pass pumps at key Alafaya lift-stations.
- Installed a second 1.2 MGD reclaimed disc filter at the Wastewater Facility.
- Completed improvements to the Water and Wastewater SCADA systems.
- Finalized several water distribution main relocations and improvements to support roadways and growth (Mitchell Hammock, Central, and 434)
- Participated in a Utility Revenue Sufficiency Analysis for review of the Utility's rate structure which includes all components of expense, renewal and replacement, and additional capital requirements.
- Implemented a new Solid Waste Collection Contract which resulted in a reduction in garbage fees to Citizens. It also reduced expenditures to the City while increasing recycling 25%.

Awards and Acknowledgements

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2013, which is the 23rd time the City has received this prestigious award. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such CAFR must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City believes the current report continues to conform to the Certificate of Achievement program

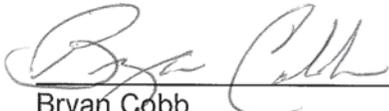
requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

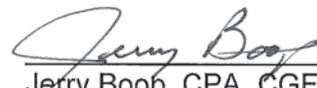
Additionally, the City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2013, the same period covered by this CAFR. This was the ninth consecutive year that the City has received this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. This award is valid for a period of one year only.

The preparation of the CAFR, on a timely basis, was made possible by the dedicated service of the entire staff of the City's Finance Department. Each department member has our sincere appreciation for the contribution made in the preparation of this report. The other City departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's auditors whose suggestions and attention to detail enhanced the quality of this report.

In closing, we would also like to thank the members of the City Council for their active support of our efforts for maintaining fiscal accountability and responsibility for the City.

Respectfully submitted,


Bryan Cobb
City Manager


Jerry Boop, CPA, CGFO
Finance Director



Government Finance Officers Association

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

Presented to

**City of Oviedo
Florida**

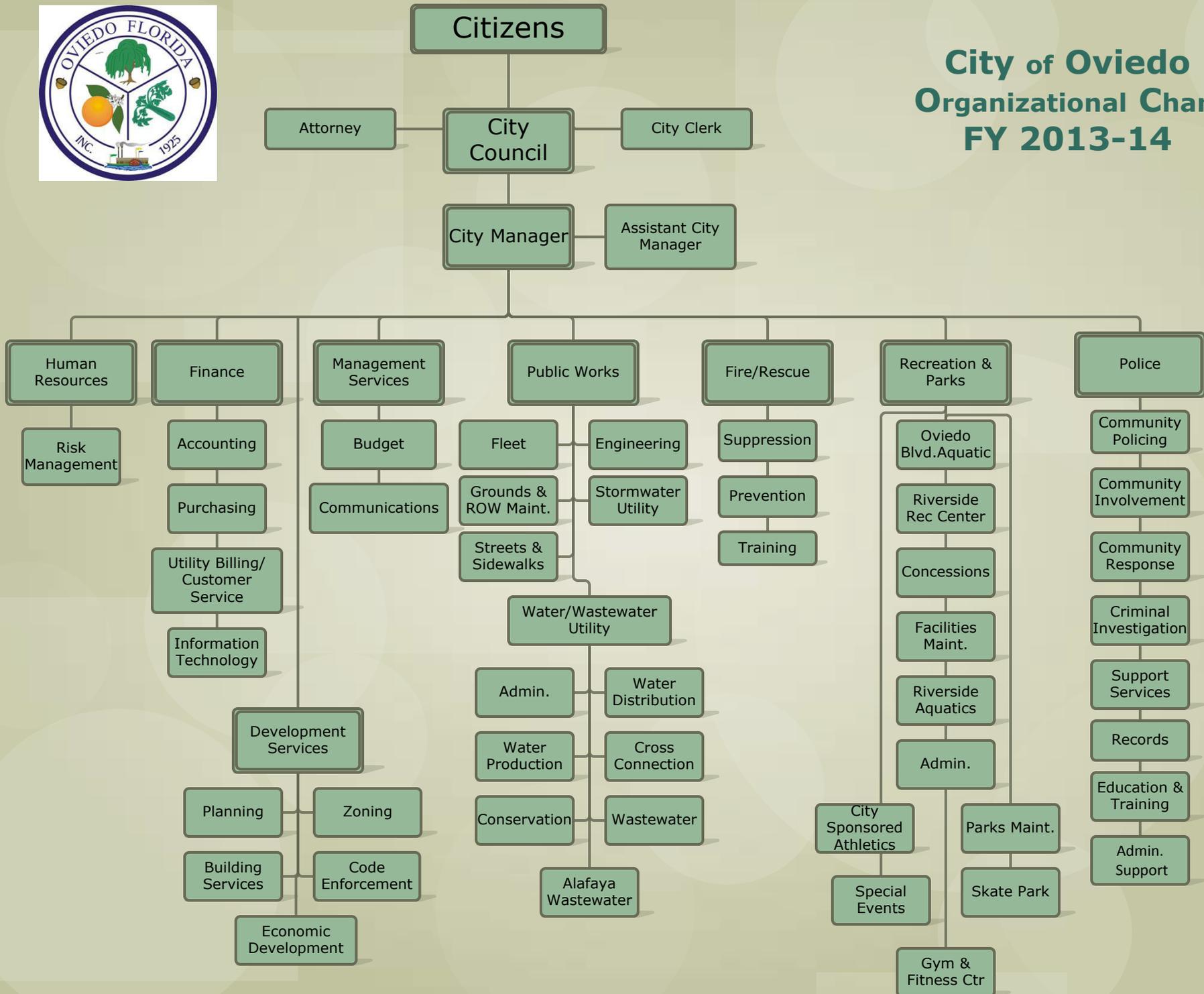
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



City of Oviedo Organizational Chart FY 2013-14



**CITY OF OVIEDO, FLORIDA
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2014**

CITY COUNCIL

Cindy Drago, Deputy Mayor
Keith Britton
Steven Henken
Stephen W. Schenck

MAYOR

Dominic Persampiere

CITY MANAGEMENT

GENERAL GOVERNMENT

Bryan Cobb, City Manager
Barbara J. Barbour, City Clerk
Jerry Boop, Director of Finance and IT
Constance M. Collins, Director of Human Resources
Teresa Correa, Development Services Director
Robin R. Hayes, Management Services Director

PUBLIC SAFETY

Lars D. White, Fire Chief
Jeffrey A. Chudnow, Police Chief

PUBLIC WORKS

Bobby Wyatt, Director

RECREATION AND PARKS

Dru D. Boulware, Director

LEGAL COUNSEL

Stenstrom, McIntosh, Colbert & Whigham P.A.

BOND COUNSEL

Bryant, Miller and Olive, P.A.

AUDITORS

McDermitt Davis & Company, LLC

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Florida

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Financial Section

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Florida

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Oviedo, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Oviedo, Florida* (the City) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MCDIRMIT DAVIS & COMPANY, LLC
934 North Magnolia Avenue, Suite 100 Orlando, Florida 32803
Telephone: 407-843-5406 Fax: 407-649-9339 E-mail: info@mcdirmitdavis.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other post-employment benefit information on pages 3 through 15 and 77 through 83, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance (the Schedule) is presented for purposes of additional analysis as required by Chapter 10.550, *Rules of the Auditor General*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules of budgetary comparison information and the Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

McDiernit Davis & Company, LLC

Orlando, Florida
February 16, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purposes of the City of Oviedo, Florida's (the City) Management's Discussion and Analysis (MD&A) are to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

The MD&A focuses on the current year's activities, resulting changes and currently known facts. Therefore, it is recommended that it be read in conjunction with the Transmittal Letter (beginning on page i) and the City's financial statements (beginning on page 16).

Financial Highlights

- At the close of fiscal year 2014, the City's assets and deferred outflows of resources exceeded its liabilities by \$123,401,548 (*net position*). Of this amount, \$16,898,408 (unrestricted net position) may be utilized to meet the City's ongoing obligations to citizens and creditors.
- During fiscal year 2014, the City's total net position decreased by \$2,390,639 (or 1.9%).
- At the close of the fiscal year 2014, the City's governmental funds reported combined ending fund balances of \$19,353,661, a decrease of \$3,152,386 in comparison with the prior year. Approximately 16% or \$3,060,689 of the total amount is *unassigned fund balance* and is available for spending at the City's discretion.
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed, assigned, and unassigned* components of *fund balance*) for the governmental funds was \$9,536,679, or approximately 27% of total governmental funds expenditures.
- The City's total debt increased by \$4,258,462 during the current fiscal year.

Overview of the Financial Statements

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decrease in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements, Continued

Government-wide financial statements, continued

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, and recreation and parks. The business-type activities of the City consist of the water and sewer systems.

The government-wide financial statements include only the City itself (known as the *primary government*). The City had no component units. The water and sewer system function as a department of the City, and therefore, has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 16-17 of this report.

Fund financial statements

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements, Continued

Governmental funds, continued

The City maintains twenty-seven (27) individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Downtown Improvement Construction Capital Project Fund, which are considered to be major funds. Data from the other twenty-five (25) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements and required supplementary information.

The City adopts an annual appropriated budget for its General, certain Special Revenue, Debt Service and Enterprise Funds except for the State Pension Contributions. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget and are presented as required supplementary information for the General Fund, and combining schedules for the nonmajor governmental funds.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary funds. The City maintains one proprietary fund type. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer system. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance health plan and city paid employee long-term disability and life insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 22-25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-76 of this report.

Required supplementary information (RSI). RSI can be found on pages 77-83 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the RSI. Combining and individual fund statements and schedules can be found on pages 84-109 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$123,401,548 (*net position*) as of the close of the most recent fiscal year.

Over half (\$104,365,618 or 85%) of the City's net position reflect its investment in capital assets (e.g., land, buildings, improvements, infrastructure, vehicles and equipment); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

\$2,137,522 of the City's net position represents resources that are subject to external restrictions on how they may be used, primarily for capital improvements. The remaining balance of *unrestricted net position* (\$16,898,408 or 14%) may be used to meet the City's ongoing obligations to citizens and creditors.

The following table reflects the condensed *Statement of Net Position* for the current and prior year. For more detailed information, see the *Statement of Net Position* on page 16.

Statement of Net Position
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 24,676,263	\$ 26,702,094	\$ 16,193,343	\$ 14,036,740	\$ 40,869,606	\$ 40,738,834
Capital Assets	93,095,563	88,690,841	82,434,671	83,317,418	175,530,234	172,008,259
Total assets	117,771,826	115,392,935	98,628,014	97,354,158	216,399,840	212,747,093
Total Deferred Outflows of Resources	48,262	55,156	37,706	-	85,968	55,156
Current Liabilities	4,066,521	3,370,345	1,155,844	1,413,592	5,222,365	4,783,937
Long Term Liabilities	30,506,056	27,013,130	57,355,839	55,212,995	87,861,895	82,226,125
Total liabilities	34,572,577	30,383,475	58,511,683	56,626,587	93,084,260	87,010,062
Net Position						
Net investment in capital assets	75,793,325	71,920,771	28,572,293	30,865,958	104,365,618	102,786,729
Restricted for:						
Debt service	283,855	11,973	-	-	283,855	11,973
Public safety	490,439	494,282	-	-	490,439	494,282
Capital improvements	1,363,228	7,961,098	-	-	1,363,228	7,961,098
Unrestricted	5,316,664	4,676,492	11,581,744	9,861,613	16,898,408	14,538,105
Total net position	\$ 83,247,511	\$ 85,064,616	\$ 40,154,037	\$ 40,727,571	\$ 123,401,548	\$ 125,792,187

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis, Continued

Statement of Activities. The following table reflects the *Statement of Changes in Net Position* for the current and prior year. For more detailed information see the *Statement of Activities* on page 17.

Note that the City's net position decreased by \$2,390,639 or 1.9% in fiscal year 2014. The previous fiscal year, 2013, net position increased by \$1,218,264 or 0.98%.

Governmental activities decreased net position by \$1,817,105 in fiscal year 2014 compared to an increase of \$1,746,363 in 2013. The decrease in net position is due to a decrease in revenues in 2014.

Business-type activities decreased net position by \$573,534 or -1.4% in fiscal year 2014 compared to a decrease of \$528,099 or -1.3% in 2013.

Following the *Changes in Net Position* table is a series of bar and pie charts that relay in pictorial form the revenues and expenses for each of the governmental and business-type activities as well as the revenue 'source' for each.

Additional information regarding the changes in fund balances of the governmental and business-type activities can be found in the section entitled **Financial Analysis of the City's Fund's** on page 11.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis, Continued

Changes in Net Position
For the Years Ended September 30,

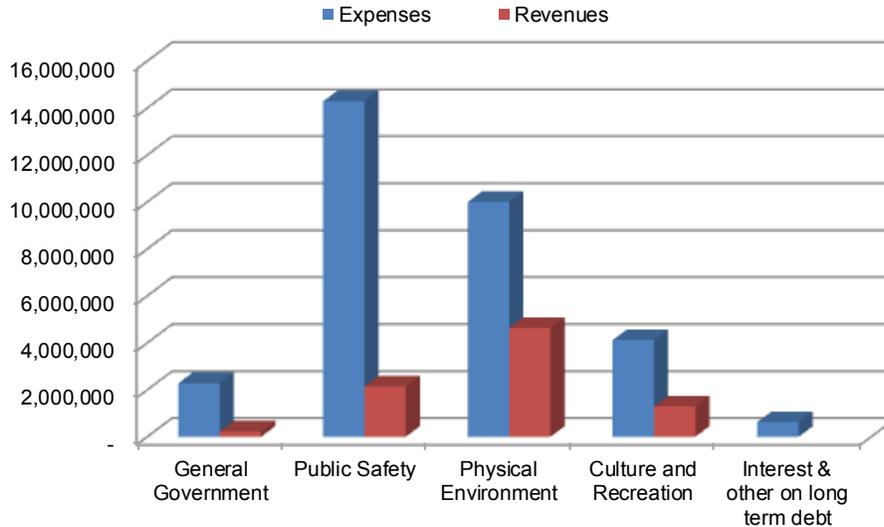
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 7,240,660	\$ 8,293,869	\$11,630,462	\$11,811,327	\$ 18,871,122	\$ 20,105,196
Operating grants and contributions	776,417	776,576	-	-	776,417	776,576
Capital grants and contributions	264,105	3,420,575	1,172,339	1,306,047	1,436,444	4,726,622
General revenues:						
Property taxes	9,462,919	9,217,229	-	-	9,462,919	9,217,229
Other taxes	11,138,535	10,474,817	-	-	11,138,535	10,474,817
Other revenue	463,108	1,645,225	85,029	50,373	548,137	1,695,598
Total revenues	<u>29,345,744</u>	<u>33,828,291</u>	<u>12,887,830</u>	<u>13,167,747</u>	<u>42,233,574</u>	<u>46,996,038</u>
Expenses:						
General government	2,282,964	2,497,474	-	-	2,282,964	2,497,474
Public safety	14,279,884	14,143,702	-	-	14,279,884	14,143,702
Physical environment	10,000,677	11,463,337	-	-	10,000,677	11,463,337
Culture and recreation	4,114,122	3,413,089	-	-	4,114,122	3,413,089
Interest & other on long-term debt	624,284	731,473	-	-	624,284	731,473
Water and sewer	-	-	13,322,282	13,528,699	13,322,282	13,528,699
Total expenses	<u>31,301,931</u>	<u>32,249,075</u>	<u>13,322,282</u>	<u>13,528,699</u>	<u>44,624,213</u>	<u>45,777,774</u>
Increase (Decrease) in Net						
Position Before Transfers	(1,956,187)	1,579,216	(434,452)	(360,952)	(2,390,639)	1,218,264
Transfers	<u>139,082</u>	<u>167,147</u>	<u>(139,082)</u>	<u>(167,147)</u>	-	-
Increase (Decrease) in Net Position	(1,817,105)	1,746,363	(573,534)	(528,099)	(2,390,639)	1,218,264
Net Position - October 1	<u>85,064,616</u>	<u>83,318,253</u>	<u>40,727,571</u>	<u>41,255,670</u>	<u>125,792,187</u>	<u>124,573,923</u>
Net Position - September 30	<u>\$83,247,511</u>	<u>\$85,064,616</u>	<u>\$40,154,037</u>	<u>\$40,727,571</u>	<u>\$ 123,401,548</u>	<u>\$ 125,792,187</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

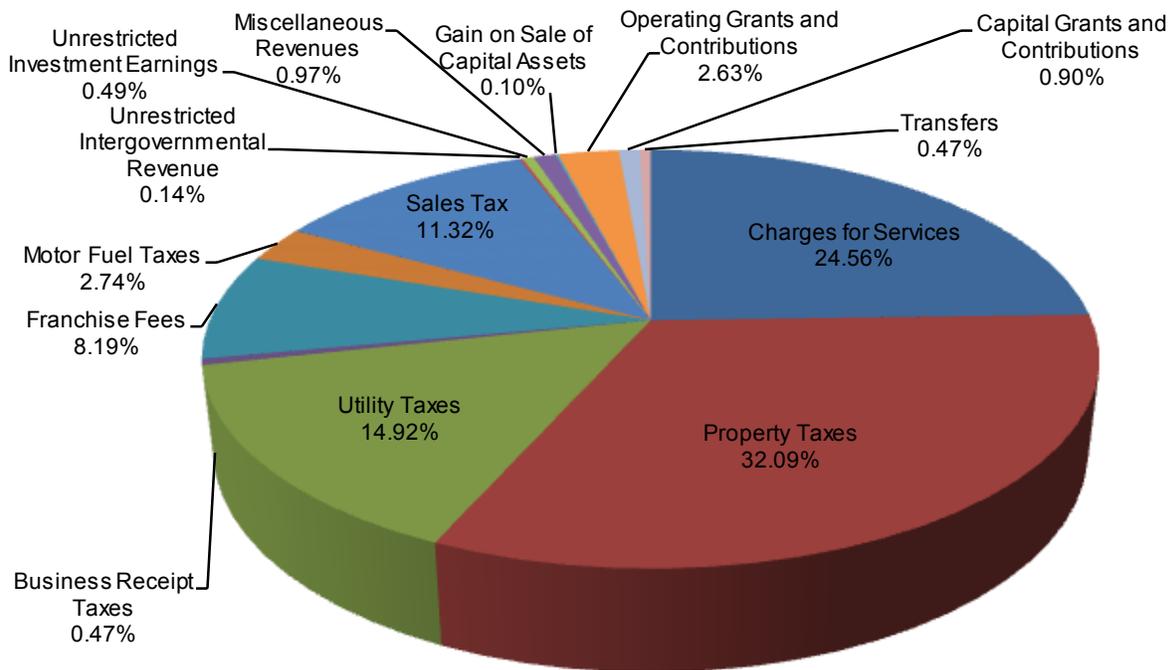
Government-wide Financial Analysis, Continued

Note that the first graph depicts governmental program-specific revenues and expenses. For this graph the revenue includes charges for services, operating grants and contributions, and capital grants and contributions. This chart is intended to show the amount of program expenses funded by specific program revenues.

Governmental Program Specific Revenues and Expenses



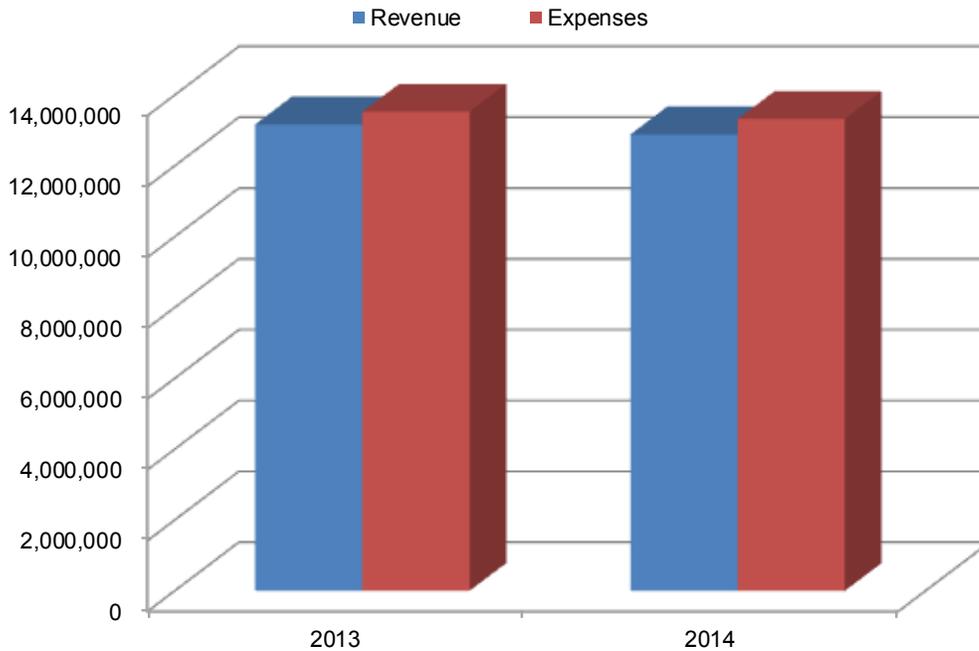
Governmental Revenues by Source



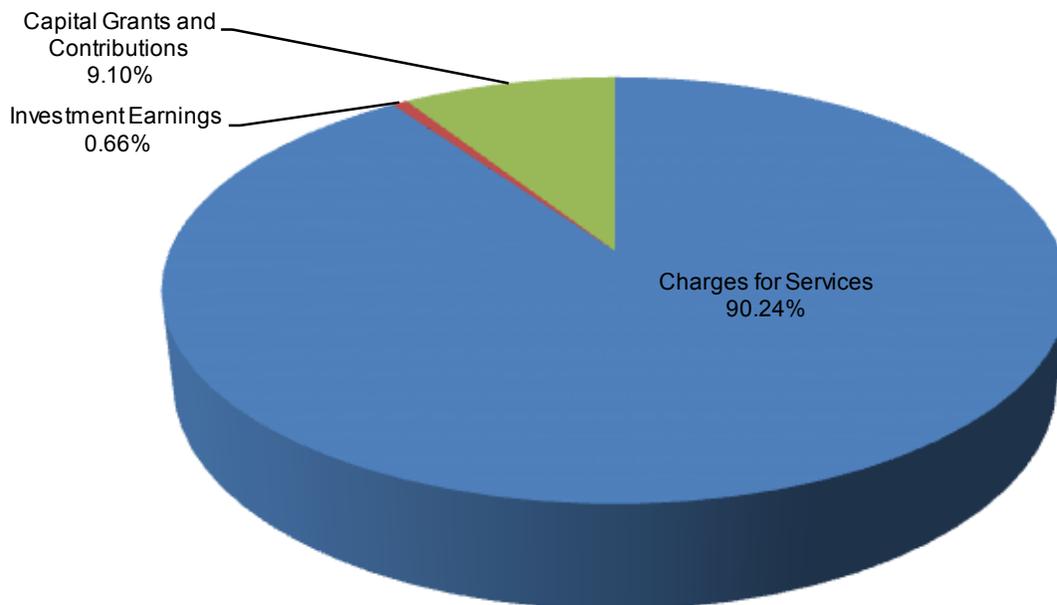
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis, Continued

Business-type Program Specific Revenues and Expenses



Business-type Revenues by Source



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2014, the City's governmental funds reported combined ending fund balances of \$19,353,661, a decrease of \$3,152,386 in comparison with the prior year. Approximately 16% of this total amount, \$3,060,689, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance, \$16,292,972, is either nonspendable, as inventories and prepaid items, restricted for special revenue funds and capital projects, or committed or assigned to specific purposes.

The General Fund is the chief operating fund of the City. At September 30, 2014, the unassigned fund balance of the General Fund was \$3,832,005, while the total fund balance was \$4,256,900. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19% of total General Fund expenditures, while total fund balance represents 21% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund increased by \$842,365, due both to an increase in revenues and a decrease in expenses.

The Downtown Improvement Construction Fund has a total fund balance of \$1,199,764, all of which is restricted for capital projects. The net decrease in fund balance during the current year of \$4,674,391 was due to an increase in capital outlay.

The total fund balance of all the nonmajor governmental funds is \$13,896,997, a net increase of \$679,640 when compared with the prior year. Capital outlay for all nonmajor governmental funds increased by \$1,077,020 when compared with the prior year.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Utility Fund at September 30, 2014 amounted to \$12,036,319. There was a decrease in net position of the Water and Sewer Utility Fund of \$436,363 in 2014 compared to a decrease of \$479,957 in 2013.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget (\$105,000 increase in revenues and \$591,000 increase in appropriations) can be briefly summarized as follows:

Revenues:

- Increase in fines and forfeitures of \$196,000
- Increase in miscellaneous income of \$37,000
- Decrease in transfers from Building Services of \$130,000

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund Budgetary Highlights, Continued

Expenditures:

- Adjustments within the various general fund departments resulted in an increase in expenditures of \$380,000. The increase reflects adjustments for both carry forwards and mid-year adjustments. The increase in expenditures is due to the following: an overall increase in personnel services of \$19,000 which included temporary wages for a Records Management Project, adjustments due to employee turn-over and payouts not being budgeted; and increase in other professional fees of \$109,000 includes funding for a lobbyist of \$39,000, carry forward funds for a Succession Planning Project and for an IT consulting project from EPIC; and increase of \$100,000 for legal fees for Friends of Oviedo, Development Services, Center Lake Park at Oviedo on the Park and Records request inquiries; an increase in office supplies of \$13,000; and increase in other operating supplies of \$12,000 which included expenditures for handcuffs and flashlights in the Police Department that were offset by a JAG grant; and increase of \$59,000 for replacement switches and a new capacity switch for IT, both of which were not originally budgeted; and an increase in repairs and maintenance of \$68,000 due to unexpected costs to the fleet in repairs, some additional facility costs and a carry forward request for the purchase of a storage shed at the gym.
- Transfers out increased by \$211,000. This includes the following: a decrease of \$1,035,000 to the Debt Service Fund due to the restructuring of debt payments from September 30th to October 1st; an increase of \$150,000 to the Vehicle Replacement Fund to replenish cash in the fund to be applied towards future purchases; an increase of \$150,000 to the Technology Improvement Fund to be applied towards future technology enhancements and to replenish the cash used for the purchase of Police radios; and increase of \$750,000 to the Health Insurance Fund to help off-set the higher than anticipated claims experience; and an increase of \$196,000 to the Recreation Facility Improvement Fund for landscaping and tree purchase for Oviedo on the Park.

Increases in expenditures were partially offset by increases in revenues. The difference was made up by the use of fund balance. The general fund use of fund balance was approved primarily to help fund the various transfers noted above and to account for various carry forward requests and mid-year adjustments. During mid-year, the city recognized a JAG grant and additional revenue for Lien Searches.

Differences between the final amended budget and the actual (\$531,554 increase in revenues and other financing sources and \$796,657 decrease in expenditures and other financing uses) can be briefly summarized as follows:

Revenues:

- Actual year end revenues were over budget by \$531,554 or 2.4%. This variance was attributed primarily to increases in the following: ½ cent sales tax; electricity service tax; reimbursed police expenses for special events; lien searches; and collection of delinquent property taxes.

Expenditures:

- Actual year end expenditures were under budget by \$796,657 or 3.5%. The variance was primarily attributable to the following: decrease in personnel services of \$288,000 due to open positions in several departments; decrease in the transfer to the Recreation Facility Improvement Fund of \$196,000; decrease in the transfer to the Stormwater Fund of \$41,000; decrease in other professional services of \$156,000 as the city budgeted for consulting and review services in Development services that weren't used or were

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund Budgetary Highlights, Continued

Expenditures, Continued:

performed in house, the city also budgeted for labor legal services within the Human Resources department for Union negotiations but not all funds budgeted expended; a decrease in contractual services of \$34,000 primarily related to savings in the Seminole County Sheriff's Dispatch contract due to a decrease in the number of calls projected and the actual number of calls received and responded to, and a decrease in contractual services used for special events by Recreation and Parks; and a decrease in hardware of \$34,000 as the funds for the purchase of replacement switches and routers was carried forward to FY2015.

Overall:

- The net increase in fund balances was \$842,365.

Capital Asset and Debt Administration

Capital assets. The City's total capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$175,530,234 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, and vehicles and equipment. The total increase in the City's total capital assets for the current fiscal year was \$3,521,975 (a 2.05% increase in total assets).

Capital Assets
(net of depreciation)
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$14,181,740	\$14,181,740	\$ 2,105,829	\$ 2,095,446	\$ 16,287,569	\$ 16,277,186
Buildings	9,609,942	9,872,763	894,062	934,777	10,504,004	10,807,540
Infrastructure and						
Improvements	48,371,296	49,019,204	76,846,201	76,392,745	125,217,497	125,411,949
Machinery and Equipment	2,085,594	2,236,043	759,592	506,812	2,845,186	2,742,855
Intangibles	144,750	111,966	1,510,780	1,472,028	1,655,530	1,583,994
Construction in Progress	<u>18,702,241</u>	<u>13,269,125</u>	<u>318,207</u>	<u>1,915,610</u>	<u>19,020,448</u>	<u>15,184,735</u>
Total capital assets, net	<u>\$93,095,563</u>	<u>\$88,690,841</u>	<u>\$82,434,671</u>	<u>\$83,317,418</u>	<u>\$ 175,530,234</u>	<u>\$ 172,008,259</u>

Additional information on the City's capital assets can be found in Note 4 in the accompanying notes to financial statements.

Long-term debt. At September 30, 2014, the City had \$75,889,000 in bonded debt outstanding. Of this amount, \$1,230,000 related to General Obligation Bonds, \$5,891,000 related to General Obligation Notes, \$11,850,000 related to Public Improvement Revenue Notes, \$7,459,000 related to Capital Improvement Revenue Notes and \$49,459,000 related to Utility Revenue Bonds/Notes. In addition, the City had \$4,698,515 related to the State Revolving Fund Loan, \$195,203 related to the City's Landfill and \$2,463,830 related to capital leases on equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Asset and Debt Administration, Continued

Long-term debt, continued: The City's utility refunding revenue notes totaling \$11,682,000 refinanced previously outstanding utility revenue bonds reported in business-type activities. These refinancings were done to take advantage of favorable interest rates. The result is expected to be a decrease in future debt service payments approximating \$1.4 million over the terms of the new issuances.

There was a reduction in principal outstanding of \$257,000 in annual principal payments for the fourteen outstanding bond and note issues, \$588,292 in principal payments for the capital leases, and principal payments totaling \$168,541 on the state revolving loan.

There are no limitations placed on the amount of debt the City may issue either by the City's charter, code of ordinances or by the Florida State Statutes. The City's charter does require voter referendum for any lease purchase contracts or any other unfunded multi-year contracts for the purchase of real property or the construction of any capital improvement (exceeding \$5,000,000 per fiscal year), the repayment of which extends beyond the end of any fiscal year.

The City's Water and Sewer Utility Revenue Bonds obtained a one-level upgrade to the City's Utility Bonds from S&P in June 2009 (from A+ to AA). This rating was reaffirmed by S&P in January 2014. In November of 2009, Moody's reaffirmed its A2 rating.

Long Term Debt
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bond						
2003	\$ 1,230,000	\$ 1,230,000	\$ -	\$ -	\$ 1,230,000	\$ 1,230,000
General Obligation Note	5,891,000	5,900,000	-	-	5,891,000	5,900,000
Public Improvement						
Refunding Revenue Notes	7,950,000	7,950,000	-	-	7,950,000	7,950,000
Capital Improvement						
Refunding Revenue Notes	7,459,000	7,707,000	-	-	7,459,000	7,707,000
Public Improvement						
Revenue Notes	3,900,000	51,000	-	-	3,900,000	51,000
Utility Revenue Bonds	-	-	34,850,000	46,635,000	34,850,000	46,635,000
Utility Revenue Notes	-	-	14,609,000	2,927,000	14,609,000	2,927,000
State Revolving Loan	-	-	4,698,515	3,325,025	4,698,515	3,325,025
Landfill Post-closure Care	195,203	210,939	-	-	195,203	210,939
Capital Leases	<u>794,818</u>	<u>1,062,070</u>	<u>1,669,012</u>	<u>1,990,052</u>	<u>2,463,830</u>	<u>3,052,122</u>
Total	<u>\$ 27,420,021</u>	<u>\$ 24,111,009</u>	<u>\$ 55,826,527</u>	<u>\$ 54,877,077</u>	<u>\$ 83,246,548</u>	<u>\$ 78,988,086</u>

Additional information on the City's long-term liabilities can be found in Note 4 in the accompanying notes to financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when adopting the fiscal year end 2015 budget. The adopted budget reflects the culmination of the City's efforts to balance the General Fund budget while maintaining service levels for core City services. The General Fund property tax rate for the fiscal year 2015 increased from 4.8626 mills to 5.0434 mills, an increase of 3.7%. The tax rate for the General Obligation Bond decreased from .3071 mills to .2546 mills; a decrease of 17.1%. The combined tax rate for fiscal year 2015 is 5.298 mills and is .1613 mills or 3.14% greater than fiscal year 2014.

The General Fund budget of \$25,070,020 is \$1,348,162 greater than the adopted fiscal year 2013/2014 budget. The 2015 General Fund Budget was adopted with the use of fund balance of \$122,640, leaving unassigned fund balance in the General Fund of \$3,709,365. This unassigned fund balance is 15% of General Fund expenditures for 2015 and the City continues to meet its Fund Balance Reserve Policy. As a result of the increase in the General Fund property tax rate and the increase in the City's tax base (gross taxable value) of 6.97%, General Fund budgeted revenues for property taxes increased \$953,335, or 10.7% from FY2014. With the exception of modest increases projected for Electric Service Taxes, State Revenue Sharing, State Half-Cent Sales Tax and Recreation Activity Fees, virtually all other revenue sources are flat or declining. Meanwhile, the budget must allow for higher fixed costs such as the required contributions to the Police and Fire pensions, Fire overtime and higher costs for fuel, electricity and health insurance. The total proposed budget for all City funds combined of \$54.4 million (exclusive of inter-fund transfers) is \$447,000 or .83% greater than the fiscal year 2014 total adopted budget.

The City's tax base increased by \$132.9 million or 6.97% compared to fiscal year 2014 based on the Certification of Taxable Value, provided by the Seminole County Property Appraiser.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, City of Oviedo, 400 Alexandria Boulevard, Oviedo, Florida 32765.

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Basic Financial Statements

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CITY OF OVIEDO, FLORIDA
Statement of Net Position
September 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,487,711	\$ 6,582,539	\$ 13,070,250
Investments	9,058,466	4,912,153	13,970,619
Accounts Receivable, net	1,600,922	577,985	2,178,907
Unbilled Revenues	-	678,563	678,563
Due from Other Governments	848,165	-	848,165
Internal Balances	418,034	(418,034)	-
Inventories	49,977	69,817	119,794
Prepaid Expenses	2,684,092	-	2,684,092
Restricted Assets:			
Cash and cash equivalents	3,528,896	-	3,528,896
Investments	-	3,790,320	3,790,320
Capital Assets:			
Not being depreciated	32,883,981	2,424,036	35,308,017
Being depreciated, net	<u>60,211,582</u>	<u>80,010,635</u>	<u>140,222,217</u>
Total capital assets	<u>93,095,563</u>	<u>82,434,671</u>	<u>175,530,234</u>
Total assets	<u>117,771,826</u>	<u>98,628,014</u>	<u>216,399,840</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	<u>48,262</u>	<u>37,706</u>	<u>85,968</u>
Total deferred outflows of resources	<u>48,262</u>	<u>37,706</u>	<u>85,968</u>
LIABILITIES			
Accounts Payable	2,807,809	390,336	3,198,145
Accrued Liabilities	619,892	88,755	708,647
Retainage Payable	199,138	52,696	251,834
Unearned Revenues	395,173	-	395,173
Due to Other Governments	1,239	-	1,239
Liabilities Payable from Restricted Assets	43,270	624,057	667,327
Long-term Liabilities:			
Due within one year:			
Accrued interest	183,886	1,173,062	1,356,948
Landfill closure liability	68,151	-	68,151
Capital lease payable	227,746	332,294	560,040
Bonds payable	230,000	697,000	927,000
Loans payable	1,602,000	369,915	1,971,915
Compensated absences	205,795	19,326	225,121
Due in more than one year:			
Landfill closure liability	127,052	-	127,052
Capital lease payable	567,072	1,336,718	1,903,790
Bonds payable	992,587	37,137,805	38,130,392
Loans payable	23,598,000	16,010,600	39,608,600
Compensated absences	1,852,156	173,930	2,026,086
Other post employment benefits	<u>851,611</u>	<u>105,189</u>	<u>956,800</u>
Total liabilities	<u>34,572,577</u>	<u>58,511,683</u>	<u>93,084,260</u>
NET POSITION			
Net Investment in Capital Assets	75,793,325	28,572,293	104,365,618
Restricted for:			
Debt service	283,855	-	283,855
Public safety	490,439	-	490,439
Capital improvements	1,363,228	-	1,363,228
Unrestricted	<u>5,316,664</u>	<u>11,581,744</u>	<u>16,898,408</u>
Total net position	<u>\$ 83,247,511</u>	<u>\$ 40,154,037</u>	<u>\$ 123,401,548</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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CITY OF OVIEDO, FLORIDA
Statement of Activities
For the Year Ended September 30, 2014

Functions/programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 2,282,964	\$ 216,841	\$ -	\$ -	\$ (2,066,123)	\$ -	\$ (2,066,123)
Public safety	14,279,884	1,396,674	650,817	98,752	(12,133,641)	-	(12,133,641)
Physical environment	10,000,677	4,342,591	125,600	165,353	(5,367,133)	-	(5,367,133)
Parks and recreation	4,114,122	1,284,554	-	-	(2,829,568)	-	(2,829,568)
Interest on long-term debt	624,284	-	-	-	(624,284)	-	(624,284)
Total governmental activities	<u>31,301,931</u>	<u>7,240,660</u>	<u>776,417</u>	<u>264,105</u>	<u>(23,020,749)</u>	<u>-</u>	<u>(23,020,749)</u>
Business-type activities:							
Water and sewer	13,322,282	11,630,462	-	1,172,339	-	(519,481)	(519,481)
Total business-type activities	<u>13,322,282</u>	<u>11,630,462</u>	<u>-</u>	<u>1,172,339</u>	<u>-</u>	<u>(519,481)</u>	<u>(519,481)</u>
Total primary government	<u>\$ 44,624,213</u>	<u>\$ 18,871,122</u>	<u>\$ 776,417</u>	<u>\$ 1,436,444</u>	<u>(23,020,749)</u>	<u>(519,481)</u>	<u>(23,540,230)</u>
General Revenues:							
Property taxes					9,462,919	-	9,462,919
Utility taxes					4,400,316	-	4,400,316
Business receipt taxes					138,249	-	138,249
Franchise fees					2,413,389	-	2,413,389
Motor fuel taxes					808,346	-	808,346
Sales tax					3,336,358	-	3,336,358
Unrestricted intergovernmental revenue					41,877	-	41,877
Unrestricted investment earnings					145,352	85,029	230,381
Miscellaneous					287,414	-	287,414
Gain on sale of capital assets					30,342	-	30,342
Transfers					139,082	(139,082)	-
Total general revenues and transfers					<u>21,203,644</u>	<u>(54,053)</u>	<u>21,149,591</u>
Change in net position					(1,817,105)	(573,534)	(2,390,639)
Net Position - beginning					<u>85,064,616</u>	<u>40,727,571</u>	<u>125,792,187</u>
Net Position - ending					<u>\$ 83,247,511</u>	<u>\$ 40,154,037</u>	<u>\$ 123,401,548</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OVIEDO, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2014

	<u>General Fund</u>	<u>Downtown Improvement Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 1,415,488	\$ 742,659	\$ 3,888,176	\$ 6,046,323
Investments	1,799,712	1,200,000	5,328,754	8,328,466
Receivables, net	1,165,135	-	219,499	1,384,634
Due from other governments	648,047	-	200,118	848,165
Due from other funds	361,694	-	-	361,694
Inventories	49,977	-	-	49,977
Prepaid items	62,795	-	2,618,897	2,681,692
Restricted assets:				
Cash and cash equivalents	<u>312,123</u>	<u>-</u>	<u>3,216,773</u>	<u>3,528,896</u>
Total assets	<u>\$ 5,814,971</u>	<u>\$ 1,942,659</u>	<u>\$ 15,472,217</u>	<u>\$ 23,229,847</u>
Liabilities and Fund Balances:				
Accounts payable	\$ 533,504	\$ 656,134	\$ 1,029,601	\$ 2,219,239
Accrued liabilities	588,586	-	31,306	619,892
Retainage payable	-	86,761	112,377	199,138
Due to other funds	-	-	398,235	398,235
Due to other governments	1,239	-	-	1,239
Unearned revenue	395,173	-	-	395,173
Payable from restricted assets	<u>39,569</u>	<u>-</u>	<u>3,701</u>	<u>43,270</u>
Total liabilities	<u>1,558,071</u>	<u>742,895</u>	<u>1,575,220</u>	<u>3,876,186</u>
Fund Balances:				
Nonspendable	112,772	-	2,618,897	2,731,669
Restricted	26,533	1,199,764	5,859,016	7,085,313
Committed	-	-	1,311,455	1,311,455
Assigned	285,590	-	4,878,945	5,164,535
Unassigned	<u>3,832,005</u>	<u>-</u>	<u>(771,316)</u>	<u>3,060,689</u>
Total fund balances	<u>4,256,900</u>	<u>1,199,764</u>	<u>13,896,997</u>	<u>19,353,661</u>
Total Liabilities and Fund Balances	<u>\$ 5,814,971</u>	<u>\$ 1,942,659</u>	<u>\$ 15,472,217</u>	<u>\$ 23,229,847</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OVIEDO, FLORIDA
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2014

Total Fund Balance, governmental funds \$ 19,353,661

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.

Governmental capital assets	\$ 157,779,487	
Less: Accumulated depreciation	<u>(64,739,758)</u>	93,039,729

Internal service funds are used by management to account for the cost of health insurance, long-term disability, and life insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statements of net position.

1,311,915

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Governmental bonds payable	\$ (26,430,000)	
Deferred charge on refunding	48,262	
Unamortized discount	7,413	
Lease payable	(794,818)	
Landfill closure	(195,203)	
Compensated absences	(2,057,951)	
Accrued interest payable	(183,886)	
Other post employment benefits	<u>(851,611)</u>	<u>(30,457,794)</u>

Net Position of Governmental Activities in the Statement of Net Position \$ 83,247,511

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OVIEDO, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2014

	<u>General Fund</u>	<u>Downtown Improvement Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes:				
Property taxes	\$ 8,957,938	\$ -	\$ 504,981	\$ 9,462,919
Utility taxes	4,400,316	-	-	4,400,316
Business receipt	138,249	-	-	138,249
Licenses, permits and fees	2,417,843	-	292,822	2,710,665
Intergovernmental	3,572,251	-	1,635,786	5,208,037
Charges for services	2,406,533	-	4,065,883	6,472,416
Fines and forfeitures	275,655	-	52,433	328,088
Investment income	38,092	22,851	80,754	141,697
Service assessments	7,753	-	76,544	84,297
Miscellaneous	<u>318,587</u>	<u>-</u>	<u>36,690</u>	<u>355,277</u>
Total revenues	<u>22,533,217</u>	<u>22,851</u>	<u>6,745,893</u>	<u>29,301,961</u>
Expenditures:				
Current:				
General government	2,071,106	-	87,873	2,158,979
Public safety	11,861,325	-	1,403,533	13,264,858
Physical environment	2,581,171	-	4,128,692	6,709,863
Parks and recreation	3,316,150	-	70,585	3,386,735
Debt service:				
Principal	-	-	524,252	524,252
Interest and fiscal charges	-	-	488,999	488,999
Issuance costs	-	-	20,272	20,272
Capital outlay:				
General government	-	-	62,415	62,415
Public safety	-	-	665,820	665,820
Physical environment	-	-	1,931,019	1,931,019
Parks and recreation	<u>11,145</u>	<u>4,697,242</u>	<u>1,208,203</u>	<u>5,916,590</u>
Total expenditures	<u>19,840,897</u>	<u>4,697,242</u>	<u>10,591,663</u>	<u>35,129,802</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>2,692,320</u>	<u>(4,674,391)</u>	<u>(3,845,770)</u>	<u>(5,827,841)</u>
Other Financing Sources (Uses):				
Transfers in	416,976	-	2,182,142	2,599,118
Transfers out	(2,277,842)	-	(1,527,309)	(3,805,151)
Note Payable	-	-	3,849,000	3,849,000
Sale of General Capital Assets	<u>10,911</u>	<u>-</u>	<u>21,577</u>	<u>32,488</u>
Total Other Financing Sources (Uses)	<u>(1,849,955)</u>	<u>-</u>	<u>4,525,410</u>	<u>2,675,455</u>
Net Change in Fund Balances	842,365	(4,674,391)	679,640	(3,152,386)
Fund Balances - beginning	<u>3,414,535</u>	<u>5,874,155</u>	<u>13,217,357</u>	<u>22,506,047</u>
Fund Balances - ending	<u>\$ 4,256,900</u>	<u>\$ 1,199,764</u>	<u>\$ 13,896,997</u>	<u>\$ 19,353,661</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OVIEDO, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2014

Net Change in Fund Balances - total governmental funds: \$ (3,152,386)

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 these assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 8,575,844	
Less: current year depreciation	<u>(4,168,610)</u>	4,407,234

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (2,146)

Proceeds from issuance of long-term debt are reported in the governmental funds as revenues. Such proceeds are not reported as revenues in the Statement of Activities, but rather are reported as liabilities in the Statement of Net Position

Public improvement revenue refunding bonds		(3,849,000)
Landfill closure liability		15,736

Repayments of long-term debt is an expenditure in the governmental funds But the repayment reduces long-term liabilities in the Statement of Net Position

Principal payments		524,252
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Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amount is the net effect of these differences in the treatment of these items (7,551)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in long-term compensated absences	\$ 39,067	
Change in other post employment benefits	(94,590)	
Change in accrued interest	<u>(127,734)</u>	(183,257)

Contributions of capital assets are not reported as revenues in the governmental funds 9,786

Internal service funds are used by management to account for the cost of health insurance, long-term disability, and life insurance. The net revenue of certain activities of internal service funds is reported with governmental activities. 420,227

Change in Net Position of Governmental Activities \$ (1,817,105)

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OVIEDO, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2014

	Business-type Activities	Governmental Activities
	Water and Sewer Utility Fund	Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,582,539	\$ 441,388
Investments	4,912,153	730,000
Restricted investments	3,790,320	-
Receivables, net	577,985	-
Insurance receivable	-	216,288
Unbilled revenues	678,563	-
Prepaid expenses	-	2,400
Inventories	69,817	-
Total current assets	16,611,377	1,390,076
Noncurrent assets:		
Advances to other funds	36,541	-
Capital assets:		
Not being depreciated	2,424,036	-
Being depreciated, net	80,010,635	55,834
Total noncurrent assets	82,471,212	55,834
Total assets	99,082,589	1,445,910
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	37,706	-
Total deferred outflows of resources	37,706	-
LIABILITIES		
Current liabilities:		
Accounts payable	390,336	588,570
Accrued liabilities	88,755	-
Retainage payable	52,696	-
Compensated absences	19,326	-
Bonds payable - current	697,000	-
Capital lease payable - current	332,294	-
Loans payable - current	369,915	-
Accrued interest payable	1,173,062	-
Payable from restricted assets	624,057	-
Total current liabilities	3,747,441	588,570
Noncurrent liabilities:		
Bonds payable, net of unamortized premium	37,137,805	-
Capital leases payable	1,336,718	-
Loans payable	16,010,600	-
Compensated absences	173,930	-
Other post employment benefits	105,189	-
Total noncurrent liabilities	54,764,242	-
Total liabilities	58,511,683	588,570
NET POSITION		
Net Investment in Capital Assets	28,572,293	-
Unrestricted	12,036,319	857,340
Total net position	\$ 40,608,612	\$ 857,340
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time	(454,575)	
Total Net Position per Government-wide Financial Statements	\$ 40,154,037	

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OVIEDO, FLORIDA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2014

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Water and Sewer Utility Fund</u>	<u>Internal Service Fund</u>
Operating Revenues:		
User charges	\$ 11,419,478	\$ -
Other revenue	210,984	2,434,760
Total operating revenues	<u>11,630,462</u>	<u>2,434,760</u>
Operating Expenses:		
Cost of sales/services	5,250,744	3,078,543
Materials and supplies	-	411,779
Administration	2,309,928	-
Depreciation and amortization	3,405,648	10,152
Total operating expenses	<u>10,966,320</u>	<u>3,500,474</u>
Operating income (loss)	<u>664,142</u>	<u>(1,065,714)</u>
Nonoperating Revenues (Expenses):		
Investment earnings	85,029	3,655
Interest expense	(2,218,791)	-
Total nonoperating revenues (expenses)	<u>(2,133,762)</u>	<u>3,655</u>
Loss before contributions and transfers	(1,469,620)	(1,062,059)
Capital Contributions	1,172,339	-
Transfers in	-	1,345,115
Transfers out	(139,082)	-
Change in Net Position	(436,363)	283,056
Net Position - beginning	<u>41,044,975</u>	<u>574,284</u>
Net Position - ending	<u>\$ 40,608,612</u>	<u>\$ 857,340</u>
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund	<u>(137,171)</u>	
Change in Business-Type Activities Net Position per Government-Wide Financial Statements.	<u>\$ (573,534)</u>	

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OVIEDO, FLORIDA
Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2014

	<u>Enterprise Fund</u>	
	<u>Water/Sewer Utility Fund</u>	<u>Governmental Activities- Internal Service Fund</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 11,648,739	\$ -
Receipts from internal services provided	-	2,218,978
Payments to suppliers	(6,321,643)	(3,227,356)
Payments to employees	(1,479,405)	-
Net cash provided by (used in) operating activities	<u>3,847,691</u>	<u>(1,008,378)</u>
Cash Flows From Non-capital Financing Activities:		
Increase in due from other funds	(36,541)	-
Transfers in	-	1,345,115
Transfers out	(139,082)	-
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>(175,623)</u>	<u>1,345,115</u>
Cash Flows From Capital and Related Financing Activities:		
Purchase of capital assets	(2,360,234)	-
Proceeds from capital debt	13,224,031	-
Principal paid on capital debt	(12,274,581)	-
Interest paid on capital debt	(1,083,960)	-
Capital contributions	1,009,672	-
Net Cash Used in Capital and related Financing Activities	<u>(1,485,072)</u>	<u>-</u>
Cash Flows From Investing Activities:		
Purchase of investments	(1,814,932)	(310,000)
Investment income	85,029	3,655
Net Cash Used in Investing Activities	<u>(1,729,903)</u>	<u>(306,345)</u>
Net Increase in Cash and Cash Equivalents	457,093	30,392
Cash and Cash Equivalents - beginning	6,125,446	410,996
Cash and Cash Equivalents - ending	<u>\$ 6,582,539</u>	<u>\$ 441,388</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OVIEDO, FLORIDA
Statement of Cash Flows, Continued
Proprietary Funds
For The Year Ended September 30, 2014

	Enterprise Funds	
	Water/Sewer Utility Fund	Governmental Activities- Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in)		
Operating Activities:		
Operating income (loss)	\$ 664,142	\$ (1,065,714)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	3,405,648	10,152
(Increase) Decrease in accounts receivable	33,297	(215,782)
Increase in inventories	(5,481)	-
Increase in unbilled revenues	(20,903)	-
Decrease in prepaid expenses	7,879	3,725
Increase (decrease) in accounts payable	(217,208)	259,241
Increase in accrued liabilities and compensated absences	15,566	-
Decrease in retainage payable	(54,042)	-
Increase in payable from restricted assets	5,883	-
Increase in OPEB obligation	12,910	-
Net cash provided by (used in) operating activities	\$ 3,847,691	\$ (1,008,378)
Noncash Capital and Financing Activities:		
Contributed capital assets	\$ 162,667	\$ -

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OVIEDO, FLORIDA
Statement of Net Position
Fiduciary Funds
September 30, 2014

	Total Employee Retirement Funds
ASSETS	
Cash and cash equivalents	\$ 410,083
Receivables:	
Interest receivable	46,640
Contributions receivable	17,035
Total receivables	63,675
Investments, at fair value:	
U.S. Treasury & Government agency	702,045
Real Estate Investment Trust	790,719
Corporate & foreign bonds	2,856,130
Mutual funds & common stocks	23,256,561
Total Investments	27,605,455
Total assets	28,079,213
LIABILITIES	
Refunds payable and others	140,163
Total liabilities	140,163
NET POSITION	
Net position held in trust for pension benefits	\$ 27,939,050

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF OVIEDO, FLORIDA
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended September 30, 2014

	<u>Total Employee Retirement Funds</u>
ADDITIONS	
Contributions:	
City	\$ 1,065,659
State	558,819
Employee	412,633
Total contributions	<u>2,037,111</u>
Investment income:	
Interest	581,046
Net increase in fair value of investments	2,432,841
Net investment earnings	<u>3,013,887</u>
Total additions	<u>5,050,998</u>
DEDUCTIONS	
Benefit payments	819,342
Administrative expenses	207,910
Total deductions	<u>1,027,252</u>
Change in Net Position	4,023,746
Net Position - beginning	<u>23,915,304</u>
Net Position - ending	<u><u>\$ 27,939,050</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide 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 nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting entity

The City of Oviedo, Florida (the City), a municipality that was incorporated under Chapter 10950, *Laws of Florida* in 1925, operates under the Council - City Manager form of government. The City is located near the center of the State of Florida in the eastern section of Seminole County.

The City is a municipal corporation with a five-member council including the Mayor. The Mayor acts as the presiding officer of the council, with the Deputy Mayor serving during the Mayor's absence.

The City provides a full range of municipal services including police and fire protection, public works activities, parks and recreation, planning and development, and general administrative services. In addition, the City operates a water and sewer utility service.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, management has determined that there are no component units to be included with the reporting entity at September 30, 2014.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of presentation - government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 as general revenues.

D. Basis of presentation - fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category-governmental, proprietary, and fiduciary-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *Downtown Improvement Construction Capital Project Fund* is used to account for the proceeds of Series 2003 general obligation bonds issued to fund the City's downtown master plan, which includes the acquisition of land and the construction of an amphitheater and related infrastructure.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of presentation - fund financial statements (continued)

The City reports the following major enterprise fund:

The *Water and Sewer Utility Fund* is used to account for the City's water and sewer operations and related capital improvements, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

Additionally, the City reports the following fund types:

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City utilizes an internal service fund for the City's self-insured health insurance plan and the City provided long-term disability and life insurance costs. Because services accounted for in the internal service fund predominately benefit governmental rather than business-type functions, it has been included within the governmental activities in the government-wide financial statements and is presented separately in the proprietary fund financial statements.

The *Pension Trust Funds* account for the activities of The Police Officers' Retirement Trust Fund and the Firefighters' Pension Trust Fund, which accumulate resources for pension benefit payments to the respective qualified public safety employees.

Special Revenue Funds account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes. Nonmajor special revenue funds include the Capital Expansion Fund, Local Option Gas Tax Fund, State Law Enforcement Fund, Federal DEA Grant (Forfeiture) Fund, State Pension Contributions Fund, Solid Waste Fund, Building Services Fund, Stormwater Fund, Transportation Impact Fees Fund, Law Enforcement Fund, Police Donations Fund, and Second Dollar Education Fund.

Debt Service Funds account for the accumulation of resources for and the payment of principal and interest on certain long-term debt. Nonmajor debt service funds include the Public Improvement Revenue Bonds Fund, General Obligation Bonds Fund and the Lease Financing Debt Service Fund.

Capital Project Funds account for financial resources segregated for the acquisition or construction of major capital facilities. Nonmajor capital project funds include the Local Option Sales Tax Fund, Vehicle Replacement Fund, Land Fill Closure Fund, Technology Improvements Fund, General Facility Improvement Fund, Recreational Facility Improvement Fund, OSC Extension Landfill Fund, 2008 Revenue Bond Construction Fund, Fire Rescue Construction Fund, and the Veterans Memorial Fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of presentation - fund financial statements (continued)

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal services funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement focus and basis of accounting (continued)

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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees and utility taxes, state revenue sharing, charges for services, and investment earnings associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and pension funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Unearned revenues in governmental funds include amounts collected before the revenue recognition criteria are met. The unearned amount typically consists of license revenue collected in advance of the ensuing year.

F. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, nonmajor special revenue funds, and debt service funds. The capital projects funds are appropriated on a project-length basis.

The appropriated budget is prepared by fund, function, and department. The City's department directors may make transfers of appropriations within a department. Transfers of appropriations between funds require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary information (continued)

1. *Budgetary basis of accounting (continued)*

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

2. *Excess of expenditures over appropriations*

For the year ended September 30, 2014, expenditures exceeded appropriations in the following funds (the legal level of budgetary control): (a) solid waste special revenue fund by \$26,584; (b) law enforcement special revenue fund by \$27,781; (c) police donations special revenue fund by \$12,918 and (d) second dollar education special revenue fund by \$6,355.

3. *Appropriations in excess of Funds Available*

Appropriations for the solid waste special revenue fund, building services special revenue fund and public improvement revenue bonds debt service fund were in excess of anticipated revenue and prior year's fund balance.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. *Cash and cash equivalents*

For purposes of cash flows, cash and cash equivalents include cash on hand; amounts due from banks, mutual funds and investment pools; and, all highly liquid investments (including restricted assets) with a maturity of 90 days or less when purchased. All cash and certain investments of the enterprise funds represent an equity position in the City's internal pool of cash and investments. The City currently holds \$3,047 available as petty cash.

Because the enterprise funds may withdraw cash from the pool without prior notice or penalty, the cash and certain investments are considered cash equivalents.

The City maintains a cash and investment pool that is used by all funds. This pool includes deposits and overnight repurchase agreements, government agencies as well as amounts on deposit with the State Board of Administration (SBA) and Florida Safe. Pooled cash is classified as "Cash" in the Balance Sheet. Interest income earned as a result of pooling is distributed to the appropriate funds based on the month end equity balance in each fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

2. Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the Florida State Board of Administration's and Florida Safe's Local Government Surplus Investment Pools (LGIP). In accordance with state law, the LGIP's operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the LGIP's qualify as a 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Florida State Board of Administration is subject to regulatory oversight by the State of Florida, although it is not registered with the SEC.

3. Receivables

All receivables are shown net of an allowance for uncollectibles. Accounts receivable in excess of 90 days comprise the accounts receivable allowance for uncollectibles.

4. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and repair parts. The cost of such inventories is recorded as expenditures or expense when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures or expenses when consumed rather than when purchased.

5. Capital assets

Property, plant and equipment, and infrastructure assets (i.e., roads, streets and sidewalks, curbs and gutters, drainage systems and lighting systems) purchased or acquired are carried at historical cost or estimated historical cost and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Contributed assets are recorded at fair market value as of the date received. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

5. Capital assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed.

The City has some capital assets that meet the definition of intangible assets per Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, including computer software and reclaimed water capacity.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following useful lives:

<u>Classification</u>	<u>Useful Life</u>
Buildings	50 years
Machinery and Equipment	5 - 25 years
Intangibles	5 - 25 years
Improvements and Infrastructure	10 - 50 years

Amortization of assets recorded under capital leases is included with depreciation expense.

6. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

6. *Deferred outflows/inflows of resources (continued)*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City does not have any item that qualifies for reporting in this category for the year ended September 30, 2014.

7. *Net position flow assumption*

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

8. *Fund balance flow assumptions*

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. *Fund balance policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

9. Fund balance policies (continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the finance director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

Under Florida law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten (10) mills. The millage rate in effect for the City for the fiscal year ended September 30, 2014 was 4.8626 mills.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and expenditures/expenses (continued)

2. *Property taxes (continued)*

The tax levy of the City is established by the City Council prior to October 1 of each year and the Seminole County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, independent districts and the County School Board tax requirement. All property is reassessed according to its fair market value on the lien date or January 1 of each year.

All taxes are due and payable on the levy date of November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% for payments received in the month of November, 3% for payments received in the month of December, 2% for payments received in the month of January and 1% for payments received in the month of February. The taxes paid in March are not subject to discount.

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

3. *Compensated absences*

City policy permits employees to accumulate earned but unused vacation and sick pay benefits. The City records the vested portion of accumulated unused compensated absences at year end based on each employee's accumulated unused hours and rate of pay, including the City's share of Social Security and Medicare taxes and retirement benefits. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental activities, compensated absences are generally liquidated by the General Fund.

4. *Proprietary funds operating and nonoperating revenues and expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. 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 fund and internal service fund are charges to customers for sales and services. The City also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, depreciation on capital assets and amortization of intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Other significant accounting policies

1. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

2. Redevelopment Trust Fund

The City passed Ordinance No. 1496 in 2010, establishing a redevelopment trust fund, providing for community redevelopment within the City community redevelopment area (CRA). As of September 30, 2014, there has been no activity since tax values of the property within the CRA are below the threshold established for the base value.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between *net change in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

In accordance with the Fund Reserve Policy, the City reserves an amount equal to 15 percent of the annual General Fund budget and a minimum of one hundred twenty (120) days of the Water and Sewer Utility Enterprise Fund operating budget less depreciation, annual debt service and capital expenditures. The City also maintains a minimum capital reserve balance in the Water and Sewer Renewal and Replacement Fund equal to 50 percent of the prior year depreciation expense for plant and equipment. The purpose of this policy is to provide capacity to provide sufficient cash flow for daily financial needs, to have the ability to offset significant economic downturns or revenue shortfalls, and to provide funds for unforeseen expenditures related to emergencies or other unanticipated needs.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

If at the end of the fiscal year, the actual amount of assigned fund balance, or restricted net position falls below the required level, the City Council will take necessary steps to replenish the reserve to the targeted level in the subsequent fiscal year. If the ending unassigned fund balance in the General Fund is above 15 percent of General Fund expenditures at fiscal year end, the City Council may transfer the excess amount to any of the non-Water and Sewer Utility Capital Project Funds. The City Manager will disclose the excess amount, if and, after the completion of the financial audit and recommend transfer options for the subsequent fiscal year.

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash deposits with financial institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2014, the carrying amount of the City's deposits was \$5,843,087 and the bank balance was \$5,993,094. All of the bank balance was covered by federal depository insurance or by collateral held by the City's agent in the City's name. None of the amount was covered by collateral held in the pledging bank's trust department in the City's name.

The City's bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. Remaining balances are collateralized pursuant to Chapter 280, Florida Statutes. Under this chapter all depositories holding public funds collateralize deposits in excess of FDIC insurance with the State Treasurer. In the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

B. Investments

As of September 30, 2014, the City's investment portfolio was composed of the following investments:

Investment Type	Fair Value	Investment Maturities		
		Less Than 1 Year	1 to 5 Years	More than 5 Years
Pooled Interest Bearing				
Checking Account	\$ 5,843,087	\$ 5,843,087	\$ -	\$ -
Florida Prime	4,350	4,350	-	-
Certificates of Deposit	11,000,000	4,000,000	7,000,000	-
U.S. Agencies	5,741,179	-	5,741,179	-
Prime Money Market	11,687,360	11,687,360	-	-
	<u>\$ 34,275,976</u>	<u>\$ 21,534,797</u>	<u>\$ 12,741,179</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

B. Investments (continued)

The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. As of September 30, 2014, the carrying amount of investments includes accrued interest of \$81,062.

State statutes allow investments in certificates of deposit to be made only with banks and/or savings and loans that qualify as authorized depositories under Florida law. City policy provides for other investments to be made through authorized depositories. State statutes and City policy authorize investments in U.S. Treasury Bills, Notes and Bonds; insured or fully collateralized certificates of deposit or bank savings accounts; U.S. Government Instrumentalities; Local Government Investment Pools (LGIP); State Board of Administration intermediate term investment pool; money market funds and mutual funds that invest solely in U.S. Government obligations.

The following schedule reconciles the cash, cash equivalents, and investment balances as shown in the financial statements with the portfolio totals shown above authorized under Sections 218.415 and 163.01 of Florida State Statutes:

Cash and Investments - Statements of Net Position:	
Cash and cash equivalents	\$ 13,070,250
Investments	13,970,619
Restricted assets:	
Cash and cash equivalents	3,528,896
Restricted investments	3,790,320
Total cash and investments	<u>\$ 34,360,085</u>
Portfolio Total Shown Above	\$ 34,275,976
Plus: cash on hand	3,047
Plus: accrued interest	81,062
Total cash and investments	<u>\$ 34,360,085</u>

Interest rate risk. The investment portfolio policy of the City has the objective of regularly exceeding the average return on the State Board of Administration's Local Surplus Funds Trust Fund (SBA Pool) for short-term investments (less than a year in duration) and for long-term investments, an index of the United States Treasury or Government securities. These indices are considered benchmarks for the riskless investment transactions and therefore comprise a minimum standard for the portfolio rate of return.

The investment portfolio policy of the City states that investments shall be held to maturity unless called. Investments shall be structured so as to maintain a Portfolio Average Maturity of no longer than five years. For purposes of meeting this limitation, variable rate securities shall be measured on the basis of the period elapsed between interest reset dates. No investment shall be made in an instrument with a stated final maturity longer than five years. Below are the credit quality distributions for securities with credit exposure as a percentage of total investments with investments held in the City's portfolio as of September 30, 2014.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

B. Investments (continued)

**Credit Quality Distribution for Securities
With Credit Exposure as a Percentage of Total Investments**

Type of Investment	Credit Rating	Percentage of Total
Prime Money Market Fund	Aaa	67%
Florida Prime	AAAm	0%
Federal Home Loan Banks (FHLB)	Aaa	4%
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa	6%
Federal National Mortgage Association (FNMA)	Aaa	23%

Credit risk. Securities shall be limited to those rated BAA or higher by Moody's or Standard & Poor's rating services. Unrated investments are typically U.S. Agency backed securities.

Concentration of credit risk. The investment portfolio policy of the City has the objective of structuring investments as to not allow for an investment in any one type of issue (e.g. Federal Home Loan Bank) that is in excess of 50% of the City's total investments.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of September 30, 2014, the City has satisfied all of the objectives and requirements laid out in the City's investment policy and held no investments that were not in compliance with policy.

Investment income for the year ended September 30, 2014 consisted of the following:

	General Fund	Downtown Improvement Fund	Other Governmental Funds	Enterprise Funds	Internal Service Fund
Interest Income	\$ 36,532	\$ 20,790	\$ 77,363	\$ 78,946	\$ 3,414
Net Increase (Decrease) in Fair Value of Investments	1,560	2,061	3,391	6,083	241
	\$ 38,092	\$ 22,851	\$ 80,754	\$ 85,029	\$ 3,655

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general and nonmajor governmental funds, as well as the enterprise fund, in the aggregate, including the applicable allowances for uncollectible accounts:

	<u>General Fund</u>	<u>Capital Expansion</u>	<u>Solid Waste Fund</u>	<u>Stormwater Fund</u>	<u>Vehicle Replacement</u>	<u>Water & Sewer Utility Fund</u>
Accounts Receivable	\$ 2,261,520	\$ 1,495	\$ 224,746	\$ 159,343	\$ 19,877	\$ 926,797
Less: allowance for doubtful accounts	<u>(1,096,385)</u>	<u>-</u>	<u>(103,663)</u>	<u>(82,299)</u>	<u>-</u>	<u>(348,812)</u>
Accounts receivable, net	<u>\$ 1,165,135</u>	<u>\$ 1,495</u>	<u>\$ 121,083</u>	<u>\$ 77,044</u>	<u>\$ 19,877</u>	<u>\$ 577,985</u>

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CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

D. Capital assets

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

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 14,181,740	\$ -	\$ -	\$ 14,181,740
Construction in progress	13,269,125	7,967,794	(2,534,678)	18,702,241
Total capital assets, not being depreciated	<u>27,450,865</u>	<u>7,967,794</u>	<u>(2,534,678)</u>	<u>32,883,981</u>
Capital assets, being depreciated:				
Buildings	13,225,443	11,145	-	13,236,588
Machinery and equipment	9,707,816	514,494	(482,358)	9,739,952
Intangibles	452,071	66,472	-	518,543
Infrastructure and improvements	98,935,780	2,566,159	-	101,501,939
Total capital assets, being depreciated	<u>122,321,110</u>	<u>3,158,270</u>	<u>(482,358)</u>	<u>124,997,022</u>
Less accumulated depreciation for:				
Buildings	(3,352,680)	(273,966)	-	(3,626,646)
Machinery and equipment	(7,471,773)	(657,041)	474,456	(7,654,358)
Intangibles	(340,105)	(33,688)	-	(373,793)
Infrastructure and improvements	(49,916,576)	(3,214,067)	-	(53,130,643)
Total accumulated depreciation	<u>(61,081,134)</u>	<u>(4,178,762)</u>	<u>474,456</u>	<u>(64,785,440)</u>
Total capital assets, being depreciated, net	<u>61,239,976</u>	<u>(1,020,492)</u>	<u>(7,902)</u>	<u>60,211,582</u>
Governmental Activities Capital Assets, net	<u>\$ 88,690,841</u>	<u>\$ 6,947,302</u>	<u>\$ (2,542,580)</u>	<u>\$ 93,095,563</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 2,095,446	\$ 10,383	\$ -	\$ 2,105,829
Construction in progress	1,915,610	1,846,131	(3,443,534)	318,207
Total capital assets, not being depreciated	<u>4,011,056</u>	<u>1,856,514</u>	<u>(3,443,534)</u>	<u>2,424,036</u>
Capital assets, being depreciated:				
Buildings	1,938,797	-	-	1,938,797
Machinery and equipment	2,577,887	350,462	(33,390)	2,894,959
Intangibles	1,563,215	72,045	-	1,635,260
Infrastructure and improvements	107,506,789	3,687,414	(17,907)	111,176,296
Total capital assets, being depreciated	<u>113,586,688</u>	<u>4,109,921</u>	<u>(51,297)</u>	<u>117,645,312</u>
Less Accumulated Depreciation for:				
Buildings	(1,004,020)	(40,715)	-	(1,044,735)
Machinery and equipment	(2,071,075)	(97,682)	33,390	(2,135,367)
Intangibles	(91,187)	(33,293)	-	(124,480)
Infrastructure and improvements	(31,114,044)	(3,233,958)	17,907	(34,330,095)
Total accumulated depreciation	<u>(34,280,326)</u>	<u>(3,405,648)</u>	<u>51,297</u>	<u>(37,634,677)</u>
Total capital assets, being depreciated, net	<u>79,306,362</u>	<u>704,273</u>	<u>-</u>	<u>80,010,635</u>
Business-type Activities Capital Assets, net	<u>\$ 83,317,418</u>	<u>\$ 2,560,787</u>	<u>\$ (3,443,534)</u>	<u>\$ 82,434,671</u>

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

D. Capital assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 97,743
Public safety	505,563
Transportation, including depreciation of general infrastructure assets	2,977,576
Culture and recreation	587,728
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>10,152</u>
Total depreciation expense	<u>\$ 4,178,762</u>
Business-type Activities:	
Water and sewer utility	<u>\$ 3,405,648</u>
Total depreciation expense	<u>\$ 3,405,648</u>

E. Interfund balances

The composition of interfund transfers for the year ended September 30, 2014 is as follows:

	Transfer in:			
	General Fund	Nonmajor Governmental Funds	Internal Service Fund	Total
Transfer out:				
General fund	\$ -	\$ 1,027,842	\$ 1,250,000	\$ 2,277,842
Non-major governmental funds	416,976	1,084,283	26,050	1,527,309
Water/sewer utility fund	-	70,017	69,065	139,082
Total	<u>\$ 416,976</u>	<u>\$ 2,182,142</u>	<u>\$ 1,345,115</u>	<u>\$ 3,944,233</u>

Transfers are used to 1) move revenue from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

The due to other funds balances consists of \$361,694 due to the general fund for working capital loans, and \$36,541 advanced from the water and sewer utility fund to fund the Oviedo on the Park Project. This advance was approved by council as a promissory note of up to \$300,000 and is to be repaid in equal installments over 10 years, plus interest at 2.71%.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**F. Lease obligations**

The City has entered into lease agreements as lessee for financing the acquisition of trucks, data processing, communications and office equipment, as well as certain equipment. These lease agreements qualify as capital leases for accounting purposes and, accordingly, have been recorded at the present value of their future minimum lease payments as of the inception date. The aggregate cost and accumulated depreciation of assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Machinery and Equipment	\$ 1,536,064	\$ 3,233,301
Less: accumulated depreciation	<u>(413,041)</u>	<u>(673,889)</u>
Total	<u>\$ 1,123,023</u>	<u>\$ 2,559,412</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2015	\$ 250,097	\$ 384,605
2016	123,623	291,396
2017	123,623	291,396
2018	123,623	291,396
2019	123,623	291,396
2020	<u>123,623</u>	<u>291,396</u>
Total Minimum Lease Payments	868,212	1,841,585
Less: amount representing interest	<u>(73,394)</u>	<u>(172,573)</u>
Present Value of Minimum Lease Payments	<u>\$ 794,818</u>	<u>\$ 1,669,012</u>

G. Long-term liabilities**General obligation bonds**

The City issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government, provided that the levy of ad valorem taxes by the City in each year for the payment of debt service on the Series 2003 bonds shall not exceed 0.9 mills on all of the taxable property in the City. The total principal and interest remaining to be paid on this series is \$1,359,970. For the fiscal year, interest paid on this series was \$24,656 and total pledged revenue was \$504,981.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Long-term liabilities (continued)

General obligation notes

The City issued general obligation notes to provide funds for the acquisition and construction of major capital facilities. General obligation notes are direct obligations and pledge the full faith and credit of the government, provided that the levy of ad valorem taxes by the City in each year for the payment of debt service on the Series 2013 notes shall not exceed 0.9 mills on all of the taxable property in the City. The total principal and interest remaining to be paid on this series is \$8,405,806. For the fiscal year, principal and interest paid on this series was \$223,424 and total pledged revenue was \$504,981.

General obligation bonds and notes outstanding at September 30, 2014 are as follows:

Governmental Activities:

<u>General Obligation Bonds</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 9/30/2014</u>
Limited Ad Valorem Bonds	2003	\$ 9,000,000	2% - 4.75%	2018	\$ 1,230,000
<u>General Obligation Note</u>					
Limited Ad Valorem Notes	2013	\$ 5,900,000	3.43%	2033	\$ 5,891,000

Public improvement notes

Public Improvement notes outstanding at September 30, 2014 are as follows:

Governmental Activities:

<u>Public Improvement Notes</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 9/30/2014</u>
Public Improvement (Refunding - Series A)	2012	\$ 6,526,000	1.94%	2022	\$ 5,954,000
Public Improvement (Refunding - Series B)	2012	\$ 2,370,000	1.46%	2018	\$ 1,996,000
Public Improvement	2013	\$ 3,900,000	4.00%	2028	\$ 3,900,000

The Public Improvement Revenue Refunding Note, Series 2012A is secured by utility tax revenue and communication services tax revenue. The total principal and interest remaining to be paid on this series is \$6,488,509. For the fiscal year, interest paid on this series was \$57,754 and total pledged revenue was \$4,400,316.

The Public Improvement Revenue Refunding Note, Series 2012B is secured by utility tax revenue and communication services tax revenue. The total principal and interest remaining to be paid on this series is \$2,069,701. For the fiscal year, interest paid on this series was \$14,571 and total pledged revenue was \$4,400,316.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Long-term liabilities (continued)

Public improvement notes (continued):

The Public Improvement Revenue Note, Series 2013 is secured by utility tax revenue and communication services tax revenue. The Note is not to exceed \$3,900,000. During 2014, the City drew the remaining funds available on the note. The total principal and interest remaining to be paid on this series is \$4,677,428. For the fiscal year, total interest paid on this series was \$7,641 and total pledged revenue was \$4,400,316.

Capital improvement notes

Capital improvement notes outstanding at September 30, 2014, are as follows:

Governmental Activities:

<u>Capital Improvement Notes</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 9/30/2014</u>
Capital Improvement (Refunding - Series A)	2012	\$ 1,422,000	1.68%	2020	\$ 1,259,000
Capital Improvement (Refunding - Series B)	2012	\$ 4,779,000	2.31%	2027	\$ 4,531,000
Capital Improvement (Refunding - Series C)	2012	\$ 595,000	2.11%	2023	\$ 549,000
Capital Improvement (Refunding - Series D)	2012	\$ 1,194,000	2.36%	2025	\$ 1,120,000

The Capital Improvement Revenue Refunding Note, Series 2012A is secured by half-cent sales tax and electric franchise fee revenues. The total principal and interest remaining to be paid on this series is \$1,334,440. For the fiscal year, interest paid on this series was \$10,576 and total pledged revenue was \$4,505,268.

The Capital Improvement Revenue Refunding Note, Series 2012B is secured by half-cent sales tax and electric franchise fee revenues. The total principal and interest remaining to be paid on this series is \$5,302,367. For the fiscal year, principal and interest paid on this series was \$355,531 and total pledged revenue was \$4,505,268.

The Capital Improvement Revenue Refunding Note, Series 2012C is secured by half-cent sales tax and electric franchise fee revenues. The total principal and interest remaining to be paid on this series is \$608,913. For the fiscal year, interest paid on this series was \$5,792 and total pledged revenue was \$4,505,268.

The Capital Improvement Revenue Refunding Note, Series 2012D is secured by half-cent sales tax and electric franchise fee revenues. The total principal and interest remaining to be paid on this series is \$1,285,790. For the fiscal year, interest paid on this series was \$13,216 and total pledged revenue was \$4,505,268.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Long-term liabilities (continued)

Self-supporting revenue bonds/notes

The City also issued bonds where the City pledges income derived from the acquired or constructed assets to pay debt service.

Self-supporting revenue bonds/notes outstanding at September 30, 2014, are as follows:

Business-type Activities:

<u>Utility Revenue Bonds/Notes</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 9/30/2014</u>
Utility Revenue Note	2007	\$ 3,752,000	3.86%	2027	\$ 2,927,000
Utility Revenue Bonds (Series A)	2010	\$ 5,080,000	2% to 3%	2020	\$ 4,030,000
Utility Revenue Bonds (Series B)	2010	\$ 30,820,000	5.03% to 5.96%	2020	\$ 30,820,000
Utility Refunding Revenue Note Series 2014	2014	\$ 8,054,000	3.13%	2033	\$ 8,054,000
Utility Refunding Revenue Note Series 2014A	2014	\$ 3,628,000	2.50%	2026	\$ 3,628,000

The Utility Revenue Bonds, Series 2004 are secured by the net revenues of the water and sewer system. These bonds were refunded in the current year. For the fiscal year, principal and interest paid on this series was \$3,899,174 and total pledged revenue was \$6,143,488.

The Utility Revenue Refunding Revenue Bonds, Series 2003 are secured by the net revenues of the water and sewer system. These bonds were refunded in the current year. For the fiscal year, principal and interest paid on this series was \$8,246,899 and total pledged revenue was \$6,143,488.

The Utility Revenue Note, Series 2007 is secured by the net revenues of the water and sewer system. The total principal and interest remaining to be paid on this series is \$3,786,795. For the fiscal year, interest paid on this series was \$112,982 and total pledged revenue was \$6,143,488.

The Utility Revenue Bonds, Series 2010A are secured by the net revenues of the water and sewer system. The total principal and interest remaining to be paid on this series is \$4,410,300. For the fiscal year, interest paid on this series was \$97,812 and total pledged revenue was \$6,143,488.

The Utility Revenue Bonds, Series 2010B are secured by the net revenues of the water and sewer system. The total principal and interest remaining to be paid on this series is \$66,845,771. For the fiscal year, interest paid on this series was \$1,784,472 and total pledged revenue was \$6,143,488.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Long-term liabilities (continued)

Self-supporting revenue bonds/notes (continued)

The Utility Refunding Revenue Note, Series 2014 are secured by the net revenues of the water and sewer system. The total principal and interest remaining to be paid on this series is \$11,235,114. For the fiscal year, interest paid on this series was \$120,443 and total pledged revenue was \$6,143,488.

The Utility Refunding Revenue Note, Series 2014A are secured by the net revenues of the water and sewer system. The total principal and interest remaining to be paid on this series is \$4,200,232. For the fiscal year, interest paid on this series was \$13,857 and total pledged revenue was \$6,143,488.

Current Refunding

The City issued Utility Refunding Revenue Note, Series 2014 to refund the Utility Revenue Bonds, Series 2003. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in an economic gain of \$860,603 and a reduction of \$1,147,790 in future debt service payments.

The City issued Utility Refunding Revenue Note, Series 2014A to refund the Utility Revenue Refunding Bonds, Series 2004. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in an economic gain of \$253,730 and a reduction of \$298,113 in future debt service payments.

Notes payable

In 2006, the City executed a loan agreement with the Department of Environmental Protection. Revenues pledged are derived from the City's Water and Sewer Utility System. In 2012, the City executed a new loan agreement with the Department of Environmental Protection. Revenues pledged are derived from the City's Water and Sewer Utility System.

Notes payable outstanding at September 30, 2014, are as follows:

Business-type Activities:

<u>Notes Payable</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 9/30/2014</u>
State of Florida State Revolving Fund (SRF) Loan	2006	\$ 3,732,834	2.71%	2026	\$ 2,419,622
State of Florida State Revolving Fund (SRF) Loan	2012	\$ 2,278,893	3.15%	2032	\$ 2,278,893

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Long-term liabilities (continued)

Notes payable (continued)

The State of Florida - State Revolving Fund (SRF) Loans Series 2006 and 2012 are secured by the gross revenues of the water and sewer system after operation and maintenance expenses and debt payments. The total principal and interest remaining to be paid on these series is \$2,850,545 and \$3,102,361, respectively. For the fiscal year, principal and interest paid on these series was \$296,879 and total pledged revenue was \$3,355,970.

Summary of debt service requirement to maturity

The debt service requirements for the City's bonds, loan, and notes are as follows:

Governmental activities:

<u>Year Ending September 30,</u>	<u>General Obligation</u>	<u>Revenue Notes</u>	<u>Total Interest</u>	<u>Total Principal & Interest</u>
2015	\$ 251,000	\$ 1,581,000	\$ 587,918	\$ 2,419,918
2016	257,000	1,888,661	595,809	2,741,470
2017	268,000	1,923,061	551,517	2,742,578
2018	279,000	1,956,502	502,451	2,737,953
2019	570,000	1,991,985	451,937	3,013,922
2020-2024	1,673,000	7,047,678	1,560,391	10,281,069
2025-2029	1,981,000	2,920,113	692,748	5,593,861
2030-2033	<u>1,842,000</u>	<u>-</u>	<u>160,153</u>	<u>2,002,153</u>
	7,121,000	<u>\$ 19,309,000</u>	<u>\$ 5,102,924</u>	<u>\$ 31,532,924</u>
Less Amount Representing:				
Unamortized Discount	<u>(7,413)</u>			
Net Debt	<u>\$ 7,113,587</u>			

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Long-term liabilities (continued)

Business-type activities:

<u>Year Ending September 30,</u>	<u>SRF Loans</u>	<u>Revenue notes</u>	<u>Revenue bonds</u>	<u>Total Interest</u>	<u>Total Principal & Interest</u>
2015	\$ 214,915	\$ 317,000	\$ 535,000	\$ 2,425,183	\$ 3,492,098
2016	265,447	651,000	555,000	2,430,584	3,902,031
2017	273,081	674,000	560,000	2,391,303	3,898,384
2018	280,935	692,000	575,000	2,349,875	3,897,810
2019	289,017	715,000	585,000	2,305,838	3,894,855
2020-2024	1,574,722	3,910,000	3,205,000	10,728,001	19,417,723
2025-2029	1,077,623	4,411,000	3,995,000	8,977,607	18,461,230
2030-2034	722,775	3,239,000	6,835,000	6,749,396	17,546,171
2035-2039	-	-	12,365,000	3,576,223	15,941,223
2040-2041	-	-	5,640,000	339,593	5,979,593
	<u>\$ 4,698,515</u>	<u>\$ 14,609,000</u>	<u>34,850,000</u>	<u>\$ 42,273,603</u>	<u>\$ 96,431,118</u>
Less Amount Representing:					
Unamortized Premium			<u>57,805</u>		
Net Debt			<u>\$ 34,907,805</u>		

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Long-term liabilities (continued)

Changes in long-term liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2014 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental Activities:					
General Obligation Bonds	\$ 1,230,000	\$ -	\$ -	\$ 1,230,000	\$ 230,000
Unamortized discount	(8,070)	-	657	(7,413)	-
General Obligation Notes	5,900,000	-	(9,000)	5,891,000	21,000
Public Improvement Revenue Notes	51,000	3,849,000	-	3,900,000	-
Public Improvement Refunding					
Revenue Notes	7,950,000	-	-	7,950,000	1,000,000
Capital Improvement Refunding					
Revenue Notes	7,707,000	-	(248,000)	7,459,000	581,000
Landfill Post-closure Care	210,939	-	(15,736)	195,203	68,151
Capital Lease	1,062,070	-	(267,252)	794,818	227,746
Compensated Absences	2,097,018	232,701	(271,768)	2,057,951	205,795
Other Post Employment Benefits	757,021	94,590	-	851,611	-
Governmental Activity Long-term Liabilities	<u>\$ 26,956,978</u>	<u>\$ 4,176,291</u>	<u>\$ (811,099)</u>	<u>\$ 30,322,170</u>	<u>\$ 2,333,692</u>
Business-type Activities:					
Utility Revenue Bonds	\$ 46,635,000	\$ -	\$ (11,785,000)	\$ 34,850,000	\$ 535,000
Unamortized (discount) premium	29,733	37,706	(9,634)	57,805	-
Utility Revenue Notes	2,927,000	11,682,000	-	14,609,000	317,000
SRF Loan	3,325,025	1,542,031	(168,541)	4,698,515	214,915
Capital Lease	1,990,052	-	(321,040)	1,669,012	332,294
Compensated Absences	185,309	32,862	(24,915)	193,256	19,326
Other Post Employment Benefits	92,279	12,910	-	105,189	-
Business-type Activity Long-term Liabilities	<u>\$ 55,184,398</u>	<u>\$ 13,307,509</u>	<u>\$ (12,309,130)</u>	<u>\$ 56,182,777</u>	<u>\$ 1,418,535</u>

Landfill post-closure care is discussed in Note 4, I. - Commitments and Contingencies, 3. - Landfill Post-Closure Care.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Risk management

1. Public Risk Management of Florida

On October 1, 1998, the City became a member of Public Risk Management of Florida (the pool), a local government liability risk pool. The pool has 55 local government agency members. The pool administers insurance activities relating to property, general liability, police professional, automobile liability, public officials liability, workers' compensation, and boiler and machinery. The pool absorbs losses up to a specified amount for each pool year and purchases excess and other specific coverage from third-party carriers. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenditures/expenses. If total member assessments do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pool's ability to assess its members would revert back to the member that incurred the loss. There were no additional assessments levied against the City for the fiscal year ended September 30, 2014. The cost of the insurance is allocated among the appropriate departments.

2. Self-insured for Employee Health Insurance

The City is self-insured for employee health insurance. As permitted by GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the City accounts for its self-insured assets, liabilities, net position and activities in an internal service fund.

The claims liability of \$136,016 has been actuarially determined and represents the best estimate available of incurred but not reported claims. The actuarial estimate is comprised of the following components:

Estimated Unpaid Medical Costs	\$	104,820
25% Margin		26,205
Estimated Unpaid Prescription Drugs		4,991
	<u>\$</u>	<u>136,016</u>

Changes to the claims liability are as follows for the years ended September 30:

	<u>2014</u>	<u>2013</u>
Claims Liability - beginning of year	\$ 113,196	\$ 148,129
Incurred Claims	2,505,035	1,566,135
Payments on Claims	<u>(2,482,215)</u>	<u>(1,601,068)</u>
Claims Liability - end of year	<u>\$ 136,016</u>	<u>\$ 113,196</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

I. Commitments and contingencies

1. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

2. Commitments Under Construction Contracts

At September 30, 2014, the City had ongoing construction commitments of \$5,895,747 for various infrastructure improvements.

3. Landfill Post - Closure Care

A landfill was acquired in its present state from Seminole County and has never been operated by the City in any capacity. The Florida Department of Environmental Protection (FDEP) requires the City to perform post-landfill closure, typically for a maximum period of 30 years, unless contamination persists at the facility. Recently, the FDEP has reduced ongoing monitoring requirements to include testing for only one compound, ammonia, significantly reducing long-term analytical costs. Groundwater monitoring at the landfill, initiated in 1994, is currently performed on a semi-annual basis and includes sampling, analysis, and reporting to the FDEP. Since ammonia has been shown to be persistent within groundwater at the landfill, the length of time for which testing must be performed is unknown. Based on the information available, the City has recorded \$10,000 as a liability in the Land Fill Closure Fund and \$50,000 in the government-wide statement of net position.

During 2009, the City acquired property that was previously used as a landfill. This landfill site was officially closed on June 12, 2002 for a 20-year long-term care period. The City is required by the FDEP to perform maintenance and monitoring functions until 2022 at a cost annually adjusted for inflation. The current estimated future cost for post-closure care amounting to \$145,203 is reported as a long-term liability in the government-wide statement of net position.

The City is required to maintain at least one year's funding of long-term care in an escrow account. During the year ended September 30, 2009, the City established an escrow subaccount within the City's pooled cash system in an interest bearing checking account for this purpose. The following is a schedule of the transactions in this account in the OSC Extension Landfill Fund during fiscal year 2014.

Balance - October 1, 2013	\$	31,938
Required deposit		-
Investment income		-
Balance - September 30, 2014	\$	<u>31,938</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

I. Commitments and contingencies (continued)

4. Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

J. Defined contribution plan

The City established a single employer, defined contribution money purchase plan (the Plan) in June 1995 administered by ICMA Retirement Corporation, that covers all full-time employees other than those covered by the Police Officers' Retirement Trust Fund and Firefighters' Pension Trust Fund (see below). In July 2005, the City amended the Plan to allow the City Manager, Assistant City Manager, and Department Directors the option of contributing 0% to 10% and vesting immediately. Plan members are required to contribute 1% - 10% (employee choice upon hire). Effective October 1, 2009, the City amended its plan to provide for a dollar per dollar match up to a maximum of 5% of the employee's salary as compared to the 8% contribution in the previous fiscal year. At September 30, 2014 there were 250 plan members.

All full-time employees hired after the effective date of the Plan are required to participate in the Plan. Employees hired prior to the effective date may choose whether or not to participate in the Plan. However, once an employee chooses to participate, they must continue to participate as long as they are a full-time employee of the City. All employees participate in the Plan. The Plan also includes loan provisions for participating employees. For the year ended September 30, 2014, both the City and participating employees contributed \$594,613 to the Plan, which represents a significant percentage of the covered payroll of participating employees.

City contributions become vested to participants based on the number of years of service completed. The vesting schedule for City contributions is as follows (exception to vesting schedule is that Directors vest immediately):

<u>Years of Service Completed</u>	<u>Specified percent vesting</u>
1	20%
2	40%
3	60%
4	80%
5	100%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Deferred compensation plan

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all full-time City employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Because the plan assets are held in trust for the exclusive benefit of plan participants and their beneficiaries, the plan is not accounted for in the City's financial statements.

L. Police officers' retirement trust fund and firefighters' pension trust fund

Plan description

The City established a single-employer, defined benefit pension plan that covers all full-time sworn police officers' effective October 1, 1991. Effective October 1, 2002, the City established a single employer, defined benefit pension plan that covers all full-time firefighters. Benefits, eligible employees, contribution requirements, and other benefits are established by State statute and City ordinance. Additionally, employee contributions are tax deferred for federal withholding purposes under Section 414 (h) of the Internal Revenue Code. Neither the Police Officers' Retirement Trust Fund nor the Firefighters' Pension Trust Fund issue separate financial statements.

Employees attaining the age of 55 and the completion of 10 years of credited service or attaining the age 52 and the completion of 25 years of credited service are eligible for normal retirement under the Firefighters' Pension Trust Fund. Employees attaining the age of 55 and the completion of 10 years of credited service, or completing 25 years of credited service regardless of age, are eligible for normal retirement under the Police Officer's Retirement Trust Fund. Active employees who are disabled as a result of a non-service connected disability must have ten years of service in order to qualify for disability retirement benefits. Active employees who are disabled as a result of a service-connected disability are eligible for disability benefits immediately. Normal retirement benefits are 3% (police officers) and 3% (firefighters) of average final compensation for each year of credited service.

Normal retirement benefits are payable for life and cease upon death with a guaranteed benefit period of 120 months. Line of duty disability benefits are equal to 3% of average final compensation for each year of credited service (police officers) or equal to benefit accrued to date of disability (firefighters), but no less than 42% of average final compensation. Non-service incurred disability benefits for police officers are equal to 3% of their average final compensation for each year of credited service to participants with 10 years or more of credited service. For firefighters, non-service incurred disability benefits are equal to benefit accrued to date of disability but not less than 25% of their average final compensation for each year of credited service to participants with 10 years or more of credited service.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Police officers' retirement trust fund and firefighters' pension trust fund (continued)

Plan description (continued)

Disability benefits are paid until the earlier of death or recovery from disability (as determined by the Plan or Board of Trustees). Beneficiaries of a deceased officer or firefighter who at the date of death was vested or eligible for early or normal retirement would be paid benefits of 3% (police officers) or 3% (firefighters) of average final compensation for each year of credited service for ten years. Beneficiaries of a deceased officer or firefighter who at the date of death was not receiving monthly benefits or who was not yet vested or eligible for early or normal retirement would receive a refund of all the member's accumulated contributions. Death benefits are payable to beneficiaries in accordance with options specified at retirement for retired officers or firefighters.

If an officer or firefighter terminates his or her employment with the City, prior to the completion of five (police officers) or ten (firefighters) years of credited service, and is not eligible for any other Plan benefits, the officer or firefighter is entitled to a refund of member contributions. With five years (police officers) or ten years (firefighters) or more of credited service, an officer or firefighter would receive the benefit accrued to the date of termination, payable commencing at his or her normal or early retirement date; or, at the option of the officer or firefighter, a lump-sum refund of the member's contributions.

Membership in both plans consisted of the following at October 1, 2013 for Police Officers and Firefighters:

Current Fund Participation	Police Officers' Retirement Trust	Firefighters' Pension Trust
Active Members	62	52
Retirees and Beneficiaries Receiving Benefits	15	1
Terminated Employees Not Yet Receiving Benefits	3	1
Disability Retirees	5	2
Number of participants	85	56

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Police officers' retirement trust fund and firefighters' pension trust fund (continued)

Funding policy

The contribution requirements of plan members and the City are established and may be amended by City ordinance. Firefighters' Plan members are required to contribute 7% of annual covered payroll. Police Officers' Plan members are required to contribute 6% of annual covered payroll. The annual State insurance premium tax is required to be contributed to the Plan and varies in amount each year. For fiscal year 2014, the State contribution was \$267,271 for police officers and \$291,548 for firefighters. These contributions were recognized in the State Pension Contributions Special Revenue Fund as revenue and as an equal expenditure. The City is required to contribute the remaining amounts necessary to fund the Plans. The Police Officers' Plan uses the Entry Age actuarial cost method. The Firefighters' Plan uses the frozen entry age actuarial cost method. For the Police Officers' Retirement Trust, the City's contribution cannot be less than 10% of covered payroll.

Annual pension cost and contributions made

The City's annual pension cost and contributions made to the Police Officers' Retirement Trust Fund and the Firefighters' Pension Trust Fund for the current year were as follows:

	Police Officers' Retirement Trust	Firefighters' Pension Trust
Annual Pension Cost	<u>\$ 954,662</u>	<u>\$ 605,883</u>
Contributions Made:		
Employer	\$ 740,541	\$ 325,118
Employee	205,746	206,887
State	<u>267,271</u>	<u>291,548</u>
	<u>\$ 1,213,558</u>	<u>\$ 823,553</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Police officers' retirement trust fund and firefighters' pension trust fund (continued)

Annual pension cost and contributions made (continued)

The annual pension cost, net pension obligation and required contribution for September 30, 2014 were determined as part of the actuarial valuation of each plan as of October 1, 2013. For governmental activities, the net pension obligation is typically liquidated by the General Fund. The City's annual pension cost and net pension obligation (NPO) were as follows:

	Police Officers' Retirement Trust	Firefighters' Pension Trust
Annual Required Contribution (ARC)	\$ 954,662	\$ 605,883
Interest on Net Pension Obligation (NPO)	-	-
Adjustment to ARC	-	-
Annual Pension Cost	954,662	605,883
Contributions Made	(954,662)	(605,883)
Increase (Decrease) in NPO	-	-
NPO at Beginning of Year	-	-
NPO End of year	<u>\$ -</u>	<u>\$ -</u>

The Police Officers' Retirement Trust Fund did not have a net pension obligation as of the October 1, 2013, actuarial valuation. The annual required contribution for the current year was determined as part of the October 1, 2013 actuarial valuation using the frozen entry age actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return (net of administrative expenses), (b) projected salary increases of 6% per year and (c) inflation at 3% for both police officers and firefighters. The actuarial value of assets was determined by using the four year smoothing method for the Police Officers' Retirement Trust Fund and the market value for the Firefighters' Pension Trust Fund, respectively. The actuarial amortization method used was level percent of pay, closed, and the remaining amortization period is 27 years for police officers and 28 years for firefighters.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Police officers' retirement trust fund and firefighters' pension trust fund (continued)

Three-year trend information

<u>Police Officers' Retirement Trust Fund</u>			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
9/30/2014	\$ 954,662	100%	\$ -
9/30/2013	950,652	100%	-
9/30/2012	760,993	100%	-

<u>Firefighters' Pension Trust Fund</u>			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
9/30/2014	\$ 605,883	100%	\$ -
9/30/2013	741,267	100%	-
9/30/2012	752,182	100%	-

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**L. Police officers' retirement trust fund and firefighters' pension trust fund (continued)**

The following are the financial statements for the Police Officers' Retirement Trust Fund and Firefighters' Pension Trust Fund as of September 30, 2014:

**Combining Statement of Net Position
Fiduciary Funds**

	<u>Police Officers' Retirement Trust Fund</u>	<u>Firefighters' Pension Trust Fund</u>	<u>Total Employee Retirement Funds</u>
ASSETS			
Cash and cash equivalents	\$ 297,470	\$ 112,613	\$ 410,083
Receivables:			
Interest receivable	34,317	12,323	46,640
Contributions receivable	<u>6,252</u>	<u>10,783</u>	<u>17,035</u>
Total receivables	<u>40,569</u>	<u>23,106</u>	<u>63,675</u>
Investments, at fair value:			
U.S. Treasury & Government agency	702,045	-	702,045
Real Estate Investment Trust	790,719	-	790,719
Corporate & foreign bonds	2,856,130	-	2,856,130
Mutual funds & common stocks	<u>12,986,069</u>	<u>10,270,492</u>	<u>23,256,561</u>
Total Investments	<u>17,334,963</u>	<u>10,270,492</u>	<u>27,605,455</u>
Total assets	<u>17,673,002</u>	<u>10,406,211</u>	<u>28,079,213</u>
LIABILITIES			
Refunds Payable and Others	<u>2,108</u>	<u>138,055</u>	<u>140,163</u>
Total liabilities	<u>2,108</u>	<u>138,055</u>	<u>140,163</u>
NET POSITION			
Net position held in trust for pension benefits	<u>\$ 17,670,894</u>	<u>\$ 10,268,156</u>	<u>\$ 27,939,050</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**L. Police officers' retirement trust fund and firefighters' pension trust fund
(continued)****Combining Statement of Changes in Net Position
Fiduciary Funds**

	Police Officers' Retirement Trust Fund	Firefighters' Pension Trust Fund	Total Employee Retirement Funds
ADDITIONS			
Contributions:			
City	\$ 740,541	\$ 325,118	\$ 1,065,659
State	267,271	291,548	558,819
Employee	<u>205,746</u>	<u>206,887</u>	<u>412,633</u>
Total contributions	<u>1,213,558</u>	<u>823,553</u>	<u>2,037,111</u>
Investment income:			
Interest	368,807	212,239	581,046
Net increase (decrease) in fair value of investments	<u>1,524,554</u>	<u>908,287</u>	<u>2,432,841</u>
Net investment earnings	<u>1,893,361</u>	<u>1,120,526</u>	<u>3,013,887</u>
Total additions	<u>3,106,919</u>	<u>1,944,079</u>	<u>5,050,998</u>
DEDUCTIONS			
Benefit payments	668,793	150,549	819,342
Administrative expenses	<u>104,778</u>	<u>103,132</u>	<u>207,910</u>
Total deductions	<u>773,571</u>	<u>253,681</u>	<u>1,027,252</u>
Change in Net Position	2,333,348	1,690,398	4,023,746
Net Position - beginning	<u>15,337,546</u>	<u>8,577,758</u>	<u>23,915,304</u>
Net Position - ending	<u>\$ 17,670,894</u>	<u>\$ 10,268,156</u>	<u>\$ 27,939,050</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Police officers' retirement trust fund and firefighters' pension trust fund (continued)

The funded status of each plan as of the most recent actuarial valuation date is as follows:

**Schedule of Funding Progress for
Police Officers' Retirement Trust Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2014	\$ 16,407,538	\$ 17,418,222	\$ 1,010,684	94.20%	\$ 3,681,141	27.46%

**Schedule of Funding Progress for
Firefighters' Pension Trust Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2014	\$ 10,257,373	\$ 14,758,271	\$ 4,500,898	69.50%	\$ 3,029,446	148.57%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The City implemented GASB Statement 67, *Financial Reporting for Pension Plans* for the year ended September 30, 2014. The required disclosures under GASB Statement 67 are as follows.

Summary of Significant Accounting Policies

Method used to value investments - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

Plan Administration - Both the Police Officers' Retirement Trust Fund and Firefighters' Pension Trust Fund are administered by a Board of Trustees comprised of two council appointees, two members elected by the membership, and a fifth member elected by the other four members, and appointed by Council as a ministerial duty.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Police officers' retirement trust fund and firefighters' pension trust fund (continued)

Plan Membership - At September 30, 2014 plan membership consisted of the following:

	Police Officers' Retirement Trust	Firefighters' Pension Trust
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20	3
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	3	1
Active Plan Members	<u>62</u>	<u>52</u>
	<u>85</u>	<u>56</u>

Benefits Provided - Both plans provide retirement, disability and death benefits. Retirement benefits are calculated as 3% of average final compensation time credited service. Normal retirement is defined as the earlier of age 55 and 10 years of credited service, or 25 years of credited service, regardless of age for Police Officers. Normal retirement is defined as the earlier of age 55 and 10 years of credited service, or age 52 and 25 years of credited service, for Firefighters. Early retirement for Police Officers is defined as age 45 and 10 years of credited service. Early retirement for Firefighters is defined as age 50 and 10 years of credited service. All plan members are eligible for non-service incurred disability benefits after 10 years of credited service, and for service incurred disability benefits upon date of employment. Disability benefits are accrued to date of disability but not less than 42% (80% if intentional violence) of average final compensation (service incurred). Death benefits pre-retirement for vested members are accrued benefit payable to beneficiary for 10 years certain beginning at the deceased members' normal retirement date, or actuarially reduced for payment commencing earlier. Death benefits pre-retirement for non-vested members are a refund of accumulated member contributions. Death benefits post retirement are payable to beneficiary in accordance with option selected at retirement.

Contributions - Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Police officers' retirement trust fund and firefighters' pension trust fund (continued)

Investments

Investment policy - The following was the board's adopted asset allocation policy as of September 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>Police Officers' Retirement Trust</u>	<u>Firefighters' Pension Trust</u>
Large Cap Domestic Stocks	50%	55%
International	15%	15%
Fixed Income	25%	30%
Alternative	10%	0%
Total	<u>100%</u>	<u>100%</u>

Concentrations - The Plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

Rate of return - For the year ended September 30, 2014 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.74 percent for the Police Officers' Pension Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended September 30, 2014, the annual money-weighted rate of return for the Firefighters' Pension Plan was 11.81 percent.

Net Pension Liability of the City

The components of the net pension liability of the sponsor on September 30, 2014 were as follows:

	<u>Police Officers' Retirement Trust</u>	<u>Firefighters' Pension Trust</u>
Total Pension Liability	\$ 17,734,247	\$ 12,632,115
Plan Fiduciary Net Position	(17,670,894)	(10,268,156)
Sponsor's Net Pension Liability	<u>\$ 63,353</u>	<u>\$ 2,363,959</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.64%	81.29%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Police officers' retirement trust fund and firefighters' pension trust fund (continued)

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods

	<u>Police Officers' Retirement Trust</u>	<u>Firefighters' Pension Trust</u>
Inflation	3.00%	3.00%
Salary Increases	6.00%	6.00%
Investment Rate of Return	8.00%	8.00%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with no projection. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>	
	<u>Police</u>	<u>Fire</u>
Large Cap Domestic Stocks	7.50%	7.50%
International	8.50%	8.50%
Fixed Income	2.50%	2.50%
Alternative	2.50%	

Discount rate - The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Police officers' retirement trust fund and firefighters' pension trust fund (continued)

The following presents the net pension liability of the sponsor, calculated using the 8% discount rate, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0%) or 1-percentage-point higher (9.0%) than the current rate:

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Police:			
Plan Sponsor's Net Pension Liability	\$ 2,130,956	\$ 63,353	\$ (1,686,614)
Fire:			
Plan Sponsor's Net Pension Liability	\$ 4,097,638	\$ 2,363,959	\$ 956,887

M. Other post-employment benefits (OPEB) obligations

Plan description and funding policy

In accordance with Florida Statutes Section 112.0801, the City makes continued group health insurance, dental insurance and vision coverage through the city's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This benefit has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has one retiree currently receiving benefits. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements. This plan does not issue stand-alone financial statements and is a single-employer plan. For governmental activities, the Net OPEB Obligations are typically liquidated by the General Fund.

Funded status and funding progress

The most recent actuarial report for the City's Retiree Continuation Insurance plan was prepared as of October 1, 2012. At that point in time, the unfunded actuarial accrued liability (UAAL) for benefits was \$1,097,800 and funded ratio was 0%. The covered payroll was \$11,384,600 and the ratio of UAAL to covered payroll was 9.6%.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

M. Other post-employment benefits (OPEB) obligations (continued)

Annual OPEB cost and Net OPEB obligation

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2014 is as follows:

Annual Required Contribution	\$ 138,100
Interest on Net OPEB Obligation	34,000
Adjustment to Annual Required Contribution	<u>(35,400)</u>
Annual OPEB Cost	136,700
Employer Contributions	<u>(29,200)</u>
Increase in Net OPEB Obligation	107,500
Net OPEB Obligation (Beginning of Year)	<u>849,300</u>
Net OPEB Obligation (End of Year)	<u><u>\$ 956,800</u></u>

Three year trend information:

**Schedule of Contributions From the Employer and Other
Contributing Entities for Retiree Continuation Insurance Plan**

<u>Year Ended September 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 136,700	21.1%	\$ 956,800
2013	130,300	18.0%	849,300
2012	155,900	24.7%	742,500

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

M. Other post-employment benefits (OPEB) obligations (continued)

Actuarial methods and assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

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 each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. 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 cost method- The entry age normal cost method was used to determine the plan's funding liabilities and costs. Under this cost method, the actuarial present value of projected benefits of every active participant as if the Plan's provisions on the valuation date had always been in effect, is determined as a level percentage of expected annual earnings for each future year of expected service. A normal cost for each year from the assumed entry date is determined by applying this level percentage of pay to the assumed earnings for that year (or if benefits are not pay related, the level amount for each year).

Under this method, inactive participants have no normal cost, and the actuarial liability is the present value of the plan benefits to which they and their beneficiaries are entitled. The Plan's total annual normal cost and actuarial liability are the sum of the individual participant amounts.

An experience gain or loss is a decrease in the unfunded actuarial liability attributable to actual experience that differed from that expected by the actuarial assumptions. Such gains or losses are explicitly recognized under this method.

Actuarial value of assets- There are no assets held in trust for this plan.

Benefits not included- Includes all benefits covered by current plan provisions. The actuary is not aware of any employer commitments to make future plan amendments and therefore have not considered such in determining the cost for this plan. COBRA benefit liabilities are not being valued for GASB Statement No. 45.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

M. Other post-employment benefits (OPEB) obligations (continued)

Actuarial methods and assumptions (continued)

Data- Data for active employees, retirees, and covered spouses was provided by the plan administrator. Although a complete audit was not performed, the number of employees in various categories was analyzed for obvious errors or important inconsistencies. There are no known material inadequacies in the data.

Amortization- Items subject to deferred recognition are amortized with a 2.5% annual increase over the following periods of time: (a) Initial Unfunded Actuarial Accrued Liability (UAAL), up to 30 years; (b) Subsequent UAAL, up to 30 years; and (c) Gains and Losses, amortized as part of the UAAL. Amortizations are open ended in that they begin anew at each valuation date.

Measurement date- The measurement date, as defined by GASB Statement No. 45 is October 1, 2012 for the year beginning October 1, 2012. The City is eligible to perform biennial valuations. The City may elect to apply the 2012 results to the fiscal year beginning in 2013 assuming certain conditions are met. This election is allowed under the GASB Statement No. 45.

Claim costs- Claim costs are based upon premiums for the experience-rated plan. The premiums were provided by the insurance company. Standard aging factors were applied to the amounts provided to produce the expected claims for retired employees and their covered spouses.

Decrements-

Investment return- 4% per annum and annual amortization increase rate is 2.5%

Medical trend rate- Medical Per Capita costs, Average Costs and premiums are assumed to increase by 8.5% in the fiscal year beginning October 1, 2013. This expected rate decreases at a rate of 0.5% per year until an ultimate rate of 5.00% is reached.

Claim costs- Assuming an increase of 8.5%, per Capita costs for fiscal year ending in 2013 are assumed to be:

Age	Claim Cost (Annual)
50 and lower	6,330
50 - 54	7,445
55 - 59	8,886
60 - 64	10,915
65+	N/A

Dental and Vision coverage is no longer valued. The retiree contributions required for this coverage are believed to be sufficient to cover the cost of the benefit.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

M. Other post-employment benefits (OPEB) obligations (continued)

Actuarial methods and assumptions (continued)

Decrements (continued)-

Mortality- Mortality is based on the RP-2000 Combined Fully Generational Mortality Table for males and females with improvements using Scale AA.

Termination- The rate for Police Officers and Firefighters are the same as those used for the October 1, 2012 City of Oviedo Pension Actuarial Valuation Reports. The rates for General Employees are the same as those used in the previous valuation. Sample rates are show below.

Age	General Employees		Firefighters	Police Officers
	Male	Female		
20	10.90%	11.60%	6.00%	6.00%
30	5.20%	5.40%	5.00%	5.00%
40	3.30%	3.30%	2.60%	2.60%
50	3.30%	3.20%	0.80%	0.80%

Assumed retirement- The rates are primarily consistent with those used for the October 1, 2012 City of Oviedo Pension Actuarial Valuation Reports.

General Employees

Age	Retirement
44 and younger	0%
45-54	5%
55-61	10%
62	25%
63	10%
64	10%
65	100%

Firefighters

Beginning at their earliest Early Retirement Age (50) and 10 years of service, participants are assumed to retire at the rate of 5% per year. 100% of participants are assumed to retire upon Normal Retirement eligibility.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

M. Other post-employment benefits (OPEB) obligations (continued)

Actuarial methods and assumptions (continued)

Decrements (continued)-

Police Officers

Beginning at their earliest Early Retirement Age (45) and 10 years of service, participants are assumed to retire at the rate of 5% per year. 100% of participants are assumed to retire upon Normal Retirement eligibility.

Disability- None assumed.

Marriage- Actual data is used for retirees. Where spousal birthdates are missing, male participants are assumed to be three years older than their wives.

Dependent (non-spouse) coverage- None assumed as it is immaterial.

Participation- Assumed percent of active participants continuing their medical coverage:

Age	Participation
45 - 49	10%
50 - 54	15%
55 - 59	30%
60+	65%

50% of the active participants electing postretirement medical coverage are assumed to also cover a spouse in retirement (no explicit marriage assumption). 100% of active participants are assumed to elect life insurance coverage into retirement.

Salary scale- Future salaries are assumed to increase at a rate of 2.5% annually for General employees, and 6% for Firefighters and Police Officers.

Expenses- Plan administrative expenses are included in the claim costs.

Census data- No future new entrants, no rehire of former employees, and no liability is held for non-vested former employees.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

M. Other post-employment benefits (OPEB) obligations (continued)

Actuarial methods and assumptions (continued)

Summary of benefits-

Other post-employment benefits (OPEBs)- The City provides optional post-employment healthcare, dental and vision insurance coverage to eligible individuals.

Eligible individuals-

General employees- Participants are eligible for medical continuation at age 62 and 10 years of service

Firefighters- Participants are eligible for normal retirement upon attaining the earlier of: 1) age 55 and 10 years of credited service; or 2) age 52 and 25 years of credited service. They are eligible for early retirement at age 50 with 10 years of credited service.

Police officers- Participants are eligible for normal retirement upon attaining the earlier of: 1) age 55 and 10 years of credited service; or 2) 25 years of credited service. They are eligible for early retirement at age 45 with 10 years of credited service.

Coverage and employee cost sharing-

Type of Coverage	Employee	Spouse
<u>Medical, Prescription, Dental and Vision Coverage</u>		
Eligibility	Retiree meets City of Oviedo Retirement eligibility	
Retiree cost sharing	Retiree pays 100% of premium	Retiree pays 100% of spousal premium
Coverage ceases	All forms of coverage cease upon the first month after the death of the retiree	Coverage ceases upon the first month after the death of the retiree
<u>Medical, Prescription, Dental and Vision Coverage during Disability Coverage</u>		
Eligibility	Retiree qualifies for disability retirement as part of the applicable Police and Firefighter pension programs	
Retiree cost sharing	Retiree pays 100% of premium	Retiree pays 100% of spousal premium
Coverage ceases	All forms of coverage cease upon the first month after the death of the retiree	Coverage ceases upon the first month after the death of the retiree

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

N. Fund balances

In accordance with GASB Statement No. 54, the components of the fund balances of governmental funds now reflect the classifications described below.

Nonspendable Fund Balance - amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - amounts that can be used only for the specific purposes determined by a formal action of the Council Members, the City's highest level of decision making authority, with formal action occurring prior to fiscal year end. Commitments may be changed or lifted only by the Council Members taking the same formal action (ordinance) that imposed the constraint originally.

Assigned Fund Balance - includes spendable fund balance amounts intended by management to be used for a specific purpose, as discussed previously in Note 1. Fund balance flow assumptions are also discussed in Note 1.

Unassigned Fund Balance - this is the residual classification for the general fund only. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund, except the General Fund, if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Solid Waste Special Revenue Fund has a deficit fund balance of \$37,611; the Landfill Closure Capital Projects Fund has a deficit fund balance of \$6,111; and the Recreational Facility Improvement Capital Projects Fund has a deficit fund balance of \$516,551 at September 30, 2014.

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2014

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

N. Fund balances (continued)

At September 30, 2014, the City's governmental fund balances were classified as follows:

	<u>General Fund</u>	<u>Downtown Improvement Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances				
Nonspendable:				
Inventories	\$ 49,977	\$ -	\$ -	\$ 49,977
Prepaid items	62,795	-	2,618,897	2,681,692
Restricted for:				
General government	25,978	-	136,910	162,888
Police	555	-	901,866	902,421
Fire			234,595	234,595
Transportation	-	-	2,087,460	2,087,460
Road construction	-	-	1,469,337	1,469,337
Highway and street maintenance	-	-	378,804	378,804
Recreation	-	-	366,189	366,189
Debt service	-	-	283,855	283,855
Various capital projects	-	1,199,764	-	1,199,764
Committed to:				
Stormwater	-	-	1,311,455	1,311,455
Assigned to:				
Tree Bank	285,590	-	-	285,590
Building Services	-	-	2,580	2,580
Landfill postclosure care	-	-	48,492	48,492
Various capital projects	-	-	4,827,873	4,827,873
Unassigned	<u>3,832,005</u>	<u>-</u>	<u>(771,316)</u>	<u>3,060,689</u>
Total fund balance	<u>\$ 4,256,900</u>	<u>\$ 1,199,764</u>	<u>\$ 13,896,997</u>	<u>\$ 19,353,661</u>

Required Supplementary Information

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CITY OF OVIEDO, FLORIDA

General Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property Taxes	\$ 8,917,858	\$ 8,917,858	\$ 8,957,938	\$ 40,080
Utility taxes	4,329,320	4,329,320	4,400,316	70,996
Business receipts	144,654	144,654	138,249	(6,405)
Licenses and permits	2,375,050	2,375,050	2,417,843	42,793
Intergovernmental	3,271,370	3,274,934	3,572,251	297,317
Charges for services	2,390,303	2,390,303	2,406,533	16,230
Fines and forfeitures	80,375	276,287	275,655	(632)
Investment income	50,500	50,500	38,092	(12,408)
Service assessments	500	500	7,753	7,253
Miscellaneous	170,891	208,168	318,587	110,419
Total revenues	<u>21,730,821</u>	<u>21,967,574</u>	<u>22,533,217</u>	<u>565,643</u>
Expenditures:				
Current:				
General government	2,256,668	2,454,072	2,071,106	382,966
Public safety	12,034,735	12,122,496	11,861,325	261,171
Physical environment	2,459,905	2,478,714	2,581,171	(102,457)
Culture and recreation	3,302,973	3,359,412	3,316,150	43,262
Capital outlay:				
General government	-	8,127	-	8,127
Culture and recreation	7,676	18,821	11,145	7,676
Total expenditures	<u>20,061,957</u>	<u>20,441,642</u>	<u>19,840,897</u>	<u>600,745</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>1,668,864</u>	<u>1,525,932</u>	<u>2,692,320</u>	<u>1,166,388</u>
Other Financing Sources (Uses):				
Transfers in	548,367	416,976	416,976	-
Transfers out	(2,262,231)	(2,473,754)	(2,277,842)	195,912
Sale of Capital Assets	45,000	45,000	10,911	(34,089)
Total Other Financing Sources (Uses)	<u>(1,668,864)</u>	<u>(2,011,778)</u>	<u>(1,849,955)</u>	<u>161,823</u>
Net Change in Fund Balances	-	(485,846)	842,365	1,328,211
Fund Balances - beginning	<u>3,414,535</u>	<u>3,414,535</u>	<u>3,414,535</u>	<u>-</u>
Fund Balances - ending	<u>\$ 3,414,535</u>	<u>\$ 2,928,689</u>	<u>\$ 4,256,900</u>	<u>\$ 1,328,211</u>

NOTE: General fund annual budget is adopted on a basis consistent with generally accepted accounting principles.

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2014

**Schedule of Funding Progress for
Police Officers' Retirement Trust Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2014	\$ 16,407,538	\$ 17,418,222	\$ 1,010,684	94.20%	\$ 3,681,141	27.46%
10/1/2013	14,364,058	16,456,521	2,092,463	87.28%	3,576,890	58.50%
10/1/2012	12,562,078	16,657,973	4,095,895	75.41%	3,286,796	124.62%
10/1/2011	11,248,544	15,530,983	4,282,439	72.43%	3,199,428	133.85%
10/1/2010	10,941,988	14,396,176	3,454,188	76.01%	3,183,628	108.50%
10/1/2009	10,482,431	13,135,587	2,653,156	79.80%	3,332,616	79.61%

**Schedule of Contributions From the Employer and Other
Contributing Entities for Police Officers' Retirement Trust Fund**

Year Ended September 30,	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2014	\$ 954,662	\$ 740,541	\$ 215,957 *	100.19%
2013	950,652	736,060	215,957 *	100.14%
2012	760,993	545,036	215,957 *	100.00%
2011	722,509	506,552	215,957 *	100.00%
2010	520,907	307,974	212,933	100.00%
2009	544,308	328,351	215,957 *	100.00%

* Frozen, per Chapter 185, F.S., as amended

**Schedule of Funding Progress for
Firefighters' Pension Trust Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2014	\$ 10,257,373	\$ 14,758,271	\$ 4,500,898	69.50%	\$ 3,029,446	148.57%
10/1/2013	8,577,758	12,207,188	3,629,430	70.27%	3,169,607	114.51%
10/1/2012	6,854,446	10,596,199	3,741,753	64.69%	2,922,755	128.02%
10/1/2011	4,864,367	8,615,413	3,751,046	56.46%	2,831,066	132.50%
10/1/2010	4,192,656	7,875,280	3,682,624	53.24%	2,859,247	128.80%
10/1/2009	3,055,313	6,526,637	3,471,324	46.81%	2,680,940	129.48%

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2014

**Schedule of Contributions From the Employer and Other
Contributing Entities for Firefighters' Pension Trust Fund**

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>City Contribution</u>	<u>State Contribution</u>	<u>Percentage Contributed</u>
2014	\$ 605,883	\$ 325,118	\$ 291,548	101.78%
2013	741,267	412,989	273,286	92.58%
2012	752,182	478,590	273,592	100.00%
2011	717,738	453,668	264,070	100.00%
2010	706,858	502,034	204,826	100.00%
2009	513,020	267,787	245,234	100.00%

**Schedule of Funding Progress for
Retiree Continuation Insurance Plan**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Normal Cost (c)</u>	<u>Covered Payroll (d)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/d)</u>
10/1/2012 ⁽¹⁾	\$ -	\$ 1,097,800	\$ 1,097,800	0.00%	\$ 84,100	\$ 11,384,600	9.64%
10/1/2010 ⁽²⁾	-	1,402,000	1,402,000	0.00%	96,700	11,885,700	11.80%
10/1/2008 ⁽³⁾	-	1,172,000	1,172,000	0.00%	158,400	10,888,800	10.76%

(1) Actuarial valuation for 10/1/12 covers the years ended September 30, 2013 and 2014.

(2) Actuarial valuation for 10/1/2010 covers the years ended September 30, 2011 and 2012

(3) The actuarial valuation for 10/1/2008 covers the years ended September 30, 2009 and 2010.

**Schedule of Contributions From the Employer and Other
Contributing Entities for Retiree Continuation Insurance Plan**

<u>Year ended September 30,</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 138,100	21.1%	\$ 956,800
2013	131,500	17.9%	849,300
2012	156,900	24.5%	742,500
2011	149,700	21.8%	625,100
2010	245,400	6.3%	508,800
2009	299,900	5.1%	284,400

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

September 30, 2014

	Police Officers' Retirement Trust	Firefighters' Pension Trust
	<u>9/30/2014</u>	<u>9/30/2014</u>
Total Pension Liability		
Service Cost	\$ 744,581	\$ 585,000
Interest	1,327,911	941,288
Changes in Excess State Money	51,315	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Benefit Payments, including refunds of employee contributions	(668,793)	(150,549)
Net Change in Total Pension Liability	<u>1,455,014</u>	<u>1,375,739</u>
Total Pension Liability-beginning	<u>16,279,233</u>	<u>11,256,376</u>
Total Pension Liability-ending (a)	<u><u>\$ 17,734,247</u></u>	<u><u>\$ 12,632,115</u></u>
 Plan Fiduciary Net Position		
Contributions-employer	740,541	325,118
Contributions-state	267,271	291,548
Contributions-employee	205,746	206,887
Net Investment Income	1,808,749	1,052,994
Benefit Payments, Including Refunds of Employee Contributions	(668,793)	(150,549)
Administrative Expense	(20,166)	(35,600)
Other	-	-
Net Change in Plan Fiduciary Net Position	<u>2,333,348</u>	<u>1,690,398</u>
Plan Fiduciary Net Position- beginning	<u>15,337,546</u>	<u>8,577,758</u>
Plan Fiduciary Net Position- ending (b)	<u><u>\$ 17,670,894</u></u>	<u><u>\$ 10,268,156</u></u>
 Net Pension Liability - ending (a)- (b)	<u><u>\$ 63,353</u></u>	<u><u>\$ 2,363,959</u></u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.64%	81.29%
 Covered-employee Payroll	\$ 3,429,102	\$ 2,955,529
 Net Pension Liability as a Percentage of Covered Employee Payroll	1.85%	79.98%

Notes to Schedule: Only one year of data is available at year end.

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS - POLICE OFFICER'S TRUST

September 30, 2014

	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 954,662
Contributions in Relation to the Actuarially Determined Contribution	<u>954,662</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered Employee Payroll	3,429,102
Contributions as a Percentage of Covered Employee Payroll	27.84%

Notes to Schedule

Valuation Date 10/1/2012

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	Entry Age Normal
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	29 years (as of 10/1/2011)
Asset Valuation Method	4 year smooth
Inflation	3.00%
Salary Increases	6.00% per year up to the assumed retirement age; see table following page final salary in year of retirement is increased 20% to account for non-regular compensation
Interest Rate	8% per year, compounded annually, net of investment expenses
Retirement Age	Earlier of 1) attainment of age 55 and the completion of 10 years of credited services, or 2) the completion of 25 years of credited services, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
Early Retirement	Commencing upon a members eligibility for Early Retirement (Age 45 with 10 years of credited service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year
Disability Retirement	See table below
Mortality	RP -2000 combined Healthy, disabled lives set forward 5 years

<u>Age</u>	<u>% Terminated During the Year</u>	<u>% Becoming Disabled During the Year</u>	<u>Current Salary as % of Salary at age 53</u>
20	6.00%	0.03%	13.00%
30	5.00%	0.04%	23.30%
40	2.60%	0.07%	41.70%
50	0.80%	0.18%	74.70%

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS - FIREFIGHTERS' TRUST

September 30, 2014

	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 605,883
Contributions in Relation to the Actuarially Determined Contribution	<u>605,883</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered Employee Payroll	2,955,529
Contributions as a Percentage of Covered employee Payroll	20.50%

Notes to Schedule

Valuation Date 10/1/2012
 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 Entry Age
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	29 years (as of 10/1/2012)
Asset Valuation Method	Market Value
Inflation	3.00%
Salary Increases	6.00% per year up to the assumed retirement age; see table below
Interest Rate	8% per year, compounded annually, net of investment expenses
Retirement Age	years of credited service. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
Early Retirement	Commencing with the earliest Early Retirement Age (age 50 with 10 years of credited service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year
Disability Retirement	See table below
Mortality	RP-2000 Combined Healthy, Sex Distinct, Disabled lives set forward 5 years

Age	% Terminated During the Year	% Becoming Disabled During the Year	Current Salary as % of Salary at age 53
20	6.00%	0.03%	14.60%
30	5.00%	0.04%	26.20%
40	2.60%	0.07%	46.90%
50	0.80%	0.18%	84.00%

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

September 30, 2014

	<u>Police Officers' Retirement Trust</u>	<u>Firefighters' Pension Trust</u>
	<u>9/30/2014</u>	<u>9/30/2014</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	11.74%	11.81%

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Combined and Individual Statements

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CITY OF OVIEDO, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Capital Expansion Fund - to account for the City's Administration, Police, Fire and Recreation impact fee revenues and the expenditures (allowable under state statute) for increased general, police/fire protection and recreational improvements (resulting from growth) made there from.

Local Option Gas Tax Fund - to account for the City's share of local option gas tax revenues that are specifically restricted to the maintenance and improvement of the City's highways and streets.

State Law Enforcement Fund - to account for the City's share of fines and forfeitures received through the City and County Investigative Bureau (CCIB) and similar programs that are specifically restricted to law enforcement educational and edification.

Federal DEA Grant (Forfeiture) Fund - to account for the City's share of federally forfeited property that is specifically restricted to law enforcement purposes.

State Pension Contributions Fund - to account for intergovernmental revenue from the State that is transferred to the Police and Fire Pension funds.

Solid Waste Fund - to account for funds collected and paid to a third party for waste collection services.

Building Services Fund - to account for operations of the building inspection, plans review and permitting.

Stormwater Fund - to account for stormwater management operations and related capital improvements.

Transportation Impact Fees Fund - to account for the City's transportation impact fee revenues and expenditures (allowable under state statute) for transportation related improvements (resulting from growth) made there from.

Law Enforcement Fund - to account for the City's share of reimbursed investigative funds that are specifically restricted to law enforcement purposes.

Police Donations Fund - to account for donated funds received that are specifically restricted for law enforcement purposes.

Second Dollar Education Fund - to account for the City's share of funds created by criminal justice education funding that are restricted to educational programs and training courses for police department personnel.

CITY OF OVIEDO, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Nonmajor Debt Service Funds

Debt service funds are used to account for the receipt of funds related to the issuance of debt and the disbursement of debt service payments.

Public Improvement Revenue Bonds Fund - to account for the debt service payments for the City's general governmental activities bonds.

General Obligation Bonds Debt Service Fund - to account for the receipt of the revenues associated with the debt millage and the payment of the debt service for the general obligation bonds and notes.

Lease Financing Debt Service Fund - to account for the payment of the debt related to the City's capital lease.

Nonmajor Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Local Option Sales Tax - to account for the City's road construction projects approved to use the extra one cent sales tax approved by voters through the year 2011.

Vehicle Replacement Fund - to account for the purchase of transportation vehicles for the General and Special Revenue Funds.

Land Fill Closure Fund - Prior to fiscal 1992/1993, this fund was used to account for the costs associated with constructing a City-wide maintenance facility at the site of the former County land fill. During fiscal year 1992/1993, it was determined that it was not cost effective to construct a facility at this site. This fund is now used to account for the costs associated with the post closure monitoring of the former County land fill.

Technology Improvements Fund - to account for the purchase of the City's technology improvements as they relate to the General and Special Revenue funds.

General Facility Improvements Fund - to account for the purchase and improvement of the City's facilities as they relate to the General and Special Revenue funds.

Recreational Facility Improvement Fund - to account for the purchase and improvement of the City's recreational facilities as they relate to the General and Special Revenue funds.

OSC Extension Landfill Fund - to account for the costs associated with the post closure monitoring of the OSC Extension Landfill.

2008 Revenue Bond Construction Fund - to account for the construction of the Fire Administration Building, Fire Station #48 and the Public Works Facility.

Fire Station Construction Fund - to account for the construction of the combining of fire station 44 and fire station 46.

Veterans Memorial Fund - to account for the costs associated with the Oviedo Veterans Tribute at Oviedo on the Park.

CITY OF OVIEDO, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	\$ 2,355,987	\$ 283,825	\$ 1,248,364	\$ 3,888,176
Investments	3,195,952	-	2,132,802	5,328,754
Receivables, net	199,622	-	19,877	219,499
Due from other governments	122,588	30	77,500	200,118
Prepaid expenses	13,671	-	2,605,226	2,618,897
Restricted assets:				
Cash and cash equivalents	-	-	3,216,773	3,216,773
Total assets	\$ 5,887,820	\$ 283,855	\$ 9,300,542	\$ 15,472,217
Liabilities and Fund Balances:				
Accounts payable	\$ 459,577	\$ -	\$ 570,024	\$ 1,029,601
Accrued liabilities	21,306	-	10,000	31,306
Retainage payable	7,317	-	105,060	112,377
Due to other funds	-	-	398,235	398,235
Payable from restricted assets	3,701	-	-	3,701
Other payables	-	-	-	-
Total liabilities	491,901	-	1,083,319	1,575,220
Fund balances:				
Nonspendable	13,671	-	2,605,226	2,618,897
Restricted	4,105,824	283,855	1,469,337	5,859,016
Committed	1,311,455	-	-	1,311,455
Assigned	2,580	-	4,876,365	4,878,945
Unassigned	(37,611)	-	(733,705)	(771,316)
Total fund balances	5,395,919	283,855	8,217,223	13,896,997
Total Liabilities and Fund Balances	\$ 5,887,820	\$ 283,855	\$ 9,300,542	\$ 15,472,217

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CITY OF OVIEDO, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Taxes	\$ -	\$ 504,981	\$ -	\$ 504,981
Licenses and permits	292,822	-	-	292,822
Intergovernmental	1,406,239	-	229,547	1,635,786
Charges for services	4,049,633	-	16,250	4,065,883
Fines and forfeitures	52,433	-	-	52,433
Investment income	36,721	2,026	42,007	80,754
Service assessments	76,544	-	-	76,544
Miscellaneous	28,160	-	8,530	36,690
Total revenues	<u>5,942,552</u>	<u>507,007</u>	<u>296,334</u>	<u>6,745,893</u>
Expenditures:				
Current:				
General government	1,317	-	86,556	87,873
Public safety	989,130	-	414,403	1,403,533
Physical environment	3,732,477	-	396,215	4,128,692
Parks and recreation	268	-	70,317	70,585
Debt service:				
Principal	-	524,252	-	524,252
Interest and fiscal charges	-	488,999	-	488,999
Issuance costs	-	20,272	-	20,272
Capital outlay:				
General government	-	-	62,415	62,415
Public safety	83,190	-	582,630	665,820
Physical environment	1,627,241	-	303,778	1,931,019
Parks and recreation	-	-	1,208,203	1,208,203
Total expenditures	<u>6,433,623</u>	<u>1,033,523</u>	<u>3,124,517</u>	<u>10,591,663</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(491,071)</u>	<u>(526,516)</u>	<u>(2,828,183)</u>	<u>(3,845,770)</u>
Other Financing Sources (Uses):				
Transfers in	-	799,144	1,382,998	2,182,142
Transfers out	(782,751)	-	(744,558)	(1,527,309)
Note Payable	-	-	3,849,000	3,849,000
Sale of General Capital Assets	-	-	21,577	21,577
Total Other Financing Sources (Uses)	<u>(782,751)</u>	<u>799,144</u>	<u>4,509,017</u>	<u>4,525,410</u>
Net Change in Fund Balances	(1,273,822)	272,628	1,680,834	679,640
Fund Balances - beginning	<u>6,669,741</u>	<u>11,227</u>	<u>6,536,389</u>	<u>13,217,357</u>
Fund Balances - ending	<u>\$ 5,395,919</u>	<u>\$ 283,855</u>	<u>\$ 8,217,223</u>	<u>\$ 13,896,997</u>

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2014

	<u>Capital Expansion</u>	<u>Local Option Gas Tax</u>	<u>State Law Enforcement</u>	<u>Federal DEA Grant (Forfeiture)</u>	<u>Solid Waste</u>
Assets:					
Cash and cash equivalents	\$ 385,882	\$ 365,077	\$ 11,634	\$ 137,279	\$ 22,491
Investments	775,952	-	10,000	230,000	40,000
Receivables, net	1,495	-	-	-	121,083
Due from other governments	-	119,015	-	-	2,907
Prepaid expenses	-	-	-	13,671	-
Total assets	<u>\$ 1,163,329</u>	<u>\$ 484,092</u>	<u>\$ 21,634</u>	<u>\$ 380,950</u>	<u>\$ 186,481</u>
Liabilities and Fund Balances:					
Accounts payable	\$ 537	\$ 97,971	\$ -	\$ 206	\$ 224,092
Accrued liabilities	-	-	-	-	-
Retainage payable	-	7,317	-	-	-
Payable from restricted assets	-	-	-	-	-
Other payables	-	-	-	-	-
Total liabilities	<u>537</u>	<u>105,288</u>	<u>-</u>	<u>206</u>	<u>224,092</u>
Fund Balances:					
Non spendable	-	-	-	13,671	-
Restricted	1,162,792	378,804	21,634	367,073	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(37,611)
Total fund balances	<u>1,162,792</u>	<u>378,804</u>	<u>21,634</u>	<u>380,744</u>	<u>(37,611)</u>
Total Liabilities and Fund Balances	<u>\$ 1,163,329</u>	<u>\$ 484,092</u>	<u>\$ 21,634</u>	<u>\$ 380,950</u>	<u>\$ 186,481</u>

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet, Continued
Nonmajor Special Revenue Funds
September 30, 2014

<u>Building Services</u>	<u>Stormwater</u>	<u>Transportation Impact Fees</u>	<u>Law Enforcement</u>	<u>Police Donations</u>	<u>Second Dollar Education</u>	<u>Total</u>
\$ 26,730	\$ 498,070	\$ 816,668	\$ 34,165	\$ 29,090	\$ 28,901	\$ 2,355,987
-	810,000	1,330,000	-	-	-	3,195,952
-	77,044	-	-	-	-	199,622
-	-	-	-	-	666	122,588
-	-	-	-	-	-	13,671
<u>\$ 26,730</u>	<u>\$ 1,385,114</u>	<u>\$ 2,146,668</u>	<u>\$ 34,165</u>	<u>\$ 29,090</u>	<u>\$ 29,567</u>	<u>\$ 5,887,820</u>
\$ 20,449	\$ 52,353	\$ 59,208	\$ 4,505	\$ 256	\$ -	\$ 459,577
-	21,306	-	-	-	-	21,306
-	-	-	-	-	-	7,317
3,701	-	-	-	-	-	3,701
-	-	-	-	-	-	-
<u>24,150</u>	<u>73,659</u>	<u>59,208</u>	<u>4,505</u>	<u>256</u>	<u>-</u>	<u>491,901</u>
-	-	-	-	-	-	13,671
-	-	2,087,460	29,660	28,834	29,567	4,105,824
-	1,311,455	-	-	-	-	1,311,455
2,580	-	-	-	-	-	2,580
-	-	-	-	-	-	(37,611)
<u>2,580</u>	<u>1,311,455</u>	<u>2,087,460</u>	<u>29,660</u>	<u>28,834</u>	<u>29,567</u>	<u>5,395,919</u>
<u>\$ 26,730</u>	<u>\$ 1,385,114</u>	<u>\$ 2,146,668</u>	<u>\$ 34,165</u>	<u>\$ 29,090</u>	<u>\$ 29,567</u>	<u>\$ 5,887,820</u>

CITY OF OVIEDO, FLORIDA
Subcombining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2014

	<u>Capital Expansion</u>	<u>Local Option Gas Tax</u>	<u>State Law Enforcement</u>	<u>Federal DEA Grant (Forfeiture)</u>	<u>State Pension Contributions</u>
Revenues:					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	795,243	-	52,177	558,819
Charges for services	-	1,182	-	-	-
Fines and forfeitures	-	-	12,451	-	-
Investment income	7,362	1,668	136	2,409	-
Service assessments	35,317	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>42,679</u>	<u>798,093</u>	<u>12,587</u>	<u>54,586</u>	<u>558,819</u>
Expenditures:					
Current:					
General government	1,317	-	-	-	-
Public safety	44,177	-	8,500	82,677	558,819
Physical environment	-	305,684	-	-	-
Parks and recreation	268	-	-	-	-
Capital outlay:					
Public safety	83,190	-	-	-	-
Physical environment	-	126,109	-	-	-
Total expenditures	<u>128,952</u>	<u>431,793</u>	<u>8,500</u>	<u>82,677</u>	<u>558,819</u>
Excess (Deficiency) of					
Revenues Over Expenditures	<u>(86,273)</u>	<u>366,300</u>	<u>4,087</u>	<u>(28,091)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers out	<u>(239,156)</u>	<u>(236,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(239,156)</u>	<u>(236,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(325,429)	130,000	4,087	(28,091)	-
Fund Balances (Deficit) - beginning	<u>1,488,221</u>	<u>248,804</u>	<u>17,547</u>	<u>408,835</u>	<u>-</u>
Fund Balances (Deficit) - ending	<u>\$ 1,162,792</u>	<u>\$ 378,804</u>	<u>\$ 21,634</u>	<u>\$ 380,744</u>	<u>\$ -</u>

CITY OF OVIEDO, FLORIDA
Subcombining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2014

<u>Solid Waste</u>	<u>Building Services</u>	<u>Stormwater</u>	<u>Transportation Impact Fees</u>	<u>Law Enforcement</u>	<u>Police Donations</u>	<u>Second Dollar Education</u>	<u>Total</u>
\$ -	\$ 292,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 292,822
-	-	-	-	-	-	-	1,406,239
2,496,082	-	1,552,369	-	-	-	-	4,049,633
-	-	-	-	33,904	-	6,078	52,433
726	(278)	6,947	17,770	(6)	(7)	(6)	36,721
-	-	-	41,227	-	-	-	76,544
-	187	721	-	-	27,252	-	28,160
<u>2,496,808</u>	<u>292,731</u>	<u>1,560,037</u>	<u>58,997</u>	<u>33,898</u>	<u>27,245</u>	<u>6,072</u>	<u>5,942,552</u>
-	-	-	-	-	-	-	1,317
-	247,903	-	-	27,781	12,918	6,355	989,130
2,438,134	-	968,317	20,342	-	-	-	3,732,477
-	-	-	-	-	-	-	268
-	-	-	-	-	-	-	83,190
-	-	83,704	1,417,428	-	-	-	1,627,241
<u>2,438,134</u>	<u>247,903</u>	<u>1,052,021</u>	<u>1,437,770</u>	<u>27,781</u>	<u>12,918</u>	<u>6,355</u>	<u>6,433,623</u>
58,674	44,828	508,016	(1,378,773)	6,117	14,327	(283)	(491,071)
<u>(159,800)</u>	<u>(40,676)</u>	<u>(103,087)</u>	<u>(3,732)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(782,751)</u>
<u>(159,800)</u>	<u>(40,676)</u>	<u>(103,087)</u>	<u>(3,732)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(782,751)</u>
(101,126)	4,152	404,929	(1,382,505)	6,117	14,327	(283)	(1,273,822)
63,515	(1,572)	906,526	3,469,965	23,543	14,507	29,850	6,669,741
<u>\$ (37,611)</u>	<u>\$ 2,580</u>	<u>\$ 1,311,455</u>	<u>\$ 2,087,460</u>	<u>\$ 29,660</u>	<u>\$ 28,834</u>	<u>\$ 29,567</u>	<u>\$ 5,395,919</u>

CITY OF OVIEDO, FLORIDA
Capital Expansion Special Revenue Fund *

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 9,300	\$ 9,300	\$ 7,362	\$ (1,938)
Service assessments	<u>457,250</u>	<u>457,250</u>	<u>35,317</u>	<u>(421,933)</u>
Total revenues	<u>466,550</u>	<u>466,550</u>	<u>42,679</u>	<u>(423,871)</u>
Expenditures:				
Current:				
General government	-	45,096	1,317	43,779
Public safety	18,273	136,933	44,177	92,756
Parks and recreation	15,000	160,289	268	160,021
Capital outlay:				
Public safety	73,710	121,737	83,190	38,547
Parks and recreation	<u>-</u>	<u>210,000</u>	<u>-</u>	<u>210,000</u>
Total expenditures	<u>106,983</u>	<u>674,055</u>	<u>128,952</u>	<u>545,103</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>359,567</u>	<u>(207,505)</u>	<u>(86,273)</u>	<u>121,232</u>
Other Financing Sources (Uses):				
Transfers out	<u>(531,597)</u>	<u>(239,156)</u>	<u>(239,156)</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>(531,597)</u>	<u>(239,156)</u>	<u>(239,156)</u>	<u>-</u>
Net Change in Fund Balances	(172,030)	(446,661)	(325,429)	121,232
Fund Balances - beginning	<u>1,488,221</u>	<u>1,488,221</u>	<u>1,488,221</u>	<u>-</u>
Fund Balances - ending	<u>\$ 1,316,191</u>	<u>\$ 1,041,560</u>	<u>\$ 1,162,792</u>	<u>\$ 121,232</u>

* City's Administration, Police, Fire and Recreation Impact Fee Funds

CITY OF OVIEDO, FLORIDA
Local Option Gas Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,329,709	\$ 1,329,709	\$ 795,243	\$ (534,466)
Charges for services	-	-	1,182	1,182
Investment income	<u>1,200</u>	<u>1,200</u>	<u>1,668</u>	<u>468</u>
Total revenues	<u>1,330,909</u>	<u>1,330,909</u>	<u>798,093</u>	<u>(532,816)</u>
Expenditures:				
Current:				
Physical environment	358,765	347,600	305,684	41,916
Capital outlay:				
Physical environment	<u>782,264</u>	<u>823,964</u>	<u>126,109</u>	<u>697,855</u>
Total Expenditures	<u>1,141,029</u>	<u>1,171,564</u>	<u>431,793</u>	<u>739,771</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>189,880</u>	<u>159,345</u>	<u>366,300</u>	<u>206,955</u>
Other Financing Sources (Uses):				
Transfers out	<u>(236,300)</u>	<u>(236,300)</u>	<u>(236,300)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(236,300)</u>	<u>(236,300)</u>	<u>(236,300)</u>	<u>-</u>
Net Change in Fund Balances	(46,420)	(76,955)	130,000	206,955
Fund Balances - beginning	<u>248,804</u>	<u>248,804</u>	<u>248,804</u>	<u>-</u>
Fund Balances - ending	<u>\$ 202,384</u>	<u>\$ 171,849</u>	<u>\$ 378,804</u>	<u>\$ 206,955</u>

CITY OF OVIEDO, FLORIDA
State Law Enforcement Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ 12,451	\$ 10,451
Investment income	<u>200</u>	<u>200</u>	<u>136</u>	<u>(64)</u>
Total revenues	<u>2,200</u>	<u>2,200</u>	<u>12,587</u>	<u>10,387</u>
Expenditures:				
Current:				
Public safety	<u>18,500</u>	<u>18,500</u>	<u>8,500</u>	<u>10,000</u>
Total expenditures	<u>18,500</u>	<u>18,500</u>	<u>8,500</u>	<u>10,000</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(16,300)</u>	<u>(16,300)</u>	<u>4,087</u>	<u>20,387</u>
Net Change in Fund Balances	(16,300)	(16,300)	4,087	20,387
Fund Balances - beginning	<u>17,547</u>	<u>17,547</u>	<u>17,547</u>	<u>-</u>
Fund Balances - ending	<u>\$ 1,247</u>	<u>\$ 1,247</u>	<u>\$ 21,634</u>	<u>\$ 20,387</u>

CITY OF OVIEDO, FLORIDA
Federal DEA Grant (Forfeiture) Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 52,177	\$ 37,177
Investment income	<u>1,800</u>	<u>1,800</u>	<u>2,409</u>	<u>609</u>
Total revenues	<u>16,800</u>	<u>16,800</u>	<u>54,586</u>	<u>37,786</u>
Expenditures:				
Current:				
Public safety	5,300	89,766	82,677	7,089
Capital outlay:				
Public safety	<u>104,350</u>	<u>129,350</u>	<u>-</u>	<u>129,350</u>
Total expenditures	<u>109,650</u>	<u>219,116</u>	<u>82,677</u>	<u>136,439</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(92,850)</u>	<u>(202,316)</u>	<u>(28,091)</u>	<u>174,225</u>
Net Change in Fund Balances	(92,850)	(202,316)	(28,091)	174,225
Fund Balances - beginning	<u>408,835</u>	<u>408,835</u>	<u>408,835</u>	<u>-</u>
Fund Balances - ending	<u>\$ 315,985</u>	<u>\$ 206,519</u>	<u>\$ 380,744</u>	<u>\$ 174,225</u>

CITY OF OVIEDO, FLORIDA

Solid Waste Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 2,460,000	\$ 2,460,000	\$ 2,496,082	\$ 36,082
Investment income	1,500	1,500	726	(774)
Miscellaneous	-	-	-	-
Total revenues	<u>2,461,500</u>	<u>2,461,500</u>	<u>2,496,808</u>	<u>35,308</u>
Expenditures:				
Current:				
Physical environment	<u>2,411,550</u>	<u>2,411,550</u>	<u>2,438,134</u>	<u>(26,584)</u>
Total expenditures	<u>2,411,550</u>	<u>2,411,550</u>	<u>2,438,134</u>	<u>(26,584)</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>49,950</u>	<u>49,950</u>	<u>58,674</u>	<u>8,724</u>
Other Financing Sources (Uses):				
Transfers out	<u>(159,800)</u>	<u>(159,800)</u>	<u>(159,800)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(159,800)</u>	<u>(159,800)</u>	<u>(159,800)</u>	<u>-</u>
Net Change in Fund Balances	(109,850)	(109,850)	(101,126)	8,724
Fund Balances - beginning	<u>63,515</u>	<u>63,515</u>	<u>63,515</u>	<u>-</u>
Fund Balances (Deficit) - ending	<u>\$ (46,335)</u>	<u>\$ (46,335)</u>	<u>\$ (37,611)</u>	<u>\$ 8,724</u>

CITY OF OVIEDO, FLORIDA
Building Services Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 864,089	\$ 732,698	\$ 292,822	\$ (439,876)
Investment income	-	-	(278)	(278)
Miscellaneous	-	-	187	187
Total revenues	<u>864,089</u>	<u>732,698</u>	<u>292,731</u>	<u>(439,967)</u>
Expenditures:				
Current:				
Public safety	<u>692,022</u>	<u>692,022</u>	<u>247,903</u>	<u>444,119</u>
Total expenditures	<u>692,022</u>	<u>692,022</u>	<u>247,903</u>	<u>444,119</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>172,067</u>	<u>40,676</u>	<u>44,828</u>	<u>4,152</u>
Other Financing Sources (Uses):				
Transfers out	<u>(172,067)</u>	<u>(40,676)</u>	<u>(40,676)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(172,067)</u>	<u>(40,676)</u>	<u>(40,676)</u>	<u>-</u>
Net Change in Fund Balances	-	-	4,152	4,152
Fund Balances (Deficit) - beginning	<u>(1,572)</u>	<u>(1,572)</u>	<u>(1,572)</u>	<u>-</u>
Fund Balances (Deficit) - ending	<u>\$ (1,572)</u>	<u>\$ (1,572)</u>	<u>\$ 2,580</u>	<u>\$ 4,152</u>

CITY OF OVIEDO, FLORIDA

Stormwater Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,500,000	\$ 1,500,000	\$ 1,552,369	\$ 52,369
Investment income	10,000	10,000	6,947	(3,053)
Miscellaneous	-	-	721	721
Total revenues	<u>1,510,000</u>	<u>1,510,000</u>	<u>1,560,037</u>	<u>50,037</u>
Expenditures:				
Current:				
Physical environment	1,345,643	1,193,746	968,317	225,429
Capital outlay:				
Physical environment	<u>460,000</u>	<u>618,617</u>	<u>83,704</u>	<u>534,913</u>
Total expenditures	<u>1,805,643</u>	<u>1,812,363</u>	<u>1,052,021</u>	<u>760,342</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(295,643)</u>	<u>(302,363)</u>	<u>508,016</u>	<u>810,379</u>
Other Financing Sources (Uses):				
Transfers in	47,279	47,279	-	47,279
Transfers out	<u>(103,087)</u>	<u>(103,087)</u>	<u>(103,087)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(55,808)</u>	<u>(55,808)</u>	<u>(103,087)</u>	<u>47,279</u>
Net Change in Fund Balances	(351,451)	(358,171)	404,929	857,658
Fund Balances - beginning	<u>906,526</u>	<u>906,526</u>	<u>906,526</u>	<u>-</u>
Fund Balances - ending	<u>\$ 555,075</u>	<u>\$ 548,355</u>	<u>\$ 1,311,455</u>	<u>\$ 857,658</u>

CITY OF OVIEDO, FLORIDA
Transportation Impact Fees Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 25,000	\$ 25,000	\$ 17,770	\$ (7,230)
Service assessments	304,000	304,000	41,227	(262,773)
Miscellaneous	<u>240,000</u>	<u>240,000</u>	<u>-</u>	<u>(240,000)</u>
Total revenues	<u>569,000</u>	<u>569,000</u>	<u>58,997</u>	<u>(510,003)</u>
Expenditures:				
Current:				
Physical environment	125,000	217,676	20,342	197,334
Capital outlay:				
Physical environment	<u>730,000</u>	<u>2,044,590</u>	<u>1,417,428</u>	<u>627,162</u>
Total expenditures	<u>855,000</u>	<u>2,262,266</u>	<u>1,437,770</u>	<u>824,496</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(286,000)</u>	<u>(1,693,266)</u>	<u>(1,378,773)</u>	<u>314,493</u>
Other Financing Sources (Uses):				
Transfers out	<u>(106,831)</u>	<u>(3,732)</u>	<u>(3,732)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(106,831)</u>	<u>(3,732)</u>	<u>(3,732)</u>	<u>-</u>
Net Change in Fund Balances	(392,831)	(1,696,998)	(1,382,505)	314,493
Fund Balances - beginning	<u>3,469,965</u>	<u>3,469,965</u>	<u>3,469,965</u>	<u>-</u>
Fund Balances - ending	<u>\$ 3,077,134</u>	<u>\$ 1,772,967</u>	<u>\$ 2,087,460</u>	<u>\$ 314,493</u>

CITY OF OVIEDO, FLORIDA
Law Enforcement Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ (6)	\$ (6)
Fines and forfeitures	-	-	33,904	33,904
Total revenues	-	-	33,898	33,898
Expenditures:				
Current:				
Public safety	-	-	27,781	(27,781)
Total expenditures	-	-	27,781	(27,781)
Excess (Deficiency) of Revenue Over Expenditures	-	-	6,117	6,117
Net Change in Fund Balances	-	-	6,117	6,117
Fund Balances - beginning	23,543	23,543	23,543	-
Fund Balances - ending	\$ 23,543	\$ 23,543	\$ 29,660	\$ 6,117

CITY OF OVIEDO, FLORIDA

Police Donations Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ (7)	\$ (7)
Miscellaneous	-	-	<u>27,252</u>	<u>27,252</u>
Total revenues	-	-	<u>27,245</u>	<u>27,245</u>
Expenditures:				
Current:				
Public safety	-	-	<u>12,918</u>	<u>(12,918)</u>
Total expenditures	-	-	<u>12,918</u>	<u>(12,918)</u>
Excess (Deficiency) of Revenue Over Expenditures	-	-	<u>14,327</u>	<u>14,327</u>
Net Change in Fund Balances	-	-	14,327	14,327
Fund Balances - beginning	14,507	14,507	14,507	-
Fund Balances - ending	<u>\$ 14,507</u>	<u>\$ 14,507</u>	<u>\$ 28,834</u>	<u>\$ 14,327</u>

CITY OF OVIEDO, FLORIDA
Second Dollar Education Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ (6)	\$ (6)
Fines and forfeitures	-	-	6,078	6,078
Total revenues	-	-	6,072	6,072
Expenditures:				
Current:				
Public safety	-	-	6,355	(6,355)
Total expenditures	-	-	6,355	(6,355)
Excess (Deficiency) of Revenue Over Expenditures	-	-	(283)	(283)
Net Change in Fund Balances	-	-	(283)	(283)
Fund Balances - beginning	29,850	29,850	29,850	-
Fund Balances - ending	<u>\$ 29,850</u>	<u>\$ 29,850</u>	<u>\$ 29,567</u>	<u>\$ (283)</u>

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2014

	<u>Public Improvement Revenue Bonds</u>	<u>General Obligation Bonds</u>	<u>Lease Financing Debt Service</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 17,625	\$ 266,198	\$ 2	\$ 283,825
Due from other governments	-	30	-	30
Total assets	<u>\$ 17,625</u>	<u>\$ 266,228</u>	<u>\$ 2</u>	<u>\$ 283,855</u>
Liabilities and Fund Balances:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	<u>17,625</u>	<u>266,228</u>	<u>2</u>	<u>283,855</u>
Total fund balances	<u>17,625</u>	<u>266,228</u>	<u>2</u>	<u>283,855</u>
Total Liabilities and Fund Balances	<u>\$ 17,625</u>	<u>\$ 266,228</u>	<u>\$ 2</u>	<u>\$ 283,855</u>

CITY OF OVIEDO, FLORIDA
Subcombining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended September 30, 2014

	<u>Public Improvement Revenue Bonds</u>	<u>General Obligation Bonds</u>	<u>Lease Financing Debt Service</u>	<u>Total</u>
Revenues:				
Taxes	\$ -	\$ 504,981	\$ -	\$ 504,981
Investment income	-	2,026	-	2,026
Total revenues	<u>-</u>	<u>507,007</u>	<u>-</u>	<u>507,007</u>
Expenditures:				
Debt service:				
Principal	248,000	9,000	267,252	524,252
Interest and fiscal charges	217,081	243,380	28,538	488,999
Issuance costs	<u>19,900</u>	<u>372</u>	<u>-</u>	<u>20,272</u>
Total expenditures	<u>484,981</u>	<u>252,752</u>	<u>295,790</u>	<u>1,033,523</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(484,981)</u>	<u>254,255</u>	<u>(295,790)</u>	<u>(526,516)</u>
Other Financing Sources (Uses):				
Transfers in	<u>503,352</u>	<u>-</u>	<u>295,792</u>	<u>799,144</u>
Total Other Financing Sources (Uses)	<u>503,352</u>	<u>-</u>	<u>295,792</u>	<u>799,144</u>
Net Change in Fund Balances	18,371	254,255	2	272,628
Fund Balances - beginning	<u>(746)</u>	<u>11,973</u>	<u>-</u>	<u>11,227</u>
Fund Balances - ending	<u>\$ 17,625</u>	<u>\$ 266,228</u>	<u>\$ 2</u>	<u>\$ 283,855</u>

CITY OF OVIEDO, FLORIDA
Public Improvement Revenue Bonds Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service:				
Principal	\$ 1,581,000	\$ 248,000	\$ 248,000	\$ -
Interest	353,650	254,606	217,081	37,525
Issuance costs	-	-	19,900	(19,900)
Total expenditures	<u>1,934,650</u>	<u>502,606</u>	<u>484,981</u>	<u>17,625</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(1,934,650)</u>	<u>(502,606)</u>	<u>(484,981)</u>	<u>17,625</u>
Other Financing Sources (Uses):				
Transfers in	<u>1,934,650</u>	<u>502,606</u>	<u>503,352</u>	<u>746</u>
Total Other Financing Sources (Uses)	<u>1,934,650</u>	<u>502,606</u>	<u>503,352</u>	<u>746</u>
Net Change in Fund Balances	-	-	18,371	18,371
Fund Balances (Deficit) - beginning	<u>(746)</u>	<u>(746)</u>	<u>(746)</u>	<u>-</u>
Fund Balances (Deficit) - ending	<u>\$ (746)</u>	<u>\$ (746)</u>	<u>\$ 17,625</u>	<u>\$ 18,371</u>

CITY OF OVIEDO, FLORIDA
General Obligation Bonds Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 502,578	\$ 502,578	\$ 504,981	\$ 2,403
Investment income	<u>2,550</u>	<u>2,550</u>	<u>2,026</u>	<u>(524)</u>
Total revenues	<u>505,128</u>	<u>505,128</u>	<u>507,007</u>	<u>1,879</u>
Expenditures:				
Debt service:				
Principal	288,312	288,312	9,000	279,312
Interest	216,816	216,816	243,380	(26,564)
Issuance costs	<u>-</u>	<u>-</u>	<u>372</u>	<u>(372)</u>
Total expenditures	<u>505,128</u>	<u>505,128</u>	<u>252,752</u>	<u>252,376</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>254,255</u>	<u>254,255</u>
Net Change in Fund Balances	-	-	254,255	254,255
Fund Balances - beginning	<u>11,973</u>	<u>11,973</u>	<u>11,973</u>	<u>-</u>
Fund Balances - ending	<u>\$ 11,973</u>	<u>\$ 11,973</u>	<u>\$ 266,228</u>	<u>\$ 254,255</u>

CITY OF OVIEDO, FLORIDA

Lease Financing Debt Service Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service:				
Principal	\$ 335,073	\$ 267,252	\$ 267,252	\$ -
Interest	<u>48,872</u>	<u>28,540</u>	<u>28,538</u>	<u>2</u>
Total expenditures	<u>383,945</u>	<u>295,792</u>	<u>295,790</u>	<u>2</u>
Excess (Deficiency) of				
Revenue Over Expenditures	<u>(383,945)</u>	<u>(295,792)</u>	<u>(295,790)</u>	<u>2</u>
Other Financing Sources (Uses):				
Transfers in	<u>383,945</u>	<u>295,792</u>	<u>295,792</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>383,945</u>	<u>295,792</u>	<u>295,792</u>	<u>-</u>
Net Change in Fund Balances	-	-	2	2
Fund Balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2014

	<u>Local Option Sales Tax Fund</u>	<u>Vehicle Replacement</u>	<u>Land Fill Closure</u>	<u>Technology Improvements</u>	<u>General Facility Improvements</u>
Assets:					
Cash and cash equivalents	\$ 565,803	\$ -	\$ 3,889	\$ 62,303	\$ 52,695
Investments	920,000	-	-	110,000	242,802
Receivables, net	-	19,877	-	-	-
Due from other governments	-	-	-	-	77,500
Prepaid expenses	2,178,658	425,818	-	750	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	3,175,589
Total assets	<u>\$ 3,664,461</u>	<u>\$ 445,695</u>	<u>\$ 3,889</u>	<u>\$ 173,053</u>	<u>\$ 3,548,586</u>
Liabilities and Fund Balances:					
Accounts payable	\$ 16,466	\$ 16,310	\$ -	\$ -	\$ 210,765
Accrued liabilities	-	-	10,000	-	-
Retainage payable	-	-	-	-	58,976
Due to other funds	-	214,610	-	-	36,541
Total liabilities	<u>16,466</u>	<u>230,920</u>	<u>10,000</u>	<u>-</u>	<u>306,282</u>
Fund Balances:					
Nonspendable	2,178,658	425,818	-	750	-
Restricted	1,469,337	-	-	-	-
Assigned	-	-	-	172,303	3,242,304
Unassigned	-	(211,043)	(6,111)	-	-
Total fund balances	<u>3,647,995</u>	<u>214,775</u>	<u>(6,111)</u>	<u>173,053</u>	<u>3,242,304</u>
Total Liabilities and Fund Balances	<u>\$ 3,664,461</u>	<u>\$ 445,695</u>	<u>\$ 3,889</u>	<u>\$ 173,053</u>	<u>\$ 3,548,586</u>

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet, Continued
Nonmajor Capital Projects Funds
September 30, 2014

Recreational Facility Improvement	OSC Extension Landfill	2008 Revenue Bond Construction Fund	Fire Station Construction	Veterans Memorial	Total
\$ -	\$ 16,554	\$ 12,341	\$ 534,679	\$ 100	\$ 1,248,364
-	-	-	860,000	-	2,132,802
-	-	-	-	-	19,877
-	-	-	-	-	77,500
-	-	-	-	-	2,605,226
-	31,938	-	-	9,246	3,216,773
<u>\$ -</u>	<u>\$ 48,492</u>	<u>\$ 12,341</u>	<u>\$ 1,394,679</u>	<u>\$ 9,346</u>	<u>\$ 9,300,542</u>
\$ 323,383	\$ -	\$ -	\$ 3,000	\$ 100	\$ 570,024
-	-	-	-	-	10,000
46,084	-	-	-	-	105,060
<u>147,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>398,235</u>
<u>516,551</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>100</u>	<u>1,083,319</u>
-	-	-	-	-	2,605,226
-	-	-	-	-	1,469,337
-	48,492	12,341	1,391,679	9,246	4,876,365
(516,551)	-	-	-	-	(733,705)
<u>(516,551)</u>	<u>48,492</u>	<u>12,341</u>	<u>1,391,679</u>	<u>9,246</u>	<u>8,217,223</u>
<u>\$ -</u>	<u>\$ 48,492</u>	<u>\$ 12,341</u>	<u>\$ 1,394,679</u>	<u>\$ 9,346</u>	<u>\$ 9,300,542</u>

CITY OF OVIEDO, FLORIDA
Subcombining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2014

	<u>Local Option Sales Tax Fund</u>	<u>Vehicle Replacement</u>	<u>Land Fill Closure</u>	<u>Technology Improvements</u>	<u>General Facility Improvements</u>
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 77,500
Charges for services	-	-	-	-	-
Investment income	40,729	-	(43)	-	1,287
Miscellaneous	-	-	-	-	-
Total revenues	<u>40,729</u>	<u>-</u>	<u>(43)</u>	<u>-</u>	<u>78,787</u>
Expenditures:					
Current:					
General government	-	-	-	86,556	-
Public safety	-	414,403	-	-	-
Physical environment	365,277	-	10,200	-	11,388
Parks and recreation	-	-	-	-	746
Capital outlay:					
General government	-	-	-	62,415	-
Public safety	-	392,305	-	-	-
Physical environment	29,340	-	-	-	274,438
Parks and recreation	-	-	-	-	59,220
Total expenditures	<u>394,617</u>	<u>806,708</u>	<u>10,200</u>	<u>148,971</u>	<u>345,792</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(353,888)</u>	<u>(806,708)</u>	<u>(10,243)</u>	<u>(148,971)</u>	<u>(267,005)</u>
Other Financing Sources (Uses):					
Transfers in	-	465,011	11,400	294,925	-
Transfers out	-	(140,550)	-	-	(604,008)
Note Payable	-	-	-	-	3,849,000
Sale of General Capital Assets	-	19,877	-	1,700	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>344,338</u>	<u>11,400</u>	<u>296,625</u>	<u>3,244,992</u>
Net Change in Fund Balances	(353,888)	(462,370)	1,157	147,654	2,977,987
Fund Balances (Deficit) - beginning	<u>4,001,883</u>	<u>677,145</u>	<u>(7,268)</u>	<u>25,399</u>	<u>264,317</u>
Fund Balances (Deficit) - ending	<u>\$ 3,647,995</u>	<u>\$ 214,775</u>	<u>\$ (6,111)</u>	<u>\$ 173,053</u>	<u>\$ 3,242,304</u>

CITY OF OVIEDO, FLORIDA
Subcombining Statement of Revenues, Expenditures
and Changes in Fund Balances, Continued
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2014

Recreational Facility Improvement	OSC Extension Landfill	2008 Revenue Bond Construction Fund	Fire Station Construction	Veterans Memorial	Total
\$ 152,047	\$ -	\$ -	\$ -	\$ -	\$ 229,547
-	16,250	-	-	-	16,250
-	254	76	(296)	-	42,007
-	-	-	-	8,530	8,530
<u>152,047</u>	<u>16,504</u>	<u>76</u>	<u>(296)</u>	<u>8,530</u>	<u>296,334</u>
-	-	-	-	-	86,556
-	-	-	-	-	414,403
-	9,350	-	-	-	396,215
69,571	-	-	-	-	70,317
-	-	-	-	-	62,415
-	-	-	190,325	-	582,630
-	-	-	-	-	303,778
<u>1,148,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,208,203</u>
<u>1,218,554</u>	<u>9,350</u>	<u>-</u>	<u>190,325</u>	<u>-</u>	<u>3,124,517</u>
<u>(1,066,507)</u>	<u>7,154</u>	<u>76</u>	<u>(190,621)</u>	<u>8,530</u>	<u>(2,828,183)</u>
603,262	8,400	-	-	-	1,382,998
-	-	-	-	-	(744,558)
-	-	-	-	-	3,849,000
-	-	-	-	-	21,577
<u>603,262</u>	<u>8,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,509,017</u>
(463,245)	15,554	76	(190,621)	8,530	1,680,834
<u>(53,306)</u>	<u>32,938</u>	<u>12,265</u>	<u>1,582,300</u>	<u>716</u>	<u>6,536,389</u>
<u>\$ (516,551)</u>	<u>\$ 48,492</u>	<u>\$ 12,341</u>	<u>\$ 1,391,679</u>	<u>\$ 9,246</u>	<u>\$ 8,217,223</u>

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Statistical Section

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STATISTICAL SECTION

September 30, 2014

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

Contents	Page
Financial Trends	110
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	116
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	120
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	125
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and help make comparisons over time and with other governments.	
Operating Information	127
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information 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 comprehensive annual financial reports for the relevant year.

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CITY OF OVIEDO, FLORIDA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 33,439	\$ 41,987	\$ 42,758	\$ 56,841	\$ 70,052	\$ 69,958	\$ 677,766	\$ 67,505	\$ 71,921	\$ 75,793
Restricted	15,031	9,070	15,667	6,060	12,668	13,338	7,956	12,044	8,467	2,138
Unrestricted	12,487	10,172	11,082	6,050	3,280	3,016	4,845	3,769	4,676	5,317
Total governmental activities net position	<u>60,957</u>	<u>61,229</u>	<u>69,507</u>	<u>68,951</u>	<u>86,000</u>	<u>86,312</u>	<u>690,567</u>	<u>83,318</u>	<u>85,064</u>	<u>83,248</u>
Business-type activities										
Net investment in capital assets	36,269	39,541	48,465	45,184	37,677	36,505	35,700	32,980	30,866	28,572
Restricted	183	180	324	299	180	182	333	-	-	-
Unrestricted	12,939	9,432	7,659	10,765	5,611	5,827	6,236	8,276	9,862	11,582
Total business-type activities net position	<u>49,391</u>	<u>49,153</u>	<u>56,448</u>	<u>56,248</u>	<u>43,468</u>	<u>42,514</u>	<u>42,269</u>	<u>41,256</u>	<u>40,728</u>	<u>40,154</u>
Primary government										
Net investment in capital assets	69,708	81,528	91,223	102,025	107,729	106,463	713,466	100,485	102,787	104,365
Restricted	15,214	9,250	15,991	6,359	12,848	13,520	8,289	12,044	8,467	2,138
Unrestricted	25,426	19,604	18,741	16,815	8,891	8,843	11,081	12,045	14,538	16,899
Total primary government net position	<u>\$ 110,348</u>	<u>\$ 110,382</u>	<u>\$ 125,955</u>	<u>\$ 125,199</u>	<u>\$ 129,468</u>	<u>\$ 128,826</u>	<u>\$ 732,836</u>	<u>\$ 124,574</u>	<u>\$ 125,792</u>	<u>\$ 123,402</u>

CITY OF OVIEDO, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 3,378	\$ 3,730	\$ 3,721	\$ 3,994	\$ 3,790	\$ 3,477	\$ 2,686	\$ 2,455	\$ 2,497	\$ 2,283
Public safety	12,065	11,168	12,359	13,189	13,550	13,853	14,054	13,932	14,144	14,280
Highways and streets	5,736	8,285	8,386	10,433	10,997	10,764	14,222	10,590	11,463	10,001
Parks and recreation	3,233	4,032	4,143	4,335	4,259	3,808	3,992	3,732	3,413	4,114
Interest on long term debt	1,090	1,062	1,087	1,268	1,222	1,219	1,209	1,149	731	624
Total government activities expenses	<u>25,502</u>	<u>28,277</u>	<u>29,696</u>	<u>33,219</u>	<u>33,818</u>	<u>33,121</u>	<u>36,163</u>	<u>31,858</u>	<u>32,248</u>	<u>31,302</u>
Business-type activities:										
Sewer & Water	4,564	6,324	7,240	7,756	7,785	8,463	12,815	12,917	13,529	13,322
Stormwater	1,316	1,285	1,593	2,020	-	-	-	-	-	-
Total business-type activities expenses	<u>\$ 5,880</u>	<u>\$ 7,609</u>	<u>\$ 8,833</u>	<u>\$ 9,776</u>	<u>\$ 7,785</u>	<u>\$ 8,463</u>	<u>\$ 12,815</u>	<u>\$ 12,917</u>	<u>\$ 13,529</u>	<u>\$ 13,322</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 357	\$ 406	\$ 665	\$ 691	\$ 92	\$ 193	\$ 154	\$ 222	\$ 250	\$ 217
Public safety	3,510	3,455	2,562	2,319	1,670	1,687	1,954	1,746	2,170	1,397
Highways and streets	745	578	2,719	2,437	4,164	4,330	4,385	4,591	4,465	4,343
Parks and recreation	1,129	1,105	1,493	1,334	1,221	1,371	1,398	1,382	1,409	1,285
Operating grants and contributions	3,156	767	871	864	704	662	669	1,032	777	776
Capital grants and contributions	3,117	12	4,405	384	1,833	1,611	563	1,033	3,421	264
Total government activities program revenues	<u>12,014</u>	<u>6,323</u>	<u>12,715</u>	<u>8,029</u>	<u>9,684</u>	<u>9,854</u>	<u>9,123</u>	<u>10,006</u>	<u>12,492</u>	<u>8,282</u>
Business-type activities:										
Charges for services:										
Sewer & Water	4,537	5,070	5,291	5,553	6,386	6,046	11,781	11,751	11,811	11,630
Stormwater	729	934	1,129	1,362	-	-	-	-	-	-
Operating grants and contributions	-	-	-	662	-	-	-	-	-	-
Capital grants and contributions	3,064	937	9,247	1,567	1,803	1,198	840	921	1,306	1,172
Total business-type activities program revenues	<u>8,330</u>	<u>6,941</u>	<u>15,667</u>	<u>9,144</u>	<u>8,189</u>	<u>7,244</u>	<u>12,621</u>	<u>12,672</u>	<u>13,117</u>	<u>12,802</u>
Total government program revenues	<u>\$ 20,344</u>	<u>\$ 13,264</u>	<u>\$ 28,382</u>	<u>\$ 17,173</u>	<u>\$ 17,873</u>	<u>\$ 17,098</u>	<u>\$ 21,744</u>	<u>\$ 22,678</u>	<u>\$ 25,609</u>	<u>\$ 21,084</u>
Net (expense)/revenue										
Governmental activities	\$ (13,488)	\$ (21,954)	\$ (16,981)	\$ (25,190)	\$ (24,134)	\$ (23,267)	\$ (27,040)	\$ (21,852)	\$ (19,756)	\$ (23,020)
Business-type activities	2,450	(668)	6,834	(632)	404	(1,219)	(194)	(245)	(412)	(520)
Total government net expense	<u>\$ (11,038)</u>	<u>\$ (22,622)</u>	<u>\$ (10,147)</u>	<u>\$ (25,822)</u>	<u>\$ (23,730)</u>	<u>\$ (24,486)</u>	<u>\$ (27,234)</u>	<u>\$ (22,097)</u>	<u>\$ (20,168)</u>	<u>\$ (23,540)</u>

CITY OF OVIEDO, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 8,154	\$ 9,308	\$ 11,612	\$ 11,502	\$ 11,236	\$ 10,251	\$ 9,580	\$ 9,125	\$ 9,217	\$ 9,463
Franchise and utility taxes	5,624	6,310	6,564	6,979	7,229	7,689	7,031	6,609	6,773	6,952
Unrestricted intergovernmental revenues	5,240	5,334	5,442	4,916	4,480	4,554	4,619	3,978	3,702	4,187
Unrestricted investment earnings	589	980	1,464	1,182	1,132	711	365	385	141	145
Miscellaneous revenues	9	120	9	26	173	187	174	145	251	287
Gain on sale of capital assets	47	75	45	15	-	-	-	28	1,252	30
Transfers	575	100	124	12	13,526	187	206	190	167	139
Total governmental activities	<u>20,238</u>	<u>22,227</u>	<u>25,260</u>	<u>24,632</u>	<u>37,776</u>	<u>23,579</u>	<u>21,975</u>	<u>20,460</u>	<u>21,503</u>	<u>21,203</u>
Business-type activities										
Investment earnings	213	459	506	343	336	450	130	140	49	85
Miscellaneous revenues	66	70	79	102	5	1	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	26	3	1	-
Transfers	(575)	(100)	(124)	(12)	(13,526)	(187)	(206)	(190)	(167)	(139)
Total business-type activities	<u>(296)</u>	<u>429</u>	<u>461</u>	<u>433</u>	<u>(13,185)</u>	<u>264</u>	<u>(50)</u>	<u>(47)</u>	<u>(117)</u>	<u>(54)</u>
Total government	<u>\$ 19,942</u>	<u>\$ 22,656</u>	<u>\$ 25,721</u>	<u>\$ 25,065</u>	<u>\$ 24,591</u>	<u>\$ 23,843</u>	<u>\$ 21,925</u>	<u>\$ 20,413</u>	<u>\$ 21,386</u>	<u>\$ 21,149</u>
Change in Net Position										
Governmental activities	\$ 6,750	\$ 273	\$ 8,279	\$ (558)	\$ 13,642	\$ 312	\$ (5,065)	\$ (1,392)	\$ 1,747	\$ (1,817)
Business-type activities	2,154	(239)	7,295	(199)	(12,781)	(955)	(244)	(292)	(529)	(574)
Total government	<u>\$ 8,904</u>	<u>\$ 34</u>	<u>\$ 15,574</u>	<u>\$ (757)</u>	<u>\$ 861</u>	<u>\$ (643)</u>	<u>\$ (5,309)</u>	<u>\$ (1,684)</u>	<u>\$ 1,218</u>	<u>\$ (2,391)</u>

Table 3

CITY OF OVIEDO, FLORIDA
Governmental Activities Tax Revenue by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Property Tax	\$ 8,154	\$ 9,308	\$ 11,612	\$ 11,502	\$ 11,236	\$ 10,251	\$ 9,580	\$ 9,125	\$ 9,217	\$ 9,463
Utility Tax										
Electricity	1,702	2,020	2,073	2,115	2,223	2,558	2,383	2,232	2,379	2,542
Water	314	367	399	412	435	436	530	519	492	485
Gas	40	50	58	60	51	51	50	59	42	47
Telecommunications	1,577	1,507	1,558	1,777	1,648	1,654	1,538	1,490	1,473	1,326
Total	3,633	3,944	4,088	4,364	4,357	4,699	4,501	4,300	4,386	4,400
Franchise Fees	1,991	2,366	2,476	*	*	*	*	*	*	*
Total Tax Revenue by Source	\$ 13,778	\$ 15,618	\$ 18,176	\$ 15,866	\$ 15,593	\$ 14,950	\$ 14,081	\$ 13,425	\$ 13,603	\$ 13,863
Taxes included in Unrestricted Intergovernmental Revenues										
Sales Tax	\$ 3,731	\$ 3,765	\$ 3,798	\$ 3,473	\$ 2,970	\$ 2,917	\$ 2,932	\$ 2,241	\$ 2,033	\$ 2,356
State Revenue Sharing	854	976	1,115	966	720	710	746	779	864	955
Other	12	13	87	17	23	19	23	20	8	25
Total	\$ 4,597	\$ 4,754	\$ 5,000	\$ 4,456	\$ 3,713	\$ 3,646	\$ 3,701	\$ 3,040	\$ 2,905	\$ 3,336

* Pursuant to Florida Statutes, Section 218.33, reporting entities are to utilize the Uniform Accounting System Manual, which reclassified Franchise Fees from Taxes to Licenses and Permits effective Fiscal Year 2008.

Table 4

CITY OF OVIEDO, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011*	2012*	2013*	2014*
General fund										
Reserved	\$ 751	\$ 219	\$ 591	\$ 155	\$ 168	\$ 241	\$ -	\$ -	\$ -	\$ -
Unreserved	3,058	4,122	3,562	3,897	3,831	3,614	-	-	-	-
Total General Fund	<u>\$ 3,809</u>	<u>\$ 4,341</u>	<u>\$ 4,153</u>	<u>\$ 4,052</u>	<u>\$ 3,999</u>	<u>\$ 3,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds										
Reserved	\$ 19,049	\$ 11,432	\$ 19,048	\$ 11,154	\$ 8,309	\$ 9,360	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,867	2,145	1,747	2,980	8,084	9,360	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	851	2,704	2,772	3,641	4,536	5,278	-	-	-	-
Total all other governmental	<u>\$ 22,767</u>	<u>\$ 16,281</u>	<u>\$ 23,567</u>	<u>\$ 17,775</u>	<u>\$ 20,929</u>	<u>\$ 23,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Implemental of GASB Statement No. 54

General fund										
Nonspendable							\$ 84	\$ 56	\$ 116	\$ 113
Restricted							34	47	26	26
Assigned							193	-	100	286
Unassigned							3,380	2,914	3,173	3,832
Total general fund							<u>\$ 3,691</u>	<u>\$ 3,017</u>	<u>\$ 3,415</u>	<u>\$ 4,257</u>
All other governmental funds										
Nonspendable							\$ -	\$ -	\$ 2,502	\$ 2,619
Restricted							15,402	19,478	13,088	7,059
Committed							1,345	1,474	907	1,311
Assigned							1,978	1,596	2,659	4,879
Unassigned							-	(21)	(63)	(771)
Total all other governmental							<u>\$ 18,725</u>	<u>\$ 22,527</u>	<u>\$ 19,093</u>	<u>\$ 15,097</u>

CITY OF OVIEDO, FLORIDA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes:										
Property	\$ 8,154	\$ 9,308	\$ 11,612	\$ 11,502	\$ 11,236	\$ 10,251	\$ 9,580	\$ 9,125	\$ 9,217	\$ 9,463
Franchise and utility taxes	5,624	6,310	6,564	4,364	4,357	4,699	4,501	4,300	4,385	4,400
Business receipt	-	-	-	136	140	152	155	134	140	138
Licenses and permits	1,098	952	1,372	3,658	3,260	3,616	3,191	3,011	3,219	2,711
Intergovernmental	12,723	8,125	7,268	6,049	5,163	6,724	5,524	5,515	5,061	5,208
Charges for services	3,003	3,342	4,072	4,024	6,061	5,889	6,207	6,259	6,506	6,473
Fines and forfeitures	115	129	179	173	200	144	146	169	154	328
Investment income	1,368	1,201	1,748	1,142	1,086	678	350	373	138	142
Service assessments	646	924	1,488	1,150	485	727	747	804	755	84
Miscellaneous	124	233	130	157	219	279	248	391	308	355
Total revenues	<u>32,855</u>	<u>30,524</u>	<u>34,433</u>	<u>32,355</u>	<u>32,207</u>	<u>33,159</u>	<u>30,649</u>	<u>30,081</u>	<u>29,883</u>	<u>29,302</u>
Expenditures										
General government	3,258	3,626	3,552	3,777	3,488	3,327	2,458	2,210	2,196	2,159
Public safety	11,411	10,523	11,727	12,508	12,492	12,735	12,771	12,978	13,391	13,265
Physical environment	3,989	6,450	6,547	8,557	7,883	7,515	11,202	7,737	8,024	6,710
Parks and recreation	2,832	3,587	3,690	3,827	3,559	3,355	3,255	3,305	3,215	3,387
Debt service:										
Principal	1,023	1,056	1,132	1,397	1,462	1,537	1,726	1,086	7,545	524
Interest	1,090	1,062	1,085	1,315	1,260	1,219	1,210	1,143	742	489
Issuance costs	-	-	-	-	-	-	38	162	106	20
Capital outlay	6,302	10,380	5,481	6,581	4,791	3,075	2,718	2,153	5,090	8,576
Total expenditures	<u>29,905</u>	<u>36,684</u>	<u>33,214</u>	<u>37,962</u>	<u>34,935</u>	<u>32,763</u>	<u>35,378</u>	<u>30,774</u>	<u>40,309</u>	<u>35,130</u>
Excess of revenues over (under) expenditures	2,950	(6,160)	1,219	(5,607)	(2,728)	396	(4,729)	(693)	(10,426)	(5,828)
Other financing sources (uses):										
Transfers in	4,441	9,722	5,741	3,743	5,322	3,553	3,664	3,360	3,083	2,599
Transfers out	(3,866)	(9,622)	(6,175)	(4,230)	(3,627)	(3,815)	(4,018)	(3,614)	(3,359)	(3,805)
Proceeds of refunding debt	-	-	5,710	-	688	-	1,300	16,886	5,951	3,849
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(17,132)	-	-
Capital leases	-	20	559	186	-	1,255	491	-	-	-
Sale of general capital assets	60	85	45	15	38	20	52	31	1,715	32
Total other financing sources (uses)	<u>635</u>	<u>205</u>	<u>5,880</u>	<u>(286)</u>	<u>2,421</u>	<u>1,013</u>	<u>1,489</u>	<u>(469)</u>	<u>7,390</u>	<u>2,675</u>
Net change in fund balance	<u>\$ 3,585</u>	<u>\$ (5,955)</u>	<u>\$ 7,099</u>	<u>\$ (5,893)</u>	<u>\$ (307)</u>	<u>\$ 1,409</u>	<u>\$ (3,240)</u>	<u>\$ (1,162)</u>	<u>\$ (3,036)</u>	<u>\$ (3,153)</u>
Debt service as a percentage of noncapital expenditures	9.83%	8.76%	8.69%	9.46% *	9.93% *	9.28%	9.00%	7.83%	23.60%	3.82%

* Fiscal years 2008 & 2009 Debt Service percentages were restated

CITY OF OVIEDO, FLORIDA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Centrally Assessed and Real Property		Personal Property		Real and Personal Property Exemptions	Total Direct Tax Rate	Total		Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			Assessed Value	Estimated Actual Value	
2005	1,858,834	1,879,509	103,692	104,845	478,900	5.6973 (1)	1,483,626	1,984,354	74.77%
2006	2,196,507	2,259,781	110,379	113,559	601,551	5.6525 (1)	1,705,335	2,373,340	71.85%
2007	3,103,705	3,082,130	121,206	120,363	1,080,996	5.5893 (1)	2,143,915	3,202,493	66.95%
2008	3,487,805	3,618,055	126,775	131,509	1,173,490	4.8714 (1)	2,441,090	3,749,564	65.10%
2009	3,249,378	3,346,424	130,011	133,894	1,099,806	5.0942 (1)	2,279,583	3,480,318	65.50%
2010	2,762,173	2,804,237	139,120	141,239	830,209	5.1358 (1)	2,071,084	2,945,476	70.31%
2011	2,366,645	2,402,685	137,700	139,797	566,085	5.1536 (1)	1,938,260	2,542,482	76.23%
2012	2,278,882	2,313,586	107,910	109,553	555,145	5.1697 (1)	1,831,647	2,423,139	75.59%
2013	2,292,404	2,327,314	106,378	107,998	547,729	5.1697	1,851,053	2,435,312	76.01%
2014	2,351,744	2,387,557	107,383	109,018	553,214	5.1367	1,905,913	2,496,575	76.34%

Notes:

(1) The Total Direct Tax Rate was updated to reflect the total direct rate presented in the schedule of Direct and Overlapping Property Tax Rates on Table 7.

Source: Seminole County Property Appraiser

CITY OF OVIEDO, FLORIDA
Direct and Overlapping Property Tax Rates (1)
Last Ten Fiscal Years
(Amounts Expressed in Millage)
(Tax Levies per \$1,000 of Assessed Valuation)

Fiscal Year	City of Oviedo			Seminole County			Seminole County School Board			Other (2)	Total
	Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total		
2005	5.3350	0.3623	5.6973	4.9989	0.1721	5.1710	8.1270	0.3850	8.5120	0.4620	19.8423
2006	5.3350	0.3175	5.6525	4.9989	0.2041	5.2030	7.9650	0.0000	7.9650	0.4620	19.2825
2007	5.3350	0.2543	5.5893	4.9989	0.1451	5.1440	7.7530	0.0000	7.7530	0.4620	18.9483
2008	4.6545	0.2169	4.8714	4.3578	0.1451	4.5029	7.4130	0.0000	7.4130	0.4158	17.2031
2009	4.8626	0.2316	5.0942	4.5153	0.1451	4.6604	7.5430	0.0000	7.5430	0.4158	17.7134
2010 (3)	4.8626	0.2732	5.1358	4.9000	0.1451	5.0451	7.7230	0.0000	7.7230	0.4158	18.3197
2011 (3)	4.8626	0.2910	5.1536	4.8751	0.1700	5.0451	7.8010	0.0000	7.8010	0.4158	18.4155
2012	4.8626	0.3071	5.1697	4.8751	0.1700	5.0451	7.7220	0.0000	7.7220	0.3313	18.2681
2013	4.8626	0.3071	5.1697	4.8751	0.1700	5.0451	7.5530	0.0000	7.5530	0.3313	18.0991
2014	4.8626	0.2741	5.1367	4.8751	0.0000	4.8751	8.3610	0.0000	8.3610	0.3283	18.7011

Notes:

- (1) Property tax rates for the fiscal year are based on the prior years millage rates.
(2) Represents amounts assessed by St. Johns River Water Management District.
(3) Fiscal years 2010 and 2011 have been restated.

Source: Seminole County Property Appraiser

Table 8

CITY OF OVIEDO, FLORIDA
Principal Property Taxpayers
Current Year and Nine Years Ago
(Amounts Expressed in Thousands)

Taxpayer	2014			2005		
	Assessed	Rank	Total Taxable	Assessed	Rank	Total Taxable
Oviedo Grove Apartments LP	\$ 19,821	1	1.04%	\$ 14,474	4	0.98%
Duke Energy (1)	16,209	2	0.85%			
WRI - TC Alafaya Square, LLC	16,029	3	0.84%			
United Dominion Realty Trust, Inc.	14,367	4	0.75%	12,083	6	0.81%
Oviedo Town Center, LLC	10,570	5	0.55%			
Oviedo Fund LLC	9,565	6	0.50%			
Riverside Landings Inv, LLC	7,181	7	0.38%	10,169	9	0.69%
AEJ Oviedo LLC	7,061	8	0.37%			
Bellsouth Telecommunications	7,020	9	0.37%	10,524	7	0.71%
Gemini Town Center	7,014	10	0.37%			
The Rouse-Orlando Inc.				63,266	1	4.26%
Woolbright Alafaya Ltd				14,863	2	1.00%
Alafaya Utilities Inc.				14,747	3	0.99%
Florida Power Corporation				14,162	5	0.95%
Dillard Department Stores, Inc				10,224	8	0.69%
Tuscawilla Bend						
Burdines, Inc.				10,089	10	0.68%
Total	\$ 114,837		6.03%	\$ 174,601		11.77%

Notes:

(1) Formerly Progress Energy of Florida

Source: Seminole County Property Appraiser

Table 9

CITY OF OVIEDO, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 8,452,662	\$ 8,115,402	96.01%	\$ 38,330	\$ 8,153,732	96.46%
2006	9,639,409	9,260,580	96.07%	46,994	9,307,574	96.56%
2007 (1)	11,982,983	11,596,114	96.77%	15,589	11,611,703	96.90%
2008	11,891,771	11,427,337	96.09%	74,651	11,501,988	96.72%
2009	11,630,433	11,213,040	96.41%	24,591	11,237,631	96.62%
2010	10,636,640	10,228,721	96.16%	24,014	10,252,735	96.39%
2011	9,988,987	9,596,798	96.07%	45,477	9,642,275	96.53%
2012	9,469,036	9,116,787	96.28%	8,094	9,124,881	96.37%
2013	9,573,137	9,209,778	96.20%	7,452	9,217,229	96.28%
2014	9,795,722	9,367,013	95.62%	95,906	9,462,919	96.60%

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Outstanding Delinquent Taxes (3)	% of Delinquent Taxes to Total Levy
2005	\$ 8,452,662	\$ 1,290,345	15.27%
2006	9,639,409	1,420,834	14.74%
2007	11,982,983	1,552,539	12.96%
2008	11,891,771	1,691,188	14.22%
2009	11,630,433	1,784,630	15.34%
2010	10,636,640	1,869,605	17.58%
2011	9,988,987	1,884,482	18.87%
2012 (2)	9,469,036	1,857,357	19.62%
2013	9,573,137	1,823,482	19.05%
2014	9,795,722	1,763,483	18.00%

Notes:

(1) Fiscal year 2012 has been restated.

(2) Fiscal year 2012 has been restated.

(3) The outstanding delinquent taxes represent the past five years of uncollected tax levies.

Source: Seminole County Tax Collector and City of Oviedo Finance

CITY OF OVIEDO, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands, except Per Capita)

Fiscal Year Ended September 30,	Governmental Activities (3)			Business-Type Activities (3)			Total Primary Government	Percentage of Personal Income (4)	Per Capita
	Public Improvement Revenue Bonds/Notes	General Obligation Bonds	Capital Leases	Utility Revenue Bonds/Notes	Capital Leases	SRF Loan			
2005	15,900	8,628 (2)	251	14,583 (2)	769	2,152	42,427	4.09%	1,378
2006	15,095	8,449 (2)	206	14,270 (2)	705	2,255	40,980	3.59%	1,283
2007	19,980	8,278 (2)	648	13,941 (2)	785	2,765	46,397	3.64%	1,412
2008	18,989 (2)	8,078 (2)	630	17,254 (2)	687	3,374	49,012	3.58%	1,466 (1)
2009	18,637 (2)	7,884 (2)	521	16,770 (2)	496	3,219	47,527	3.50%	1,417
2010	17,522 (2)	7,685 (2)	1,553	52,266 (2)	2,885	3,067	84,978	6.00%	2,551
2011	17,618 (2)	7,481 (2)	1,725	51,742 (2)	2,600	2,912	84,078	5.85%	2,475
2012	16,886	7,266 (2)	1,332	50,682 (2)	2,300	2,859	81,325	5.75%	2,352
2013	15,708	7,122 (2)	1,062	49,590 (2)	1,990	3,325	78,797	5.34%	2,254
2014	19,309	7,114	795	49,517	1,669	4,699	83,103	5.33%	2,292

Notes:

- (1) Restated in Fiscal Year 2009
- (2) Restated in Fiscal Year 2014 to report debt amounts net of any discounts and premiums.
- (3) Additional details regarding the city's outstanding debt can be found in the notes to the financial statements.
- (4) See Demographic and Economic Statistics for personal income and population data.

SOURCE: City of Oviedo Public Improvement Debt-Master

CITY OF OVIEDO, FLORIDA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Dollars in Thousands, except Per Capita)

Fiscal Year	General Obligation Bonds		Total	Percentage of Actual Taxable Value of Property		Per Capita
2005	8,628	(2)	8,655	0.44%		281
2006	8,449	(2)	8,470	0.36%		265
2007	8,278	(2)	8,278	0.26%	(1)	252
2008	8,078	(2)	8,078	0.22%	(1)	242
2009	7,884	(2)	7,884	0.23%	(1)	235
2010	7,685	(2)	7,685	0.26%	(1)	231
2011	7,481	(2)	7,481	0.29%		220
2012	7,266	(2)	7,266	0.30%		210
2013	7,122	(2)	7,122	0.29%		204
2014	7,114		7,114	0.28%		196

Notes:

(1) Restated in Fiscal Year 2011

(2) Restated in Fiscal Year 2014 to report debt amounts net of any discounts and premiums.

SOURCE: City of Oviedo Public Improvement Debt-Master

CITY OF OVIEDO, FLORIDA
Computation of Direct and Overlapping Bonded Debt
September 30, 2014

Jurisdiction	Long-Term Debt Outstanding	Percentage Applicable to City of Oviedo	Amount Applicable to City of Oviedo
Direct:			
(1) City of Oviedo	\$ 27,218	100.00%	\$ 27,218
Overlapping:			
(2) Seminole County	-	0.00%	-
Total overlapping general obligation bonded debt	-		-
Total	\$ 27,218		\$ 27,218

Sources:

- (1) City of Oviedo Finance Department
- (2) Seminole County Finance Department. The percentage of overlapping debt applicable to the City of Oviedo is estimated using the population of the City of Oviedo to Seminole County. As of the date of this report, the overlapping debt amount was not available from Seminole County.

**CITY OF OVIEDO, FLORIDA
Computation of Legal Debt Margin*
September 30, 2014**

Assessed valuations:		
Assessed value		\$ 1,905,913,000
Add back exempt real property		553,214,000
Total assessed value		<u>\$ 2,459,127,000</u>
Legal debt margin:		
Debt limitation - 3% of assessed value		<u>\$ 73,773,810</u>
Debt applicable to limitation:		
Total bonded debt	\$ 26,423,000	
Less: Public Improvement Revenue Bonds	<u>(19,309,000)</u>	
Total debt applicable to limitation		<u>\$ 7,114,000</u>

* The City of Oviedo does not have a legal debt margin - 3% is the City's policy.

SOURCE: Seminole County Property Appraiser and City of Oviedo - Finance Department

CITY OF OVIEDO, FLORIDA
Pledged-Revenue Category
Last Ten Fiscal Years

General Government							
<u>Public Improvement Revenue Bonds/Notes</u>				<u>Capital Improvement Revenue Bonds/Notes</u>			
Fiscal Year	Utility Service Taxes	Maximum Annual Debt Service	Coverage	Fiscal Year	Electric Franchise Fees & Half-Cent Sales Tax	Maximum Annual Debt Service	Coverage
2005	\$ 3,632,363	\$ 1,266,280	2.87	2005	\$ 2,225,266	\$ 224,430	9.92
2006	3,944,366	1,266,280	3.11	2006	2,446,729	224,430	10.90
2007	4,088,785	1,261,330	3.24	2007	2,249,601	657,039	3.42
2008	4,364,425	1,233,770	3.54	2008	2,104,240	657,039	3.20
2009	4,356,852	1,233,770	3.53	2009	1,843,028	657,039	2.81
2010	4,698,721	1,233,770	3.81	2010	1,797,094	657,039	2.74
2011	4,501,078	1,232,760	3.65	2011	1,831,939	657,039	2.79
2012	(5) 4,299,870	1,144,649	3.76	2012	(6) 4,027,444	(9) 745,006	5.41
2013	4,385,344	1,144,649	3.83	2013	4,050,361	746,097	5.43
2014	4,400,316	1,505,608	2.92	2014	4,505,268	738,691	6.10
<u>Capital Improvement Revenue Note, Series 2009</u>							
				Year	Franchise Fees	Debt Service Annual Debt	Coverage
				2009	\$ 2,322,719	\$ 68,212	34.05
				2010	2,416,073	68,212	35.42
				2011	2,185,142	68,212	32.03
				2012	(6) -	-	-
<u>Utility Revenue Bonds/Notes</u>							
Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	System Development Charges (3)	Total Pledged Revenues	Annual Debt Service	Coverage by Net Revenues	Coverage by Pledged Revenues
2005	\$ 6,634,507	\$ 3,351,990	\$ 644,213	\$ 3,926,730	\$ 771,513	4.25	5.09
2006	(4) 6,364,004	4,188,480	370,599	2,546,122	916,384	2.37	2.78
2007	(4) 6,761,643	4,663,997	515,607	2,613,253	914,429	2.29	2.86
2008	(4) 7,470,336	5,441,240	457,851	2,486,947	1,130,377	1.80	2.20
2009	(4) 7,592,121	5,073,832	391,821	2,872,614	1,190,044	2.12	2.41
2010	7,851,710	4,882,903	182,467	(8) 3,141,526	1,268,697	2.34	2.48
2011	(7) 13,949,977	6,449,660	96,294	(8) 7,596,611	3,092,305	2.43	2.46
2012	13,966,585	6,474,093	300,931	(8) 7,793,423	3,610,808	2.08	2.16
2013	13,984,595	6,397,423	83,243	7,670,415	3,608,329	2.10	2.13
2014	14,001,317	7,179,605	814,576	7,636,288	2,783,972	2.45	2.74

Notes:

- (1) Gross revenue of the System is computed per bond resolution requirements, and is equivalent to revenue recognized under generally accepted accounting principles (GAAP). The bond resolution defines the System as collectively, the Water System, the Sewer System, the Reuse System and the Stormwater System.
- (2) "Direct operating expense" of the system is computed per bond resolution requirements, and is equal to expenses recognized under GAAP (less interest, depreciation, and amortization expense), losses on disposal of fixed assets, and non-recurring transfers out.
- (3) Reflects the minimum of: 1) the System Development Charges collected; or ii) the annual Bond Service Requirement on the the Outstanding and Additional Bonds multiplied by the respective Water and Sewer Expansion Percentage.
- (4) Restated in Fiscal Year 2010.
- (5) Public Improvement Revenue Bonds and Capital Improvement Revenue Bonds/Notes were refinanced in Fiscal Year 2012.
- (6) During FY12 refinance, Capital Improvement Revenue Note, Series 2009 was included with the Capital Revenue Improvement Bonds/Notes.
- (7) Restated in Fiscal Year 2012
- (8) System Development Charges were restated in Fiscal Year 2013
- (9) Restated amount in Fiscal Year 2013 to include electric franchise fees.

CITY OF OVIEDO, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	Median Age	School Enrollment (2)	Unemployment Rate
2005	30,800	1,037,221	33,676 (4)	32.8 (1)	9,212	3.3% (3)
2006	31,946	1,140,983	35,716 (4)	32.8 (1)	9,030	2.9% (3)
2007	32,855	1,276,022	38,838 (4)	32.8 (1)	8,673	3.7% (3)
2008	33,431	1,368,866	40,946 (5)	34.7 (1)	8,198	4.9% (3)
2009	33,529	1,415,695	42,223 (5)	36.3 (1)	7,924	8.3% (3)
2010	33,316	1,447,214	43,439 (5)	35.6 (1)	7,836	8.7% (3)
2011	33,969	1,438,247	42,340 (5)	36.3 (1)	7,795	7.9% (3)
2012	34,573	1,414,520	40,914 (5)	35.3 (1)	7,743	8.9% (3)
2013	34,965	1,475,208	42,191 (5)	36.4 (1)	7,739	5.7% (6)
2014	36,251	1,558,285	42,986 (5)	39.0 (7)	7,676	5.1% (3)

(1) Source: Metro Orlando Economic Development Commission/Bureau of Economic and Business Research, University of Florida

(2) Source: District School Board of Seminole County Comprehensive Annual Financial Report

(3) Source: U.S. Dept of Labor, Bureau of Labor Statistics

(4) Source: U.S. Department of Commerce for Seminole County and Annual City of Oviedo Estimates.

(5) Source: Bureau of Economic Analysis; Seminole County

(6) Source: Metro Orlando Economic Development Commission; Seminole County

(7) Source: US Census Bureau (based on population estimates for Seminole County as of June 2014)

CITY OF OVIEDO, FLORIDA
Principal Employers
Current Year and Nine Years Ago

Employer	2014			2005		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees	Rank	Percentage of Total City Employment
Seminole County School System	704	(3) 1	5.00%	*	*	*
Publix Super Markets	481	2	3.42%	*	*	*
City of Oviedo	310	3	2.20%	*	*	*
CKS Masonry & Concrete, Inc.	177	4	1.26%	*	*	*
A Duda & Sons, Inc	125	5	0.89%	*	*	*
First Baptist Church	125	5	0.89%	*	*	*
Swell Construction	117	6	0.83%	*	*	*
Miller's Ale House	99	7	0.70%	*	*	*
Macy's	96	8	0.68%	*	*	*
Dillard Department Stores, Inc.	81	9	0.58%	*	*	*
Winn Dixie Stores, Inc.	79	10	0.56%	*	*	*
	<u>2,394</u>		<u>17.01%</u>			

(1) Based on Employment and Security ES-202 Reports as provided by Littlejohn Engineering Associates, Inc. and a survey of major local businesses

(2) Based on total employees for all businesses in Oviedo as provided by Orlando Economic Development Commission

(3) Includes permanently assigned employees at Evans, Lawton, Partin & Stenstrom Elementary Schools and Chiles & Jackson Heights Middle Schools and Oviedo High School

* Data not available

CITY OF OVIEDO, FLORIDA
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of September 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	81	94	103	101	100	74	59	56	61	62
Public Safety:										
Police										
Officers	58	60	63	64	63	63	62	62	63	67
Civilians	19	20	20	19	19	17	17	11	9	6
Fire										
Firefighters and officers	50	50	50	50	50	51	50	52	52	53
Civilians	1	1	1	1	1	1	1	1	1	1
Building	3	3	4	4	4	4	4	4	4	4
Public Works	37	37	39	38	37	34	37	38	36	36
Parks and Recreation (1)	72	71	70	67	59	57	56	56	54	57
Total (2)	<u>320</u>	<u>336</u>	<u>350</u>	<u>344</u>	<u>333</u>	<u>301</u>	<u>286</u>	<u>280</u>	<u>279</u>	<u>285</u>

Notes:

(1) Includes seasonal and temporary employees

(2) Fiscal years 2004-2012 were amended to correspond with the Full-time equivalent employees per function as stated in the Annual Budget Books.

Source: Annual budget books - Position Authorization Summaries

CITY OF OVIEDO, FLORIDA
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police										
Traffic and parking violations	9,555	3,618	5,187	4,735	4,669	3,618	4,616	3,367	5,127	4,710
Physical arrests	774	1,051	1,144	881	977	1,051	937	676	640	772
Complaints	30,239	32,486	39,872	42,424	52,554	32,486	46,883	44,431	45,519	41,489
Fire										
Construction inspections	936	1,258	1,323	955	1,249	1,652	1,198	367	385	196
Hydrant inspections	2,000	516	1,000	1,300	800	1,128	1,140	1,140	1,140	500
Number of emergency calls answered	3,973	4,032	3,993	3,971	4,228	3,919	3,894	4,076	4,113	3,728
Medical Transports	1,152	1,215	1,302	1,575	1,427	1,418	1,443	1,493	1,541	1,453
Highways and streets										
Streets paved (miles)	-	-	0.3	-	6.2	6.2***	6.11	6.54	3.80	2.75
Streets resurfaced (tons/asphalt)	*	4,100	12,000	7,547	4,782	6,150	4,926	5,223.50	3,754	2,284
Sidewalks/bike paths built or repaired (square feet)	*	56,450	-	72,171	54,585	131,395	75,330	22,275	75,130	57,642
Parks and recreation										
Sports Complex ball games	2,560	2,560	2,610	2,422	2,395	2,346	2,359	1,985	1,838	1,854
Field Rentals	10	31	39	45	31	59	57	89	40	45
Swimming Pool Passes	303	312	382	376	393	393	379	298	269	177
Water										
New connections	407	190	292	172	99	317	32	206	21	393
Number of customers	11,226	11,416	11,708	11,880	11,979	12,296	12,328	12,534	12,555	12,948
Water main breaks	*	3	1	1	1	2.00	1.00	-	2	1
Average daily consumption (millions of gallons)	3.72	4.16	3.86	4.04	3.71	3.55	4.00	3.80	3.45	3.39
Average daily production (millions of gallons)	4.05	4.66	4.59	4.47	4.00	3.68	4.17	3.80	3.95	4.30
Meter reads	134,712	136,992	140,496	142,560	143,747	149,052	150,628	153,190	150,658	155,376
General Government										
Employment applications received	1,486	1,177	1,165	1,660	664	851	1,328	938	1,172	1,221
Personnel Action Forms processed	*	607	635	555	422	394	281	417	406	396
Legal Notices published	35	56	62	75	74	67	61	51	66	46
Business Tax Receipts issued	4,270	4,400	4,291	4,200	4,081	4,119	4,310	3,947	4,098	4,252
Insurance Claims Submitted	54	33	21	43	49**	47	30	20	34	33
Permits issued	6,897	4,269	4,035	3,082	2,727	2,952	3,071	2,726	3,098	2,312
Number of general ledger transactions posted	163,954	163,153	183,208	168,280	177,685	186,569	176,335	210,509	146,654	145,491
A/P Checks issued	7,602	9,585	10,103	6,388	5,583	5,385	5,252	5,073	6,035	5,563
Purchase orders/FPO's processed	4,393	6,775	6,857	4,255	3,142	3,322	3,011	2,908	2,497	2,264

Notes:

- * Information not available
** Restated 09/30/2010
*** Restated 09/30/2011

CITY OF OVIEDO, FLORIDA
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicle patrol units	41	41	42	42	49	42	41	39	38	39
Motorcycle patrol units	4	4	4	4	4	4	4	4	4	4
Bicycle patrol units	13	15	18	18	19	18	21	14	14	14
Fire stations	3	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets maintained - paved (miles)	113.12	114.98	130.00	115.28	115.28	116.78	117.00	117.30	117.90	117.90
Streets maintained - unpaved (miles)	7.89	7.89	8.00	7.89	7.89	7.39	7.19	6.90	6.90	6.90
Traffic Signals	19	20	20	20	20	23	23	25	26	25
Culture and recreation										
Park acreage	330	353	353	387	482	482	482	482	482	482
Parks	11	11	11	12	12	12	12	12	12	12
Tennis courts	8	8	8	8	8	8	8	8	8	8
Community centers	3	2	2	2	2	2	2	3	3	3
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Water										
Water plants	2	3	2	2	2	1	1	1	1	1
Water mains (miles)	133	133	137	175	160	175	175	176	176	180
Fire hydrants	*	1,000	1,124	1,125	1,124	1,124	1,124	1,126	1,126	1,300
Maximum daily capacity (millions of gallons)	10.48	20.48	17.24	17.24	17.24	10.00	10.00	10.00	10.00	10.00
Sewer										
Wastewater plants	-	-	-	-	-	1	1	1	1	1
Sanitary sewers (miles)	29.12	29.33	31.20	32.30	32.30	106.00	108.00	110.00	110.00	121.00
Sanitary lift stations	*	*	*	*	*	64	65	66	66	67
Reclaim										
Reclaim lines (miles)	*	*	16.52	26.00	26.00	53.30	53.30	57.80	57.80	61.00

Notes:

* Information not available

Other Supplemental Schedules

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Table 20

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Summary of Capital Improvement Funding Plan (\$000s)
 September 30, 2014

	Fiscal Year Ending September 30,											
	2014 [1]	2015 [2]	2016 [2]	2017 [2]	2018 [2]	2019 [2]	2020 [2]	2021 [2]	2022 [2]	2023 [2]	2024 [2]	Total
Capital Projects:												
Water System	\$ 808,800	\$ 1,240,833	\$ 872,750	\$ 446,250	\$ 677,250	\$ 526,250	\$ 1,705,275	\$ 1,622,350	\$ 1,696,750	\$ 389,250	\$ 416,750	\$ 10,402,508
Sewer System [3]	-	783,077	365,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	1,668,077
Reclaim System	-	-	-	-	-	-	305,000	265,000	2,383,859	1,620,905	2,608,842	7,183,606
Alafaya System	1,131,219	1,832,035	505,000	227,500	245,250	82,500	140,000	87,500	90,000	92,500	95,000	4,528,504
Stormwater System	650,000	672,523	160,000	1,300,000	560,000	55,213	197,188	10,000	175,000	-	-	3,779,924
Total Utility System												
Capital Projects	<u>\$ 2,590,019</u>	<u>\$ 4,528,468</u>	<u>\$ 1,902,750</u>	<u>\$ 2,038,750</u>	<u>\$ 1,547,500</u>	<u>\$ 728,963</u>	<u>\$ 2,412,463</u>	<u>\$ 2,049,850</u>	<u>\$ 4,410,609</u>	<u>\$ 2,167,655</u>	<u>\$ 3,185,592</u>	<u>\$ 27,562,619</u>
Funding Sources:												
System Development												
Charges	\$ 885,969	\$ 508,416	\$ 640,000	\$ 1,300,000	\$ 560,000	\$ 124,213	\$ 1,432,713	\$ 1,098,100	\$ 1,375,000	\$ -	\$ -	\$ 7,924,411
Fund Equity (Available												
Reserves or Unfunded)	650,000	693,101	100,000	100,000	100,000	100,000	100,000	365,000	2,483,859	1,720,905	2,708,842	9,121,707
Renewal and Replacement												
Fund	628,300	1,428,750	1,141,750	566,750	587,000	426,750	486,750	436,750	441,750	446,750	451,750	7,043,050
Outstanding Bonds -												
Previously Issued Debt	-	-	-	-	-	-	-	-	-	-	-	-
Series 2010 Bonds	400,250	1,261,215	-	-	-	-	-	-	-	-	-	1,661,465
Bank of America Lease	-	-	-	-	-	-	-	-	-	-	-	-
SRF Loan WW59020 -												
Additional Debt	-	-	-	-	-	-	305,000	-	-	-	-	305,000
2007 Utility Revenue Note	-	83,236	-	-	-	-	-	-	-	-	-	83,236
SJRWMD Cost Share	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Replacement Fund	25,500	553,750	21,000	72,000	300,500	78,000	88,000	150,000	110,000	-	25,000	1,423,750
Total Funding Sources	<u>\$ 2,590,019</u>	<u>\$ 4,528,468</u>	<u>\$ 1,902,750</u>	<u>\$ 2,038,750</u>	<u>\$ 1,547,500</u>	<u>\$ 728,963</u>	<u>\$ 2,412,463</u>	<u>\$ 2,049,850</u>	<u>\$ 4,410,609</u>	<u>\$ 2,167,655</u>	<u>\$ 3,185,592</u>	<u>\$ 27,562,619</u>

Notes:

[1] Source: City of Oviedo; FY 2013/14 Adopted Budget Book

[2] Source: City of Oviedo; FY 2014/15 Adopted Budget Book

[3] A majority of the Oviedo Sewer System was recently refurbished and has been re-routed to the Alafaya Sewer System.

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Existing Water System Rates [1]
 September 30, 2014

Description	Current City Rates
<u>Residential Water:</u>	
Monthly Base Charge per Dwelling Unit	\$ 10.30
<u>Usage Charge per Thousand Gallons</u>	
Block 1 (0 -3,000 Gallons)	\$ 0.85
Block 2 (3,001 -10,000 Gallons)	\$ 1.90
Block 3 (10,001 -15,000 Gallons)	\$ 3.58
Block 4 (15,001 -30,000 Gallons)	\$ 5.09
Block 5 (Above 30,000 Gallons)	\$ 5.98
<u>Commercial Water:</u>	
<u>Monthly Base Charge per Account</u>	
5/8" Meter	\$ 10.30
1" Meter	\$ 25.76
1 1/2" Meter	\$ 51.53
2" Meter	\$ 82.43
3" Meter	\$ 154.57
4" Meter	\$ 257.61
6" Meter	\$ 515.22
Usage Charge per Thousand Gallons	\$ 2.57
<u>Residential Irrigation (Potable Water):</u>	
Monthly Base Charge per Account	\$ 10.30
<u>Usage Charge per Thousand Gallons</u>	
Block 1 (0 -10,000 Gallons)	\$ 3.58
Block 2 (10,001 -15,000 Gallons)	\$ 5.09
Block 3 (Above 15,000 Gallons)	\$ 5.99
<u>Commercial Irrigation (Potable Water):</u>	
<u>Monthly Base Charge per Account</u>	
5/8" Meter	\$ 10.30
1" Meter	\$ 25.76
1 1/2" Meter	\$ 51.53
2" Meter	\$ 82.43
3" Meter	\$ 154.57
4" Meter	\$ 257.61
6" Meter	\$ 515.22
Usage Charge per Thousand Gallons	\$ 4.00
<u>Wholesale Water</u>	
All Usage (per Thousand Gallons)	\$ 1.35

Note:

- [1] Amounts shown are inside-City Rates. For customers located outside City limits, a 25% surcharge is added to the inside-City Rates. As of September 2014, the City reports that 0.7% of water customers are located outside the City limits (82 customers).

Source: City of Oviedo Finance Department

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Existing Sewer System Rates [1]
 September 30, 2014

Description	Service Area	
	Alafaya	City
<u>Residential Sewer:</u>		
Monthly Base Charge per Dwelling Unit	\$ 27.11	\$ 21.28
Usage Charge per Thousand Gallons		
(Up 10,000 Gallons)	\$ 3.65	\$ 3.90
<u>Commercial Sewer:</u>		
Monthly Base Charge per Account		
5/8" Meter	\$ 27.11	\$ 21.28
1" Meter	\$ 66.77	\$ 53.20
1 1/2" Meter	\$ 135.65	\$ 106.40
2" Meter	\$ 217.04	\$ 170.24
3" Meter	\$ 434.05	\$ 319.20
4" Meter	\$ 678.21	\$ 532.00
6" Meter	\$ 1,355.50	\$ 1,034.00
Usage Charge per Thousand Gallons	\$ 3.65	\$ 3.90

Note:

[1] Amounts shown are derived from Rate Resolution and reflect inside-City Rates. For customers located outside City limits, a 25% surcharge shall be added to the inside-City Rates.

Source: City of Oviedo Finance Department

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Existing Reclaimed/Alternative Water Rates [1]
 September 30, 2014

Description	Current City Rates
<u>Residential Reclaimed/Alternative Water:</u>	
Monthly Base Charge per Account	\$ 9.44
<u>Usage Charge per Thousand Gallons</u>	
Block 1 (0 -15,000 Gallons)	\$ 1.12
Block 2 (15,001 -30,000 Gallons)	\$ 1.68
Block 3 (Above 30,000 Gallons)	\$ 3.36
<u>Commercial Reclaimed! Alternative Water:</u>	
<u>Monthly Base Charge per Account</u>	
5/8" Meter	\$ 9.44
1" Meter	\$ 23.60
1 1/2" Meter	\$ 47.18
2" or Greater	\$ 75.51
Usage Charge per Thousand Gallons	\$ 1.12

Note:

[1] Amounts shown are derived from Rate Resolution and reflect inside-City Rates. For customers located outside City limits, a 25% surcharge shall be added to the inside-City Rates.

Source: City of Oviedo Finance Department

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Water and Sewer Rate Comparison
 September 30, 2014

Description	Service Area		
	Water	Sewer	Total
	(assuming 8,000 gal of utility service)		
City of Oviedo			
Current Rates -Existing City Utility System	\$ 22.35	\$ 52.48	\$ 74.83
Current Rates -Alafaya System	\$ 22.35	\$ 56.31	\$ 78.66
Other Florida Utilities			
City of Altamonte Springs	\$ 20.52	\$ 38.15	\$ 58.67
City of Casselberry [1]	\$ 23.03	\$ 63.55	\$ 86.58
City of Cocoa	\$ 40.38	\$ 61.46	\$ 101.84
City of Deland	\$ 27.23	\$ 65.95	\$ 93.18
City of Deltona [1]	\$ 27.27	\$ 134.35	\$ 161.62
City of Maitland	\$ 17.54	\$ 52.85	\$ 70.39
City of Melbourne [1]	\$ 44.56	\$ 66.63	\$ 111.19
City of Orlando/O.U.C.	\$ 15.30	\$ 52.32	\$ 67.62
City of Sanford [1]	\$ 25.41	\$ 48.34	\$ 73.75
City of St. Cloud	\$ 26.67	\$ 50.42	\$ 77.09
City of Titusville	\$ 36.89	\$ 69.01	\$ 105.90
City of Winter Park [1]	\$ 20.74	\$ 45.39	\$ 66.13
City of Winter Springs	\$ 16.36	\$ 46.35	\$ 62.71
Orange County	\$ 16.79	\$ 43.01	\$ 59.80
Seminole County [1]	\$ 20.39	\$ 54.43	\$ 74.82
Volusia County -Softened	\$ 44.12	\$ 52.80	\$ 96.92
Other Neighboring Utilities Average	\$ 26.45	\$ 59.06	\$ 85.51

Note:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect September 2014 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.

Source: Willdan Financial Services

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
Water System Rates
Inter-Utility Comparison of Typical Monthly Water Bills [1]

Line No.	Comparable Utility	Usage					
		5/8" Meter Residential					
		3,000 Gallons	5,000 Gallons	8,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
1	City of Oviedo, Existing City Utility	\$ 12.85	\$ 16.65	\$ 22.35	\$ 26.15	\$ 44.05	\$ 69.50
2	City of Oviedo, Alafaya System	12.85	16.65	22.35	26.15	44.05	69.50
Other Florida Utilities:							
3	City of Altamonte Springs	7.45	12.43	20.52	26.74	42.29	57.84
4	City of Casselberry	12.03	15.86	23.03	31.15	51.45	71.75
5	City of Cocoa	21.54	27.06	40.38	50.94	82.14	116.54
6	City of DeLand	17.63	21.47	27.23	35.25	61.33	91.43
7	City of Deltona	15.24	18.24	27.27	33.29	59.59	85.89
8	City of Maitland	11.42	14.48	17.54	20.60	29.78	44.06
9	City of Melbourne	21.71	30.85	44.56	53.70	76.55	99.40
10	City of Orlando / O.U.C.	9.40	11.56	15.30	18.48	26.42	35.61
11	City of Sanford	13.27	17.59	25.41	31.07	47.74	66.09
12	City of St. Cloud	16.04	19.90	26.67	31.51	49.73	72.03
13	City of Titusville	17.83	23.69	36.89	45.69	74.94	130.59
14	City of Winter Park	12.28	15.31	20.74	25.90	41.41	58.66
15	City of Winter Springs	9.71	12.37	16.36	19.02	28.67	41.47
16	Orange County	9.64	12.50	16.79	19.65	33.85	48.05
17	Seminole County	15.24	17.30	20.39	22.45	30.95	46.35
18	Volusia County - Softened	23.58	30.80	44.12	53.00	75.95	101.30
19	Average [2]	14.63	18.84	26.45	32.40	50.80	72.94
20	Minimum [2]	7.45	11.56	15.30	18.48	26.42	35.61
21	Maximum [2]	23.58	30.85	44.56	53.70	82.14	130.59
2" Meter Commercial							
		50,000 Gallons	150,000 Gallons	200,000 Gallons	500,000 Gallons		
22	City of Oviedo, Existing City Utility	\$ 210.93	\$ 467.93	\$ 596.43	\$ 1,367.43		
23	City of Oviedo, Alafaya System	210.93	467.93	596.43	1,367.43		
Other Florida Utilities:							
24	City of Altamonte Springs	155.85	476.85	637.35	1,600.35		
25	City of Casselberry	138.81	523.10	826.55	2,779.55		
26	City of Cocoa	283.67	680.63	944.63	3,222.11		
27	City of DeLand	156.08	494.38	855.68	2,661.68		
28	City of Deltona	208.80	496.80	640.80	1,504.80		
29	City of Maitland	148.38	311.38	392.88	881.88		
30	City of Melbourne	292.50	749.50	978.00	2,349.00		
31	City of Orlando / O.U.C.	98.80	252.90	329.95	792.25		
32	City of Sanford	163.67	492.03	689.53	2,315.53		
33	City of St. Cloud	190.98	432.98	553.98	1,279.98		
34	City of Titusville	268.45	635.45	818.95	1,919.95		
35	City of Winter Park	140.58	434.78	646.08	1,972.08		
36	City of Winter Springs	146.76	348.76	449.76	1,055.76		
37	Orange County	101.68	244.68	316.18	745.18		
38	Seminole County	323.90	1,290.90	1,774.40	4,675.40		
39	Volusia County - Softened	518.69	1,611.69	2,158.19	5,437.19		
40	Average [2]	208.60	592.30	813.31	2,199.54		
41	Minimum [2]	98.80	244.68	316.18	745.18		
42	Maximum [2]	518.69	1,611.69	2,158.19	5,437.19		

Notes:

[1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during September 2014, and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.

[2] Average, minimum and maximum are for comparable utilities only.

CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
Wastewater System Rates
Inter-Utility Comparison of Typical Monthly Water Bills [1]

Line No.	Comparable Utility	Usage					
5/8" Meter Residential							
		3,000 Gallons	5,000 Gallons	8,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
1	City of Oviedo, Existing City Utility	\$ 32.98	\$ 40.78	\$ 52.48	\$ 60.28	\$ 60.28	\$ 60.28
2	City of Oviedo, Alafaya System	38.06	45.36	56.31	63.61	63.61	63.61
Other Florida Utilities:							
3	City of Altamonte Springs	14.24	23.72	38.15	48.05	53.00	53.00
4	City of Casselberry	30.48	42.88	63.55	77.33	111.78	146.23
5	City of Cocoa	31.06	43.22	61.46	73.62	85.78	85.78
6	City of DeLand	42.90	52.12	65.95	75.17	98.22	98.22
7	City of Deltona	55.83	82.45	134.35	168.95	168.95	168.95
8	City of Maitland	29.20	38.66	52.85	62.31	85.96	109.61
9	City of Melbourne	32.38	46.08	66.63	80.33	114.58	148.83
10	City of Orlando / O.U.C.	30.77	39.39	52.32	60.94	78.18	78.18
11	City of Sanford	26.02	37.18	48.34	65.08	76.24	76.24
12	City of St. Cloud	29.37	37.79	50.42	58.84	58.84	58.84
13	City of Titusville	34.11	48.07	69.01	82.97	117.87	117.87
14	City of Winter Park	23.39	32.19	45.39	54.19	71.79	71.79
15	City of Winter Springs	24.40	33.18	46.35	55.13	55.13	55.13
16	Orange County	25.66	32.60	43.01	49.95	63.83	63.83
17	Seminole County	32.48	41.26	54.43	63.21	85.16	107.11
18	Volusia County - Softened	32.05	40.35	52.80	61.10	81.85	102.60
19	Average [2]	30.90	41.95	59.06	71.07	87.95	96.39
20	Minimum [2]	14.24	23.72	38.15	48.05	53.00	53.00
21	Maximum [2]	55.83	82.45	134.35	168.95	168.95	168.95
2" Meter Commercial							
		50,000 Gallons	150,000 Gallons	200,000 Gallons	500,000 Gallons		
22	City of Oviedo, Existing City Utility	\$ 365.24	\$ 755.24	\$ 950.24	\$ 2,120.24		
23	City of Oviedo, Alafaya System	399.54	764.54	947.04	2,042.04		
Other Florida Utilities:							
24	City of Altamonte Springs	256.98	773.98	1,032.48	2,583.48		
25	City of Casselberry	399.97	1,088.97	1,433.47	3,500.47		
26	City of Cocoa	424.12	1,032.12	1,336.12	3,160.12		
27	City of DeLand	428.22	889.22	1,119.72	2,502.72		
28	City of Deltona	823.83	2,259.83	2,977.83	7,285.83		
29	City of Maitland	356.58	829.58	1,066.08	2,485.08		
30	City of Melbourne	437.14	1,122.14	1,464.64	3,519.64		
31	City of Orlando / O.U.C.	340.38	1,021.14	1,379.36	3,421.64		
32	City of Sanford	366.57	924.57	1,203.57	2,877.57		
33	City of St. Cloud	299.72	720.72	931.22	2,194.22		
34	City of Titusville	555.33	1,390.33	1,807.83	4,312.83		
35	City of Winter Park	301.52	741.52	961.52	2,281.52		
36	City of Winter Springs	309.34	748.34	967.84	2,284.84		
37	Orange County	275.94	622.94	796.44	1,837.44		
38	Seminole County	373.98	812.98	1,032.48	2,349.48		
39	Volusia County - Softened	364.47	779.47	986.97	2,231.97		
40	Average [2]	394.63	984.87	1,281.10	3,051.80		
41	Minimum [2]	256.98	622.94	796.44	1,837.44		
42	Maximum [2]	823.83	2,259.83	2,977.83	7,285.83		

Notes:

- [1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during September 2014, and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.
- [2] Average, minimum and maximum are for comparable utilities only.

CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
System Development Charges
September 30, 2014

Description	System Development Charges		
	Water	Sewer	Combined
	(rate per ERC)		
Existing City Service [1]	\$ 2,325	\$ 3,369	\$ 5,694
Alafaya Service Area	\$ 2,325	\$ 2,403	\$ 4,728
Neighboring Utilities Average [2]	\$ 914	\$ 2,701	\$ 3,615

Notes:

- [1] The City's existing Sewer System Development Charge includes \$2,229 remitted to Seminole County for treatment and disposal capacity and \$1,140 retained by the City.
- [2] Refer to Comparison of Water and Sewer System Development Charges table below.

Source: City of Oviedo Finance Department

COMPARISON OF WATER AND SEWER SYSTEM DEVELOPMENT CHARGES [1]

Description	Residential 5/8" x 3/4" Meter		
	Water	Sewer	Combined
Other Neighboring Utilities:			
City of Altamonte Springs	\$ 600	\$ 1,855	\$ 2,455
City of Casselberry	\$ 486	\$ 2,078	\$ 2,564
City of Lake Mary	\$ 1,010	\$ 2,664 [2]	\$ 3,674
City of Longwood	\$ 1,449	\$ 4,029	\$ 5,478
City of Sanford	\$ 1,343	\$ 3,025 [2]	\$ 4,368
City of Winter Springs	\$ 595	\$ 2,556	\$ 3,151
Other Neighboring Utilities' Average	\$ 914	\$ 2,701	\$ 3,615

Notes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect September 2014 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] The City's existing Sewer System Development Charge includes \$2,229 remitted to Seminole County for treatment and disposal capacity and \$1,140 retained by the City.

Source: Willdan Financial Services

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Water System Customer and Sales Statistics
 September 30, 2014

Fiscal Year Ending September 30,	Average Annual		Billed Sales (1,000 gallons)	Average Use (Gal/Mo/ERC)
	Accounts	ERCs [1]		
2010	12,282	14,001	1,313,276	7,817
2011	12,564	14,478	1,396,543	8,038
2012	12,751	14,648	1,341,892	7,634
2013	12,952	14,764	1,303,064	7,355
2014	13,096	14,984	1,246,406	6,932
Average Annual Historical Growth Rate	1.5%	1.7%	-1.9%	-3.6%

Note:

- [1] ERC's for single-family residential accounts and non-residential services were determined by using meter equivalent factors based on information published by the American Water Works Association (AWWA) regarding meter capacities applied to the individual meter sizes for those classes of customers.

Water Production (Finished Water)

Fiscal Year Ending September 30,	Production (1,000 gal) [1] [2]	Avg Daily Flow (MGD) [2]	Percent Capacity	
			MGD [2]	Utilized
2010	1,383,553	3,791	4,674	81.1%
2011	1,377,340	3,774	4,674	80.7%
2012	1,379,802	3,780	4,674	80.9%
2013	1,363,490	3,736	4,674	79.9%
2014	1,390,382	3,809	4,674	81.5%

Notes:

- [1] Amounts adjusted for an unaccounted for or unbilled water factor of 6.00% based on recent historical trends.
- [2] Amount based on permitted capacity per the City's CUP. Amount excludes the City's potable water capacity allocation of 262,500 gallons per day from the County per the Crossing Wholesale Agreement discussed earlier. Based on historical trends, purchased water pursuant to the Crossing Wholesale Agreement is approximately 64,000 gallons per day.

Source: Willdan Financial Services

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Sewer System and Reclaimed Water System Customer and Sales Statistics
 September 30, 2014

Fiscal Year Ending September 30,	Average Annual		Billed Sales (1,000 gallons)	Average Billed (Gal/Mo/ERC)
	Accounts	ERCs [1]		
Sewer System:				
2010	1,546	2,209	138,404	5,221
2011	9,179	10,288	723,109	5,857
2012	9,326	10,471	731,176	5,819
2013	9,556	10,643	713,775	5,589
2014	9,668	10,916	704,855	5,381
Average Annual Historical Growth Rate	58.1%	49.1%	50.2%	0.8%

		Average Annual Accounts	Annual Usage (1,000 gallons)	Average Use (Gal/Mo/Acct)
Reclaimed Water System:				
2010			703	107,289
2011	[2]		2,303	463,649
2012			2,445	402,379
2013			2,617	372,625
2014			2,737	357,034
Average Annual Historical Growth Rate			40.5%	35.1%
				-3.8%

Notes:

[1] Billed sales based on metered water use; amounts shown do not include any monthly residential water usage above 10,000 gallons per unit based on the City's sewer billing cap as set forth in the Rate Resolution.

[2] The City acquired Alafaya Utilities in September 2010. Therefore, Fiscal Year 2011 reflects the addition of Alafaya Jurisdiction's accounts.

Source: Willdan Financial Services

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
Utility Enterprise System Top Ten Utility Customers
September 30, 2014

Rank	Account	Service Class	Type of Service	Rate Revenues	
				Total Annual [1]	Pct of Total [2]
Utility Enterprise System					
1	CPG Construction	Multi-Family	Water/Sewer	\$ 175,756	1.26%
2	Paradigm Properties, Inc	Multi-Family	Water/Sewer	141,927	1.01%
3	Oviedo Fund LLC	Commercial	Water/Sewer	115,163	0.82%
4	Seminole County - SR 426	Government	Water	62,557	0.45%
5	First Baptist Church Of Oviedo	Commercial	Water/Sewer	44,241	0.32%
6	Publix Supermarkets	Commercial	Water/Sewer	27,665	0.20%
7	SLP IV	Commercial	Water/Sewer	24,981	0.18%
8	Seminole County Public Schools	Government	Water/Sewer	25,494	0.18%
9	Father Flanagan's Boys Town	Commercial	Sewer	18,095	0.13%
10	Millers Ale House	Commercial	Water/Sewer	15,746	0.11%
Total				\$ 651,625	4.65%
Total Utility Enterprise System Rate Revenues				\$ 14,001,317	

Rank	Account	12-Month Usage [3]	Percent of Total	Revenue Generated	Percent of Total
Ten Largest Water Users					
1	Seminole County	44,072	3.67%	\$ 62,337	1.41%
2	CPG Construction	16,274	1.35%	52,222	1.18%
3	Oviedo Fund LLC	14,039	1.17%	52,156	1.18%
4	Paradigm Properties, Inc.	9,740	0.81%	40,613	0.92%
5	Seminole County Public Schools	5,931	0.49%	24,888	0.56%
6	SLP IV	5,330	0.44%	16,665	0.38%
7	Publix Super Markets	3,378	0.28%	11,655	0.26%
8	Millers Ale House	3,575	0.30%	9,497	0.21%
9	L.A. Fitness	1,408	0.12%	4,608	0.10%
10	EPRL Enterprises, Inc	1,272	0.11%	4,259	0.10%
Total		\$ 105,019	8.73%	\$ 278,900	6.30%
Total Water System Billed Usage		\$ 1,202,465			
Total Water System Rate Revenues				\$ 4,427,728	

Ten Largest Sewer Users					
1	CPG Construction	17,430	2.47%	\$ 123,534	2.06%
2	Paradigm Properties, Inc	10,758	1.53%	101,314	1.69%
3	Oviedo Fund LLC	8,626	1.22%	63,007	1.05%
4	SLP IV	5,715	0.81%	29,325	0.49%
5	Millers Ale House	3,924	0.56%	15,997	0.27%
6	Seminole County Public Schools	2,278	0.32%	19,353	0.32%
7	First Baptist	858	0.12%	18,155	0.30%
8	Publix Supermarkets	2,224	0.32%	13,326	0.22%
9	Father Flanagan's Boys Town	2,108	0.30%	15,746	0.26%
10	Property Management LLC	1,134	0.16%	6,911	0.12%
Total		\$ 55,055	7.81%	\$ 406,668	6.77%
Total Sewer System Billed Sales		\$ 704,855			
Total Sewer System Rate Revenues				\$ 6,006,983	

Notes:

- [1] Represents Potable Water, Sewer and Reclaimed Water.
 [2] Based on Total Utility Enterprise System Rate Revenues for the 12-month period.
 [3] Presented in 1,000 gallons.

Source: City of Oviedo Finance Department

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Stormwater System
 September 30, 2014

Fiscal Year Ending September 30,	Average Annual Accounts	Average Annual ERUs [1]
2010	11,917	17,483
2011	12,198	17,707
2012	12,538	17,768
2013	12,715	18,019
2014	12,754	18,614
Average Annual Historical Growth Rate	1.7%	1.6%

Stormwater Top Ten Customers - Fiscal Year 2014 (Based on Billed Revenues)

	Service Class	Rate Revenues	
		Total Annual [1]	Pct of Total [2]
1 Publix Supermarkets	Commercial	\$ 21,764	1.40%
2 CPG Construction	Multi-Family	20,160	1.30%
3 Oviedo Apartments on the Park LLC	Commercial	12,632	0.81%
4 MX Trax Real Estate Holdings LLC	Commercial	11,592	0.75%
5 Reformed Theological Seminary	Commercial	11,592	0.75%
6 Paradigm Properties, Inc	Commercial	10,920	0.70%
7 MPB Catholic Church	Commercial	9,660	0.62%
8 LA Fitness	Commercial	8,400	0.54%
9 Winn Dixie	Commercial	8,316	0.54%
10 Millers Ale House	Commercial	4,356	0.28%
Total		\$ 119,393	7.69%
Total Stormwater System Rate Revenues		\$ 1,552,369	

Note:

[1] Per Section 54-231, City Code of Ordinances, one Equivalent Residential Unit (ERU) for stormwater service

Source: City of Oviedo Finance Department

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Historical Operating Results and Estimated Bond Coverage
 September 30, 2014

	Fiscal Year Ended September 30, [1]				
	2010	2011	2012	2013	2014
Total Sales Revenues [2]					
Potable Water	\$ 4,254,822	\$ 4,786,280	\$ 4,600,663	\$ 4,558,032	\$ 4,427,729
Sewer	1,228,984	5,699,996	5,851,989	6,016,063	6,006,983
Reclaimed Water	245,295	870,214	880,002	828,472	844,271
Stormwater System	1,430,302	1,397,267	1,497,204	1,515,891	1,552,369
Revenue from Other Sources:					
Other Operating Revenues [3]	322,927	1,078,932	1,043,161	1,002,891	931,726
Unrestricted Interest Income [4]	396,041	80,444	93,639	37,606	70,948
Total Gross Revenues	\$ 7,878,371	\$ 13,913,133	\$ 13,966,658	\$ 13,958,955	\$ 13,834,026
Cost of Operation and Maintenance [5]					
Water, Wastewater and Reclaimed Water Systems	3,962,004	5,454,682	5,685,063	5,731,388	6,414,995
Stormwater System	968,271	994,979	802,836	854,530	884,818
Total Cost of Operation and Maintenance	\$ 4,930,275	\$ 6,449,661	\$ 6,487,899	\$ 6,585,918	\$ 7,299,813
Net Revenues	\$ 2,948,096	\$ 7,463,472	\$ 7,478,759	\$ 7,373,037	\$ 6,534,213
Total Bond Service Requirement [6]	\$ 1,268,698	\$ 3,092,305	\$ 3,610,808	\$ 3,608,331	\$ 2,783,972
Senior Lien Bond Rate Covenant Compliance: [7]					
Test (i) - Net Revenues:					
Calculated Bond Service Coverage	2.32	2.41	2.07	2.04	2.35
Minimum Requirement	1.10	1.10	1.10	1.10	1.10
OR					
Test (ii) - Net Revenues:					
Calculated Bond Service Coverage	2.32	2.41	2.07	2.04	2.35
Minimum Requirement	1.00	1.00	1.00	1.00	1.00
AND					
Net Revenues	\$ 2,948,096	\$ 7,463,472	\$ 7,478,759	\$ 7,373,037	\$ 6,534,213
System Development Charges Available for Bond Service Requirement [8]	182,467	96,294	300,931	83,243	916,609
Total Pledged Revenue	\$ 3,130,563	\$ 7,559,766	\$ 7,779,690	\$ 7,456,280	\$ 7,450,822
Calculated Debt Service Coverage	2.47	2.44	2.15	2.07	2.68
Minimum Requirement	1.25	1.25	1.25	1.25	1.25
Subordinate Debt Service – Second Lien					
Adjusted Net Revenue [9]	1,552,528	4,061,937	3,506,870	3,403,873	3,471,844
Total Subordinate Lien Debt Service [10]	275,645	217,052	237,032	236,550	296,879
Calculated Debt Service Coverage	5.63	18.71	14.79	14.39	11.69
Minimum Requirement	1.15	1.15	1.15	1.15	1.15
Less Other Required Transfers [11]	-	-	-		
Reserve Account Deposit [12]	-	-	-		
Net Revenues after Payment of Debt Service	\$ 1,403,753	\$ 4,154,115	\$ 3,630,919	\$ 3,528,156	\$ 3,453,362
Less Other Recognized Transfers [13]					
Vehicle and Information Technology Equipment Replacement Funds [14]	\$ 165,705	\$ 218,236	\$ 288,118	\$ 219,867	\$ 88,872
Other Debt – Capital Leases [15]	112,771	377,890	384,541	382,923	383,126
Administrative Indirect Allocation	698,600	1,100,583	1,303,111	1,346,799	1,397,670
Total Other Recognized Transfers	\$ 977,076	\$ 1,696,709	\$ 1,975,770	\$ 1,949,589	\$ 1,869,668
Excess of Net Revenues above Transfers [16]	\$ 426,677	\$ 2,457,405	\$ 1,655,149	\$ 1,578,567	\$ 1,583,694
Total System Development Charges Collected [17]	\$ 183,111	\$ 96,294	\$ 300,931	\$ 83,243	\$ 973,346
Net Amount Available for Other Utility System Purposes	\$ 609,788	\$ 2,553,699	\$ 1,956,080	\$ 1,661,810	\$ 2,557,040

Footnotes on following page.

Footnotes:

- [1] Amounts reflect the combination of Utility Enterprise System and Stormwater System financial results. Numbers may not add due to rounding.
- [2] Amounts shown reflect revenues derived from rates for monthly service for water, sewer, reclaimed water and stormwater service.
- [3] Amounts shown do not include revenues associated with proceeds from the sale or other disposition of the Utility System or any part thereof, condemnation awards or proceeds of issuance received with respect to the Utility System. Gross Revenues do not include Contributions in Aid of Construction, Water System Development Charges or Sewer System Development Charges. Amounts include, among other things, revenue from alternative water charges, meter installation charges, late penalty fees, reconnection fees, and miscellaneous charges for service. Fiscal Year 2011 includes \$624,565 in Build America Bond rebates. During FY 2014, a thorough review of the account classifications was completed for FY's 2011-2013, which resulted in minor modifications to previous fiscal years.
- [4] Amounts shown only reflect earnings from funds and accounts established by the City that are considered unrestricted (earnings not required to be retained in such funds and accounts and are available as a component of Net Revenues). Earnings from System Development Charges Fund, the Construction Fund established from previously issued Series 2007 Note and the Series 2010A and Series 2010B Utility Revenue Bond, are considered restricted to such accounts and not considered as a component of net available revenue for this analysis. Additionally, all fair market value adjustments to reflect unrealized changes in the market value of the City's investments have been recognized in order to report investment income that was earned and received by the City. Fiscal Year 2008 includes \$214,508 received from the FDOT on or about April 10, 2008, as part of the reimbursement for the McCulloch Road to Mitchell Hammock Road project. Fiscal Year 2010 recognizes \$279,794 received from the FDOT as part of the reimbursement for the SR 426 project. During FY 2014, a thorough review of the account classifications was completed for FY's 2011-2013, which resulted in minor modifications to previous fiscal years.
- [5] Amounts shown do not include depreciation and amortization expenses, which are non-cash expenses and are not considered as part of the Cost of Operation and Maintenance as defined in the Bond Resolution. Reserves for renewals and replacements, Payments in Lieu of Taxes (PILOT) and any administrative indirect expenses incurred by departments of the City other than those directly responsible for operating and maintaining the Utility System are not reflected as part of the Cost of Operation and Maintenance pursuant to the Bond Resolution. The payment of the administrative indirect expenses have been recognized as a required transfer after the payment of all required deposits delineated in the Bond Resolution (e.g. the Bond Service Requirement) for rate covenant evaluation purposes since the payment of such expenses are budgeted transfers from the Revenue of the Utility System and relate to the general management and support functions of the Utility System. Fiscal Year 2010 excludes \$365,583 of legal expenses that are not annually recurring. Fiscal Year 2011 Stormwater was increased from \$971,179 to \$994,979 to include healthcare expenses of \$23,800. During FY 2014, a thorough review of the account classifications was completed for FY's 2011-2013, which resulted in minor modifications to previous fiscal years.
- [6] Amounts reflect Bond Service Requirement on Outstanding Bonds issued in accordance with the provisions of the Bond Resolution. Fiscal Year 2011 Total Bond Service Requirements was decreased from \$4,063,850 to \$3,092,305 as interest totaling \$971,545 was included twice. For 2014, the decrease in total bond service requirement from FY 13 to FY 14 is due to the following: the refunding of the Series 2003 and 2004 bonds; and the restructuring of debt payments from September 30th to October 1st, so the fiscal year the payments are made align with the fiscal year the payments are due.
- [7] Reference is made to the Rate Covenant as more fully described in Section 20, article (D) of the Bond Resolution (referred as the "COVENANTS OF THE ISSUER - Rate Covenant"). There was a decrease in the total bond service requirement from FY 2013 to FY 2014 as noted in footnote [6]. Had this adjustment not been made, the calculated bond service coverage would have been 1.88.
- [8] Amounts reflect the System Development Charges Available for Bond Service Requirement considering that pursuant to the Bond Resolution, the Water and Sewer System Development Charges for each year shall not include any amounts in excess of the Bond Service Requirement for each series of Bonds for each Bond Year multiplied by the Expansion Percentages. FY's 2010-2012 were amended as the calculation used in prior years did not appropriately reflect the System Development Charges Available for Bond Service.
- [9] Adjusted Net Revenue determined as follows: calculated only for the rate covenant contained in the State Revolving Fund (SRF) Loan Agreement administered by the FDEP:

	Fiscal Year Ended September 30,				
	2010	2011	2012	2013	2014
Net Revenues	\$ 2,968,807	\$ 7,500,317	\$ 7,492,335	\$ 7,634,144	\$ 6,533,744
Less Senior Lien Debt Service	1,268,698	3,092,305	3,610,808	3,608,331	2,783,972
Less Senior Lien Debt Service Coverage Requirement (10% of Debt Service)	126,870	309,231	361,081	360,833	278,397
Net Revenues Available for SRF Loan Coverage Calculation	<u>\$ 1,573,239</u>	<u>\$ 4,098,782</u>	<u>\$ 3,520,446</u>	<u>\$ 3,664,980</u>	<u>\$ 3,471,375</u>

- [10] Amounts reflect repayment of low interest loans secured through the State Revolving Fund (SRF) loan program as administered by the FDEP and have a second lien on the Pledged Revenues after the payment of the Outstanding Bonds. Such amounts are considered as a Subordinate Debt and are considered as a required use of funds deposited in the Revenue Fund pursuant to the flow of funds delineated in the Bond Resolution.
- [11] Reflects other required transfers which are recognized in the flow of funds to be funded from deposits to the Revenue Fund as provided in the Bond Resolution, payment which are subordinate to the payment of the Bond Service Requirement. Required deposits to the Bond Service Fund and the Subordinate Debt Service Fund are shown separately in order to show compliance with rate covenant per Bond Resolution and the rate coverage test per the SRF Loan Agreement.
- [12] No deposit to the Reserve Account was recognized since the fund was considered fully funded during the Historical Period by: i) proceeds from the issuance of the Outstanding Bonds; or ii) secured by a debt service reserve credit facility during such period.
- [13] Amounts shown presented for disclosure purposes only and reflect other transfers that have been recognized since: i) such transfers are set by City financial policy (deposit to the information technology and vehicle replacement funds); and ii) represent a General Obligation of the Utility System that must be funded from the Revenue Fund (deposited from surplus revenues after the payment of all required transfers) (SunTrust Generator Lease, BB&T (Street Sweeper) Lease and Bank of America (Meter Replacement) Lease.

Footnotes continue on following page.

Footnotes continued:

- [14] Amounts shown reflect annual deposits to the Vehicle Replacement Fund and the Information Technology Fund which have been established by the City and used as an Utility System asset replacement fund. Amounts reflected since funds are used specifically for Utility System asset replacement.
- [15] Amounts shown reflect payments for leases payable from Utility System revenue after payment of all other required transfers as delineated in the Bond Resolution and include the following. Such leases are not secured by a lien on net revenues of the Utility System.

	Fiscal Year Ended September 30,				
	2010	2011	2012	2013	2014
Subordinate Leases					
SunTrust (Generator) Lease (a)	\$ 93,210	\$ 93,210	\$ 93,210	\$ 93,210	\$ 93,210
BB&T (Street Sweeper) Lease (b)	32,898	32,898	33,071	-	-
BBOA (Meter Replacement) Lease (c)	20,961	284,681	291,331	289,713	289,915
Total Subordinate Leases	<u>\$ 147,069</u>	<u>\$ 410,789</u>	<u>\$ 417,612</u>	<u>\$ 382,922</u>	<u>\$ 383,125</u>

- (a) Reflect lease for a generator located at the West Mitchell Hammock WTF; cost is allocated to Utility System and is identified as a recognized transfer.
- (b) Reflect lease for a street sweeper (Stormwater System) and replacement of a telephone system (General Fund). Amounts shown represent pro rata share of lease allocable to street sweeper project. Cost is allocated to Utility System and is identified as a recognized transfer.
- (c) Reflect lease for conversion of manual read meters to radio read meters; cost is allocated to Utility System and is identified as a recognized transfer.
- [16] Amounts shown do not include pledged Utility Enterprise System Development Charges which are deposited in a restricted fund and are available for capacity-related capital projects; amount represents additional funds available for any other Utility System renewal and replacements and any other lawful purposes of the Utility System.
- [17] System Development Charges Collected were amended for FY 2012.

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Other Reports

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

Honorable Mayor and City Council
City of Oviedo, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oviedo, Florida (the City), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 16, 2015.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given those limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MCDIRMIT DAVIS & COMPANY, LLC

934 N. MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Compliance and Other Matters

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

We noted certain matters that we reported to management of City, in a separate letter dated February 16, 2015.

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.

McDiernit Davis & Company, LLC

Orlando, Florida
February 16, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR THE MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Mayor and City Council
City of Oviedo, Florida, Florida

Report on Compliance for the Major State Project

We have audited the *City of Oviedo, Florida's* (the City) compliance with the types of compliance requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on the City's major state project for the year ended September 30, 2014. The City's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, *Rules of the Auditor General*. Those standards and rules require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major State Project

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

MCDIRMIT DAVIS & COMPANY, LLC

934 N. MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

McDiarmid Davis & Company, LLC

Orlando, Florida
February 16, 2015

CITY OF OVIEDO, FLORIDA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended September 30, 2014

Award type			
Grantor	CSFA	Agency or Pass-through	
Grantor program title	Number	Entity Grant Number	Expenditures
State Award			
State of Florida, Department of Environmental Protection			
Statewide Surface Water Restoration and Wastewater Projects *	37.077	WW848051	\$ 1,325,526
Total state awards			\$ 1,325,526

* Denotes a major program

CITY OF OVIEDO, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended September 30, 2014

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City of Oviedo, Florida (the City) under programs of the State of Florida government for the year ended September 30, 2014. The information in this Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, amounts reported on the Schedule are based on expenditures incurred as of September 30, 2014, even if grant or loan was received subsequent to that date. State expenditures are recognized following the cost principles contained in Florida Department of Financial Services *State Projects Compliance Supplement*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

CITY OF OVIEDO, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE PROJECTS

Year Ended September 30, 2014

Part A - Summary of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Oviedo, Florida (the City).
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major state project are reported in the Independent Auditor's Report on Compliance For Each Major Program and on Internal Control over Compliance Required By Chapter 10.550, *Rules of the Auditor General*.
5. The auditor's report on compliance for the major federal award programs for the City expresses an unqualified opinion.
6. The program tested as a major project included: State of Florida, Department of Environmental Protection Wastewater Treatment (CFSA 37.077).
7. The threshold used for distinguishing between Type A and B programs was \$300,000.
8. The City did not qualify as a low-risk auditee.

Part B - Findings - Financial Statement Audit:

None

Part C - Findings and Questioned Costs - Major Federal Award Programs:

None

MANAGEMENT LETTER

Honorable Mayor and City Council
City of Oviedo, Florida

Report on the Financial Statements

We have audited the financial statements of the *City of Oviedo, Florida (the City)*, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated February 16, 2015.

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 and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for the Major State Project and 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*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule which are dated February 16, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations identified in the preceding annual financial 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. This information has been disclosed in the notes to financial statements.

MCDIRMIT DAVIS & COMPANY, LLC

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Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City has met one or more conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

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

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we had one recommendation.

Daily server backups are done and stored onsite in the City's Data Center. We recommend that the City follow best practices and store periodic server backups offsite to prevent against potential data loss.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

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 City Council and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McDiarmid Davis & Company, LLC

Orlando, Florida
February 16, 2015

Honorable Mayor and City Council
City of Oviedo, Florida

We have audited the financial statements of the *City of Oviedo, Florida* (the City) for the year ended September 30, 2014, and have issued our report thereon dated February 16, 2015. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 16, 2014, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated February 16, 2015.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, and as appropriate, our firm have complied with all relevant ethical requirements regarding independence.

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Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of significant accounting policies adopted by the City are described in Note 1 to the financial statements. As described in Note 4 to the financial statements, the city adopted Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. This statement requires additional financial statement disclosures which are included in Note 4 and the additional supplementary schedules. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate for the allowance for doubtful accounts is based on historical loss levels, and an analysis of the individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate for the allowance for depreciation is based on the estimated useful lives of the capital assets. We evaluated the reasonableness of the useful lives as well as the depreciation methods in determining that it is reasonable in relation to the financial statements taken as a whole.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain representations from management that are included in the management representation letter dated February 16, 2015.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

This report is intended solely for the information and use of the Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

McDiernit Davis & Company, LLC

Orlando, Florida
February 16, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

The Honorable Mayor and City Council
City of Oviedo, Florida

We have examined City of Oviedo, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

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

MCDIRMIT DAVIS & COMPANY, LLC

Orlando, Florida
February 16, 2015

MCDIRMIT DAVIS & COMPANY, LLC

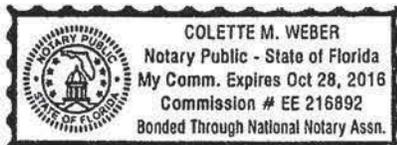
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AFFIDAVIT OF IMPACT FEE COMPLIANCE

The City of Oviedo, Florida has complied with Section 163.31801 of Florida Statutes regarding accounting and reporting of Impact Fee collections and expenditures.

Jerry Boop, CPA, CGFO
Finance Director



Notary:
(Seal)



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Response to Management Comments

February 13, 2014
Auditor General
State of Florida

This letter contains responses to the management letter as required by the Auditor General of the State of Florida.

Item Identified

Daily server backups are done and stored onsite in the City's Data Center. The City's Auditors recommend that the City follow best practices and store periodic server backups offsite to prevent against potential data loss.

City's Response

Management accepts the audit recommendation to store periodic server backups offsite. The City has contracted with EPIC Engineering & Consulting Group, LLC to perform a Technology and Infrastructure Assessment of the City's Data Center and we have received a draft report which is currently under review. One of the key recommendations of the Assessment is to implement a cloud solution for offsite backup storage.

Jerry Boop
Finance & IT Director
City of Oviedo, Florida

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