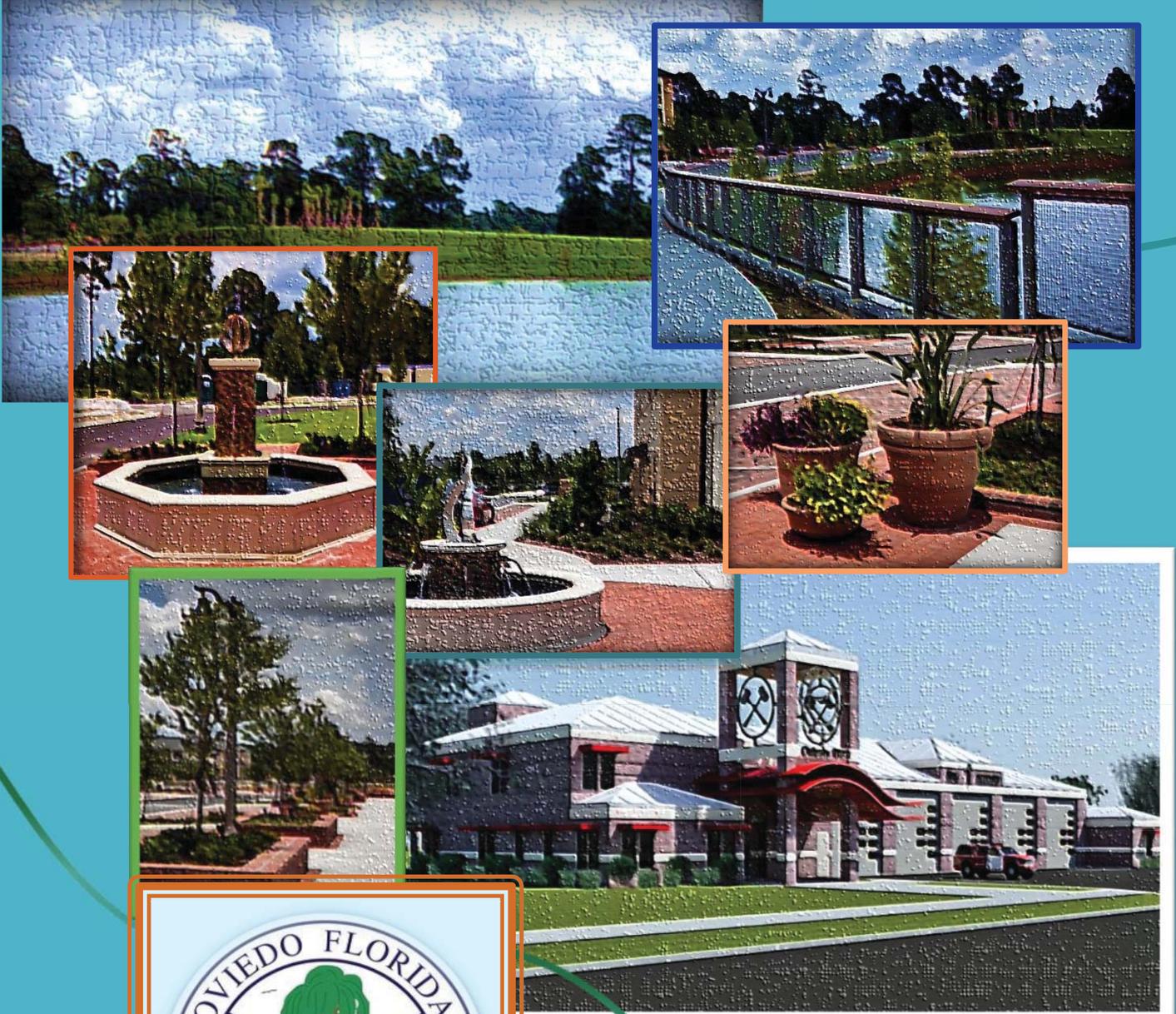


OVIEDO *Florida*



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR
FISCAL YEAR ENDED
SEPTEMBER 30, 2015

OVIEDO
Florida

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

CITY OF OVIEDO, FLORIDA

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015

PREPARED BY:
FINANCE DEPARTMENT

OVIEDO
Florida

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CITY OF OVIEDO, FLORIDA

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Introductory Section

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CITY OF OVIEDO FLORIDA
400 ALEXANDRIA BLVD • OVIEDO, FLORIDA 32765
407-971-5555 • WWW.CITYOFOVIEDO.NET

February 19, 2016

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Oviedo, Florida, Florida, for the fiscal year ended September 30, 2015. 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, 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, 2015, 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 unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2015, 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, Florida's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Oviedo, Florida, 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 36,819 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. Each year the City Council elects a presiding officer to run the council meetings, and a Deputy Mayor. 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, water and wastewater utility services; development services, code enforcement, planning and development, and general administrative services.

The annual budget serves as the foundation for the City of Oviedo, Florida'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, Florida is greatly encouraged by its most recent economic trends. The City's 2015-16 total taxable property assessed valuation increased 7.08% from the previous fiscal year. Estimates are not yet available fiscal year 2016-17; 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 1.57% and a per capita income increase of 4.03%. The unemployment rate for Seminole County was 4.6% for September 2015 which is lower than the State of Florida's rate of 5.2%, and the national average of 5.1%.

In September 2015, HCA, the nation's largest healthcare company, broke ground on a new 64-bed acute care hospital next to the Oviedo ER. The new Oviedo Medical Center will bring a full range of healthcare services to Oviedo and surrounding communities. Services will include medical and surgical inpatient units, intensive care, medical cardiology, inpatient and outpatient services, women's services including labor and delivery, cardiopulmonary services, comprehensive diagnostic imaging, and physical, occupational and speech therapy. When the Oviedo Medical Center opens in 2017, it is expected to serve more than 35,000 patients in its first year. Also included in the project is the construction of multiple medical buildings to support

the hospital. The Oviedo Medical Center will bring an estimated 200 new jobs to the region, including nurses and other skilled medical professionals, along with a wide variety of support positions.

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 story townhomes, began in FY 2013-14, along with construction of Center Lake Park and the Amphitheater/Cultural Center, which was completed in May 2015. 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, is complete. Construction is anticipated to start in late 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 in 2016-17. Right-of-way acquisition has already begun with some whole property takes already commencing with willing sellers. Construction of Phase 2 is anticipated to commence in 2019-2020. 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 were applied to the construction of a new Fire Station 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. The Fire Station will be complete during the spring of 2016.

How Money Walks rated Oviedo as the 3rd best place to raise kids in the U.S. in 2015 outranking Colorado and Texas due to our highly rated public schools, coupled with a median household income of \$81,068 and the absence of state income tax. Additionally, the access to year-round outdoor recreation and affordable cost of living makes Oviedo one of the best places to raise kids. How Money Walks utilized data that tracks the migration of Americans and their income and the resulting effect on jurisdictions. Furthermore, Oviedo was named a Healthy Weight Community Champion in 2014, 2015 and again in 2016 for its commitment to promoting physical activity and for increasing awareness to improve nutrition through policy and environmental change. Oviedo continues to be one of the 20 Safest Cities to Live in the State of Florida as evidenced by Safe Choice Security in 2014 as well as a Most Charitable Community in Central Florida by the Orlando Business Journal in 2013. 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 Bloomberg Business Weeks "Best Places to Raise Kids 2013".

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 percent (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 percent (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 0.5825% as calculated using the average portfolio balance.

Major Initiatives

City Clerk Initiatives Included:

- Historical documents regarding the City Hall building and City Hall Complex building have been scanned into SIRE. These documents are available to City staff, but are not available on the City's website.
- Lien Search requests have increased by 26% over the previous fiscal year.
- Reviewed old agreements and documents as time permitted in preparation for document disposition or scanning and uploading into SIRE.
- Records Management Handbook for Department staff has been rewritten and was implemented on October 1, 2015. Department meetings to review the handbook and assist staff with records management issues are being planned.

Development Services Initiatives Included:

Planning and Development Review Divisions

- Development Services Staff took 40 items to the Development Review Committee; 28 items to the Planning Zoning and Appeals Board (recently renamed Local Planning Agency); and 103 items to City Council for consideration.
- Staff also led four (4) work sessions with City Council to discuss the following matters: OOTP Master Signage Plan (February 23); Amendments to the Land Development Code (May 21); Architectural Standards for Townhomes (August 20); and Architectural Standards for Multifamily and Mixed-use developments (September 24).
- Staff processed a total of 1,157 plan reviews in building permits; 59 special event permits; 862 lien searches; and 304 garage sales.
- The Department was heavily involved in the process of evaluating the current application review process. An Advisory Committee was formed in December to discuss the improvement of the approval experience with stakeholders that resulted in three work sessions led by the City's economic consultant. A final report was submitted to City Council by the City's economic development consultant. Staff proposed and implemented specific measures to reduce review times, improve internal coordination and improve communication with the development community.
- For the second year in a row, Staff applied for and obtained recognition for the City as Healthy Weight Community Champion, an award from the State Department of Health.
- Staff held 83 pre-application meetings, averaging 7 per month, and received a total of fifty-six (56) new applications. An average of 5 new applications per month.
- Planning staff led the revisions to the Land Development Code (LDC) (complete rewrite of Articles I, II and III and amendments to Articles IV and VI), which was approved by the City Council on August 17, 2015.
- Planning Staff had an average of 9 main active applications per month under review (mainly zoning map amendments, future land use map amendments, annexations and special exception use).
- Zoning Staff processed 3,420 Business Tax Receipts (BTRs), of which, 469 were new; 247 final surveys; and 104 temporary signs.
- Development Review Staff had an average of 22 main active applications per month under review (mainly preliminary sub-division plans, final engineering site plans, plats, lot splits, and development agreements).
- Staff, with the support of the Environmental consultant, developed language related to the well field protection requirements to allow restricted development of parcels around well fields while maintaining protection of the City aquifer. The Comprehensive Plan and Land Development Code respective amendments were approved by City Council on January 5, 2015 with the adoption of Ordinances 1594 and 1595

Building Services Division

- Building Services issued a total of 4,123 building permits with a total valuation of \$118,422,275, and a total of 114 Certificates of Occupancy.

Code Enforcement Division

- The Division processed 2,034 cases and held 4,373 inspections and re-inspections. From the total cases processed, 86.3% were brought into compliance before formal notice, and 88.2% reached compliance before a Special Magistrate citation was given. The Division also took the lead in processing 57 tree removal applications.

Finance Initiatives Included:

- Performed internal audit of payroll.
- Transitioned lien processing to Customer Service.
- Coordinated Revenue Sufficiency Study with Willdan Financial Services.
- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year 2014.
- Restructured Performance Measurements to provide more meaningful information.
- Completed the 2014 Annual Audit on time, and on budget.

Customer Service

- Cross trained Customer Service Representatives on collection procedures.
- Developed queries to assist with lien processing.
- Completed street audit.

Computer Services

- Completed the Information Technology Infrastructure and Organizational Assessment with EPIC Engineering and Consulting Group.
- Upgraded and virtualized vCenter and all ESXi hosts to v5.5.
- Implemented new Blade server and decommissioned two old Blades.
- Restructured clusters to make more efficient use of CPUs.
- Virtualized the City's web server allowing for decommission of physical hardware.
- Upgraded portion of City's routers.
- Upgraded all city switches and moved key uplinks to 10 GB in process.
- Moved City to more robust zero client deployment and decommissioned Pano system.
- Implemented VMWare View system allowing for remote access to City's VDIs.
- Moved DMS application over to a new 2010 server, included all printers and user accounts.
- Participated in the City of Oviedo ePlan and Development Processing Discussion at Seminole County.
- Provided Kronos / basic NaviLine training to new employees.
- Worked with the Work Order Business Plan and re-engineering of the application.
- Assisted with test plans for Building Permits Selectron server upgrade.

GIS

- ESRI and GTG products have been relicensed and synced with Oviedo's Fiscal Year.
- Worked with Finance and Customer Service to complete street audit.
- Successful creation and implementation of Santa Tracker application
- Created public Map Gallery web page with: Election Information, Flood Zone, FEMA Document Search, Planning Project Status, Weather Alert, and Boundary Check map applications available to public
- Completed roll out of Vantage Points application and updated all search functions for Planning
- Recreated and Updated "Public Works Information Look-Up Application" – allowing for quick searches of information regarding Streetlights, Buildings, Subdivisions, Stormwater Ponds, Parcels, Streets, and Ditches.
- Loaded latest aerial imagery.
- Continued transfer and update of data from old to new database and server: City Boundary, Commissioner Districts, Election Polls, Future Land Use, Jurisdictions, Parcels, Streets, Street Grid, Township/Range, Voter Precincts, Water Bodies, and Zoning have been completely moved.

- Created first version of map book for fire trucks (revisions already planned for when more data is collected). Fire map currently contains 213 pages of maps and 18 pages of indexes. The GIS files that create the book have models that can identify changes from the last time the book was printed so that only the pages that have updates will be printed and replaced.

Human Resources Initiatives Included:

Human Resources

- Recruited and filled 73 position vacancies.
- Processed 102 new hires.
- Reviewed and processed 2,121 applications for employment.
- Promoted 27 applicants from within the City.
- Processed 328 personnel action forms (hires, re-hires, transfers, promotions, separations, etc.).
- Employee training hours totaled 4,021 for the last quarter of FY 2014-15, an average of 118 hours per employee.
- Ninety-nine percent (99%) of training participants completed training on time.
- Approved 33 applications for educational reimbursement.

Risk Management

- Reviewed, investigated and managed 31 workers' compensation claims; 12 property claims; 15 liability claims; and 19 auto claims.
- Coordinated the completion of the property and casualty insurance application for FY 2015-16.

Safety Program

- PRM's First Net training began in July 2015. Employees received monthly email notifications on the "Training of the Month", to be completed within a specific timeframe. Training offered through First Net included safety topics that were usually covered through the "Safety Talks" training program.
- Safety Committee reviewed accidents and injuries for the 3rd and 4th quarters of FY 2014-15. Emphasis was placed on ensuring Accident Investigation Reports were properly completed and preventative measures were addressed.
- Safety Committee members were trained on how to "Develop and Sustain an Effective Accident Investigation Program".
- The following Policy and Procedure training topics were delivered to employees:
 - Hot weather can kill you
 - Fast facts about heat stress
 - Workers compensation leave
- Safety orientations are conducted to new employees on the first day of employment. The orientation covers all essential core safety topics, such as, personal protective equipment, hazard communication, workers compensation and auto accidents.

Wellness and Health Care Management

- Coordinated with the Gehring Group for annual benefit insurance renewal for FY 2015-16, including negotiation of renewal rates for the expiring dental agreement. Reviewed the rate structure of the group healthcare plan and its various components including reinsurance rates for excess coverage, the Administrative Service Fee for Florida Blue and Cobra Administration Fees

- Recommended a change to the group health plan which now requires Cobra recipients to pay the actual cost of the health premiums. Retiree's will be phased in over a three-year period.
- Evaluated the continuing high percentage of clinic utilization, and increased clinic hours from 25 to 30 hours per week effective October 2015.
- Coordinated compliance and payment of employer mandates on Healthcare Reform, PCORI Fee and Transitional Reinsurance Fee as well as employer requirements for 1094 and 1095 filing for 2015.
- Managed the City's FMLA program and corresponding short and long-term disability claims for employees.
- Coordinated Monthly Wellness Committee meetings with departments and Care Here representatives to create a culture of wellness within the City.
- Coordinated the addition of a wellness room in City Hall which now includes a treadmill.
- Managed the Wellness Program incentive. The first year of the program resulted in 183 employees completing their HRA and follow-up. Of the 183 who participated in Part I of the program, 103 employees completed Part II. These enhancements provided a positive incentive to employees to encourage better management of their health and wellness.
- Managed the Health Reimbursement program for employees with deductible expenses.
- Coordinated Annual Employee Health and Wellness Fair at the new amphitheater. This year's event drew over 50 people. Recruited over 22 vendors to participate and provided valuable wellness information to employees and their families.
- Coordinated annual flu shots for employees and their family members.
- Coordinated the transfer of benefit data from our online Bentek system to our SunGard payroll system.
- Efficient management of the Employee Health 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. Since inception, the City has realized a savings of over \$2.1 million. The return on investment using a cost-avoidance method illustrates a savings of \$1.74 for every \$1.00 spent.
- Coordinated Supervisory Development Training Program -
 - Through a partnership with the University of Central Florida Institute of Government, Human Resources planned and coordinated the delivery of seven training topics which provided City supervisors with the ability to enhance core 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; You Blinked, Harnessing the Speed of Change.
- Participated on the Employee Morale, Performance, and Compensation Team (EMPACT) to review compensation issues
- Assisted in the employee's completion of the Job Analysis Questionnaires.

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.
- Updated City-wide Performance Measures and provided the data to Florida Benchmarking Consortium (FBC).

- 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 2013-14 and the FY 2014-15 Budgets. Processed department budget amendments and budget amendments subject to agenda approval throughout the year.
- Cross-trained several employees in the Budget Process, one from Fire & Rescue, two from Police Services, and one from Development Services.
- Presented a Balanced budget to the City Manager.
- Received GFOA Award for the 10th year in a row.
- Updated all the Cities policies.
- Updated the City Fee Schedule.

Communications

- Published a bi-weekly "Oviedo in the News" newsletter.
- Upgraded equipment in the Council Chambers (video and audio).

Public Safety Initiatives Included:

Police

- Community Police Academy Alumni program was established and the first meeting held.
- The Oviedo Police Explorer Post participated at Camp LaNoche with Explorers from around the State of Florida.
- Camp Oviedo summer camp expanded to 2 sessions with funding assistance from Helping Hands.
- Oviedo Police held four (4) Rape Aggression Defense Classes.
- Expanded the Halloween night at COPS Center.
- The 3rd annual Shop with a Cop took place and was expanded to include more children and more funding for each child.
- Conducted the 2nd annual Madden NFL Tournament raising \$800 for the Police Explorers.
- Conducted the 3rd annual Kickball Tournament raising \$17,252 for Kids House.
- Conducted the 3rd annual Back to School for needy children in Oviedo.
- The Coffee with a Cop program was conducted at several area restaurants.
- The Police Department welcomed Bailey, a 17-month-old Golden Retriever/Labrador mix. Bailey's duties will include searching for missing juveniles and endangered adults, and detection of gunshot residue.
- Implemented our passive K-9 program at Jackson Heights Middle school. Bailey's mission is to bridge the communication gap between at risk students and the School Resource Officer, as well as working with the special needs students.
- Part I crimes on the Uniform Crime Report were down.
- Implemented a Bicycle Patrol over the December holidays.
- Participated in the Click or Ticket Campaign, educating the public on the importance of wearing safety belts.
- Provided security for Oviedo's Relay for Life.
- Participated and instructed in the county wide active shooter training facilitating a multi-jurisdictional response. Officer Hill presented Active Shooter training to City employees.
- Participated in a large scale active shooter exercise at UCF.
- Fully implemented body cameras for patrol.
- Completed Mock assessment for Accreditation. On site will take place in November 2015.

- The Community Response Team investigated 86 drug complaints, made 96 arrests, served 20 search warrants, and seized 5 guns, \$4,356 cash, approximately 9 pounds of cannabis, 355 prescription pills, 480 steroid pills, cocaine and MDMA.

Fire

- Oviedo Fire Station Design & bidding, Project 13-001, was completed by Starmer Design Group in the 2nd Quarter.
- Fire Station Capital Project under construction with completion expected during the spring of 2016.
- Received \$98,264.54 from FDOT, reimbursement for Duke Energy and TECO Peoples Gas utility services.
- Completed and dedicated the Oviedo Veterans Tribute at OOTP and continued management of the Veterans Tribute program.
- Completed specialized active shooter training with area law enforcement and fire-rescue agencies.
- Worked with the local Eagle Scouts to help raise funds for the City's Smoke Detector Program. This program offers free smoke detectors to Oviedo residents who are financially unable to maintain a working smoke detector in their home. The program raised enough funds to obtain an estimated 200 smoke detectors.
- Continued participation in on-going community events, signature events and other special events providing for fire-rescue public safety operations and public education.
- Completed adoption of labor agreement for 2015-2018 with the Oviedo Professional Firefighter Local 3476.

Recreation and Parks Initiatives Included:

Athletics

- Worked in conjunction with the Central Florida Youth Football League to host the Regional Tackle Football Tournament at Shane Kelly Park.

Events

- Held three (3) concerts between June and September at Center Lake Park.
- Successful in the following City Sponsored Special Events:
 - MLK Celebration (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 \$18,794 - American Cancer Society)

Facilities Maintenance

- Siemens Energy project completed.
- Upgraded Elevator System for City Hall and the Annex Building.
- Repainted and renovated Annex Building restrooms.
- Demo and renovation of Boston Hill Water Plant Building for use for Park Staff at Oviedo on the Park.
- Renovated the Multipurpose Room for future indoor cycling program.
- Pressure washed, repaired bricks and repainted the Pavilions and Band Shell.
- Police Department – replaced carpet and repainted in Detective Division.

- Replaced HVAC Compressors at Annex and installed override switches for Emergency Management use.
- Replaced circuit board and air switches for HVAC at Annex building.
- Resurfaced the basketball and racquetball courts.
- Replaced the locker room benches in all restrooms and locker rooms.

Gymnasium & Aquatic Center

- Purchased 17 Spin bikes (Program scheduled to start once contract is in place).
- Purchased 2 replacement fitness bikes for the Fitness Room at the Gym.
- Worked with Seminole County Office of Elections to accommodate the Election process at the Gym & Aquatic Center.
- Outlined a major warranty repair for the "Big Kahuna" that will have the contractor replacing large areas of the vinyl liner in the FY 2015-16 Budget

Parks

- Oviedo on the Park – Center Lake Park and Amphitheater, construction by A.D. Owens, was completed in 3rd quarter.
- Completion of Center Lake Park at Oviedo on the Park.
- Designed Dog Park, Multipurpose fields and new Park Building at Shane Kelly Park and Stubbs Property.
- Recreation revenue increased \$96,000 in FY 2014-15.
- Installed a 9 hole disc golf course at Shane Kelly Park.
- Received notice of \$200,000 Land and Water Grant for Round Lake Park improvements.
- Completed irrigation at Aulin Administration Building.
- Installed soccer backstop net at Shane Kelly Park.
- Reconditioned Public Works' Stormwater pond boat for Emergency Rescue Service for Center Lake Park.
- Pavilion at Riverside Park completed in September 2015.

Public Works Design and Construction Initiatives Included:

Transportation Design

- Design of Mitchell Hammock Road Right Turn Lane Improvements at Alafaya Woods Boulevard, Project#15-005, was completed by VHB in the 1st quarter
- Design of the Hardscape/Landscape plan for the FDOT Phase I Widening Project from Smith Street to Franklin Street completed
- Alternative Truck Route Study completed.
- Evans Street Trail/Sidewalk Project#11-012, Bidding completed in 3rd quarter.
- Mitchell Hammock Road at SR434 Intersection Safety Improvements, Project#15-001 (formerly 14-021), design completed by Inwood and bidding completed in 4th quarter.
- As part of the Land Development Code re-write, staff has contracted out a parking study to review standards aiming at incorporating a parking management approach instead of strict parking requirements.

Transportation Construction

- Lawton Elementary School Sidewalk Project#11-020, completed in 3rd quarter by Atlantic Civil Construction.

- Road Resurfacing was completed by Middlesex in 3rd quarter. Resurfaced 7.8 miles of roadway between thirty six (36) different streets, in the Riverside, Twin Oaks, and Mead Manor subdivisions.
- Pedestrian At-Grade Crossing of Oviedo Boulevard completed
- Evans Street Trail/Sidewalk Construction, Project#11-012, Construction completed in 4th quarter by MCG Services.
- Oviedo on the Park – City Plaza Way, Mike Roberto Way, Center Lake Lane and Boardwalk Avenue construction completed.
- FDOT resurfaced SR 426 and SR 434, including the installation of curbing, sidewalk connections and drainage improvements.
- Seminole County constructed the segment of the Cross Seminole Trail between SR 434 and Oviedo Boulevard.
- Seminole County added a second left hand turn lane on westbound Mitchell Hammock Road at the intersection with SR 426.
- Signalization of Franklin Street/SR 434 Intersection completed.

Utilities Design

- West Mitchell Hammock Water Treatment Facility, Secondary Transmission Main, Project#14-001. Design by CPH completed in 1st quarter
- Water Main Relocate at Mitchell Hammock Road and SR 426, Project#14-020, Seminole County paid for design by Inwood which was completed in 1st quarter
- Design of the utility relocation for the FDOT Phase 1 Widening Project from Smith Street to Franklin Street completed
- River Woods Park 8-inch Water Main Project#12-002, Design by McKim Creed and CPH and bidding completed in 4th quarter

Utilities Construction

- Upgraded the wastewater plant “RIB” lift station and reclaimed water manifold to support increased flows up to 2.4 MGD per FEDP permit. This supports the Wastewater Plant permit modification to bring the wastewater plant from 1.55 MGD to 2.4 MGD.
- Carib and Tomoka Water 6-inch Main, Project#10-003, completed in 2nd quarter. Water lines in the Carib and Tomoka area were upgraded from 2-inch to 6-inch water mains.
- Completed construction of Water Main Relocate at Mitchell Hammock Road and SR 426, Project#14-020, in 2nd quarter by Atlantic Civil Construction. Constructed by Seminole County contractor via interlocal agreement.
- West Mitchell Hammock Water Treatment Facility redundant water main completed. The secondary water transmission line was constructed and made operational to provide redundant feed to the water distribution during emergencies. This second line also provides more stable pressure to the water distribution system.
- Completed SCADA System upgrades at the Water Plant and Wastewater Plant.
- Staff, along with Reiss Engineering, successfully retro-fitted the air distribution system with more arrays to improve air transfer at the Wastewater Plant. This was in lieu of having to purchase a new blower and air transfer system, which resulted in a cost savings for the City.

Stormwater Design

- Aulin Avenue North Stormwater Improvements Design, Project#14-009 is 60% completed and is on hold due to possible realignment as part of Phase 2 widening project.
- Alafaya Woods Drainage Improvements – Pearson to Conley, Project#14-007 bidding completed in 4th quarter by VHB

- Garden Grove Drainage Study, Project#15-002, was completed in the 4th quarter, by England-Thims & Miller, and posted for public viewing on the City's website.

Other Utilities Initiatives Included

- Reviewed and provided feedback on the final Utility Revenue Sufficiency Analysis Report, which was completed and received, from Willdan Financial Services in August 2015. The recommended changes to the utility water, sewer, and reclaimed water rates included in the report were approved by City Council in September 2015, to take effect October 1, 2015 and allow for sufficient revenues to meet the expenses to operate the City's utilities including operating, debt service, and capital expenses required for the next 10-year period

Other Stormwater Initiatives Included

- The Stormwater Management Coordinator became a Certified Floodplain Manager.
- The City was re-approved as a Class 6 in the Community Rating System under NFIP/FEMA for FY 2015-16. This allows residents a higher percentage of reduction in Flood Insurance premiums.
- The Bacterial Pollutant Control Plan was submitted to FDEP and approved as written.
- The City's adopted water body, the Little Econ, that was deemed impaired by FDEP, underwent scientific samples taken during Dry and Wet season. The results reflected that Oviedo was NOT a contributing factor to fecal coliform impairment; a further cycle will be taken this upcoming year.

Public Works Operations – Streets, Grounds Maintenance Initiatives Included

- New Trail Signage implemented
- Completed over 51,000 square feet of concrete/sidewalk trip and fall hazards-repairs
- Repaired/replaced 69 of the City's street and traffic signs.
- Completed 484 work orders for concrete, asphalt & cold patch, paver repairs, and other repairs.

Fleet Maintenance Initiatives Included

- Utilized the new Fuel Master Fuel Management system software and equipment which was finalized and prepared for implementation during the 4th quarter of last fiscal year
- Purchased fourteen (14) new Police vehicles and five (5) Utility vehicles and placed into service along with four (4) trailers and over forty (40) pieces of equipment
- Performed over 450 repairs and/or maintenance on an inventory of over 390 active vehicle and equipment assets

Other Public Works Initiatives

- Public Works personnel were participants on the following committees/teams
 - Employee Recognition Team; EMPACT Team; Several RFP/RFQ Evaluation Committees for Engineering and/or Construction Services Contracts.
- PW Staff participated in the following training:
 - U of F Paving and Asphalt Class; UCF Lean Six Sigma Training; Florida Water and Pollution Continuing Education, Arboriculture Conference; OSHA Online Training on Underground Storage Tanks; Emergency Chemical Spills Trainings; MOT Class with Florida Safety Council; U of F Water Class B Certification; and Florida Rural Water Association Water Operating Training.

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, 2014, which is the 24th 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, 2014, the same period covered by this CAFR. This was the 10th 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.

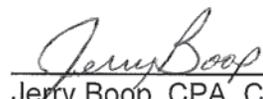
The preparation of the CAFR, on a timely basis, was made possible by the dedicated service of the entire staff of the City's Finance Department. Each department member has our sincere appreciation for the contribution made in the preparation of this report. The other City departments, although not extensively 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**

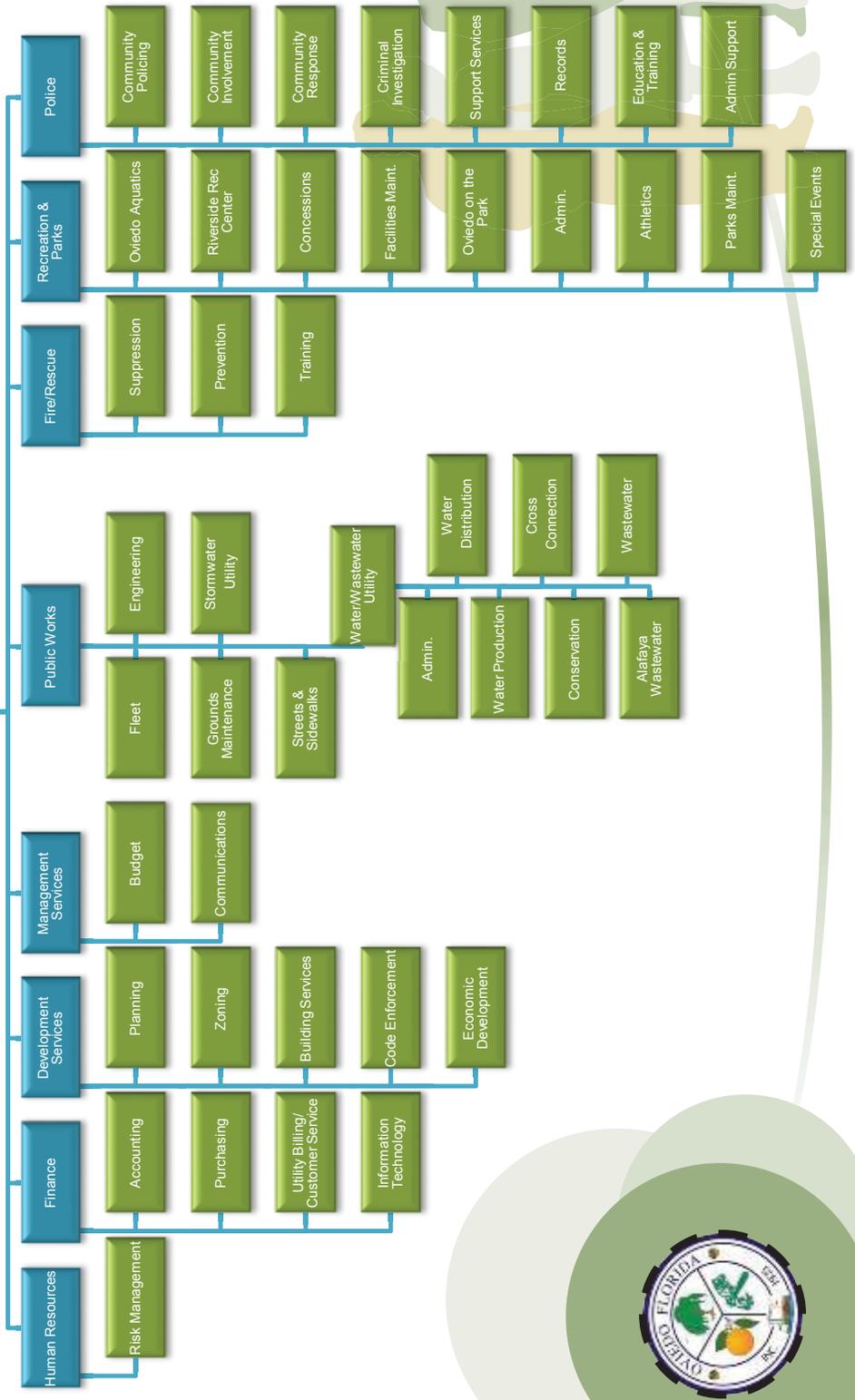
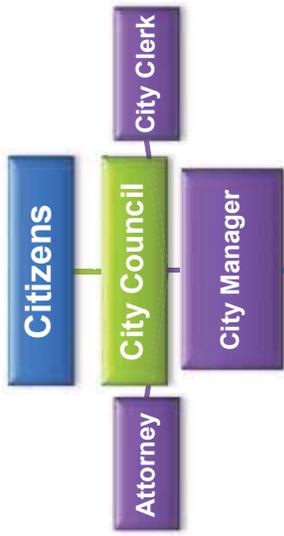
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

City of Oviedo Organization Chart

FY2015



**CITY OF OVIEDO, FLORIDA
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2015**

CITY COUNCIL

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

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

OVIEDO
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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 from 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2015, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other post-employment benefit information on pages 3 through 15 and 78 through 84, 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 schedules, statistical section, and the schedule of expenditures of federal awards (the Schedule), as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements and schedules of budgetary comparison and the Schedule are 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 19, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McDiernit Davis & Company, LLC

Orlando, Florida
February 19, 2016

Management's Discussion and Analysis

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 2015, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$115,091,733 (*net position*). Of this amount, \$20,214,629 (unrestricted net position) may be utilized to meet the City's ongoing obligations to citizens and creditors.
- During fiscal year 2015, the City's total net position increased by \$1,899,605 or 1.7%. Net position also decreased \$10,209,420 for prior period adjustments related to fixed assets and implementation of new standards.
- At the close of the fiscal year 2015, the City's governmental funds reported combined ending fund balances of \$13,888,130, a decrease of \$5,456,285 in comparison with the prior year. Approximately 12% or \$1,638,403 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 \$5,256,179, or approximately 13% of total governmental funds expenditures.
- The City's total debt decreased by \$2,781,543 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 decreases 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, which is considered to be a major fund. Data from the other twenty-six (26) 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 schedules 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 two proprietary fund types. *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 and fleet maintenance operations. 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 28-77 of this report.

Required supplementary information (RSI). RSI can be found on pages 78-84 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 85-113 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 and deferred inflows of resources by \$115,091,733 (*net position*) as of the close of the most recent fiscal year.

Over half (\$93,193,409 or 81%) 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.

\$1,683,695 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* (\$20,214,629 or 18%) 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	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 17,941,775	\$ 24,676,263	\$ 17,125,374	\$ 16,193,343	\$ 35,067,149	\$ 40,869,606
Capital Assets	91,597,501	93,095,563	81,033,849	82,434,671	172,631,350	175,530,234
Total assets	<u>109,539,276</u>	<u>117,771,826</u>	<u>98,159,223</u>	<u>98,628,014</u>	<u>207,698,499</u>	<u>216,399,840</u>
Total Deferred Outflows of Resources	1,712,138	48,262	34,892	37,706	1,747,030	85,968
Current Liabilities	3,023,018	4,066,521	1,147,946	1,155,844	4,170,964	5,222,365
Long Term Liabilities	33,407,849	30,506,056	55,985,499	57,355,839	89,393,348	87,861,895
Total liabilities	<u>36,430,867</u>	<u>34,572,577</u>	<u>57,133,445</u>	<u>58,511,683</u>	<u>93,564,312</u>	<u>93,084,260</u>
Total Deferred Inflows of Resources	789,484	-	-	-	789,484	-
Net Position						
Net investment in capital assets	65,745,413	75,793,325	27,447,996	28,572,293	93,193,409	104,365,618
Restricted for:						
Debt service	451,068	283,855	-	-	451,068	283,855
Public safety	292,526	490,439	-	-	292,526	490,439
Capital improvements	940,101	1,363,228	-	-	940,101	1,363,228
Unrestricted	<u>6,601,955</u>	<u>5,316,664</u>	<u>13,612,674</u>	<u>11,581,744</u>	<u>20,214,629</u>	<u>16,898,408</u>
Total net position	<u>\$ 74,031,063</u>	<u>\$ 83,247,511</u>	<u>\$ 41,060,670</u>	<u>\$ 40,154,037</u>	<u>\$ 115,091,733</u>	<u>\$ 123,401,548</u>

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.

Fiscal year 2015 activities increased the City's net position by \$1,899,605 or 1.7%. However, a prior period adjustment of (\$10,209,420) was recorded during fiscal year 2015 which caused the City's overall net position to decrease by \$8,309,815 or -6.7%. The previous fiscal year, 2014, net position decreased by \$2,390,639 or -1.9%.

Governmental activities decreased net position by \$9,216,448 in fiscal year 2015 compared to a decrease of \$1,817,105 in 2014. Fiscal year 2015 activities increased net position by \$305,035, primarily due to revenues exceeding budget expectations. This was offset by a prior period adjustment of (\$9,521,483). A prior period adjustment was recorded in fiscal year 2015 to adjust Governmental activities for the effects of errors that staff recognized in the calculation of accumulated depreciation on capital assets, as well as, corrections to balances of old Construction in Progress projects. Additionally, the beginning balance of Governmental activities was adjusted due to the implementation of GASB Statement 68.

Business-type activities increased net position by \$906,633 or 2.2% in fiscal year 2015 compared to a decrease of \$573,534 or -1.4% in 2014. Fiscal year 2015 activities increased net position by \$1,594,570, primarily due to the addition of capital contributions. This was offset by a prior period adjustment of (\$687,937). A prior period adjustment was recorded in fiscal year 2015 to adjust Business-type activities for the effects of errors that staff recognized in the calculation of accumulated depreciation on capital assets, as well as, corrections to balances of old Construction in Progress projects.

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,

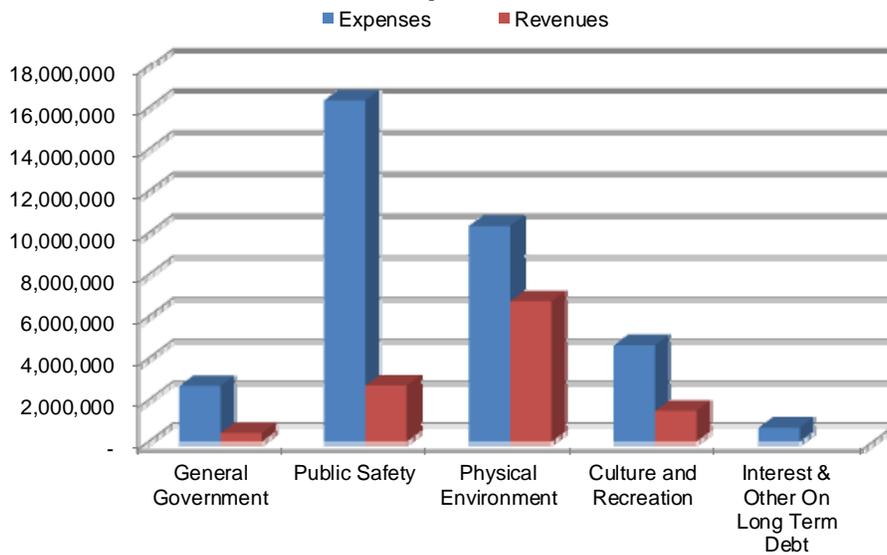
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 8,664,147	\$ 7,240,660	\$12,265,322	\$11,630,462	\$ 20,929,469	\$ 18,871,122
Operating grants and contributions	680,606	776,417	-	-	680,606	776,417
Capital grants and contributions	2,006,182	264,105	2,502,999	1,172,339	4,509,181	1,436,444
General revenues:						
Property taxes	10,377,791	9,462,919	-	-	10,377,791	9,462,919
Other taxes	12,734,858	11,138,535	-	-	12,734,858	11,138,535
Other revenue	416,482	463,108	105,295	85,029	521,777	548,137
Total revenues	<u>34,880,066</u>	<u>29,345,744</u>	<u>14,873,616</u>	<u>12,887,830</u>	<u>49,753,682</u>	<u>42,233,574</u>
Expenses:						
General government	2,679,017	2,282,964	-	-	2,679,017	2,282,964
Public safety	16,355,073	14,279,884	-	-	16,355,073	14,279,884
Physical environment	10,345,870	10,000,677	-	-	10,345,870	10,000,677
Culture and recreation	4,633,470	4,114,122	-	-	4,633,470	4,114,122
Interest & other on long-term debt	684,912	624,284	-	-	684,912	624,284
Water and sewer	-	-	13,155,735	13,322,282	13,155,735	13,322,282
Total expenses	<u>34,698,342</u>	<u>31,301,931</u>	<u>13,155,735</u>	<u>13,322,282</u>	<u>47,854,077</u>	<u>44,624,213</u>
Increase (Decrease) in Net						
Position Before Transfers	181,724	(1,956,187)	1,717,881	(434,452)	1,899,605	(2,390,639)
Transfers	123,311	139,082	(123,311)	(139,082)	-	-
Increase (Decrease) in Net Position	305,035	(1,817,105)	1,594,570	(573,534)	1,899,605	(2,390,639)
Net Position - October 1	83,247,511	85,064,616	40,154,037	40,727,571	123,401,548	125,792,187
Prior Period Adjustment	(9,521,483)	-	(687,937)	-	(10,209,420)	-
Net Position - September 30	<u>\$74,031,063</u>	<u>\$83,247,511</u>	<u>\$41,060,670</u>	<u>\$40,154,037</u>	<u>\$ 115,091,733</u>	<u>\$ 123,401,548</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

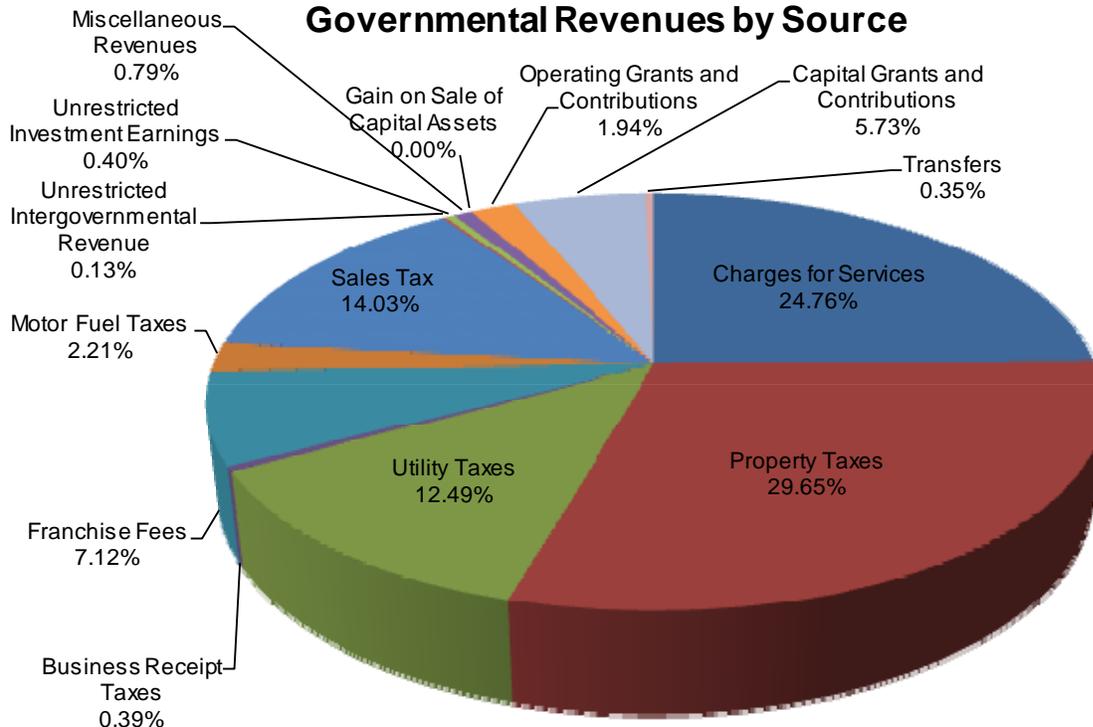
Government-wide Financial Analysis, Continued

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



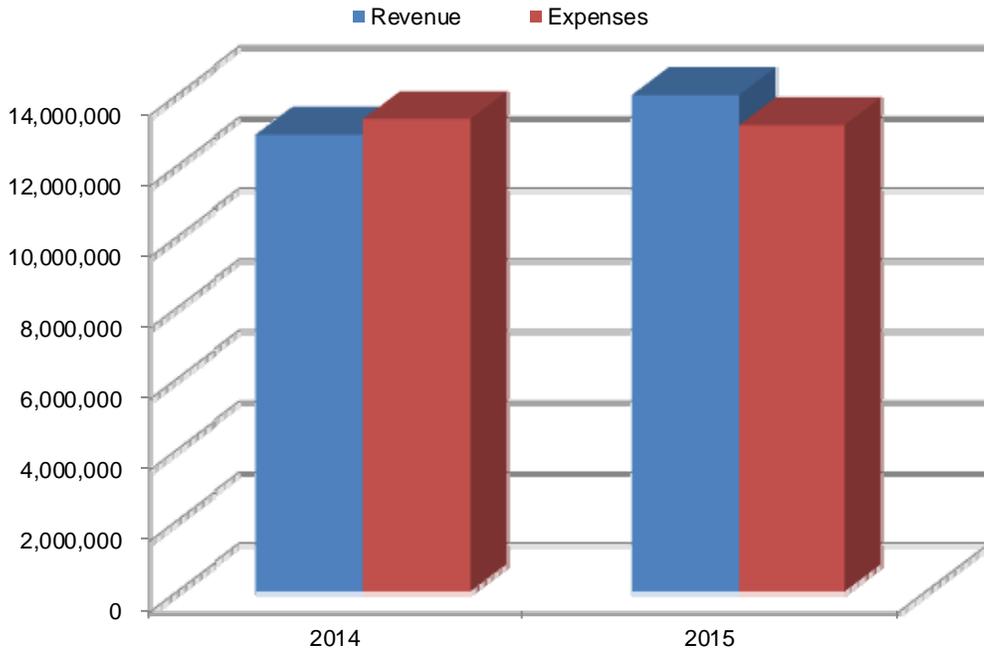
Governmental Revenues by Source



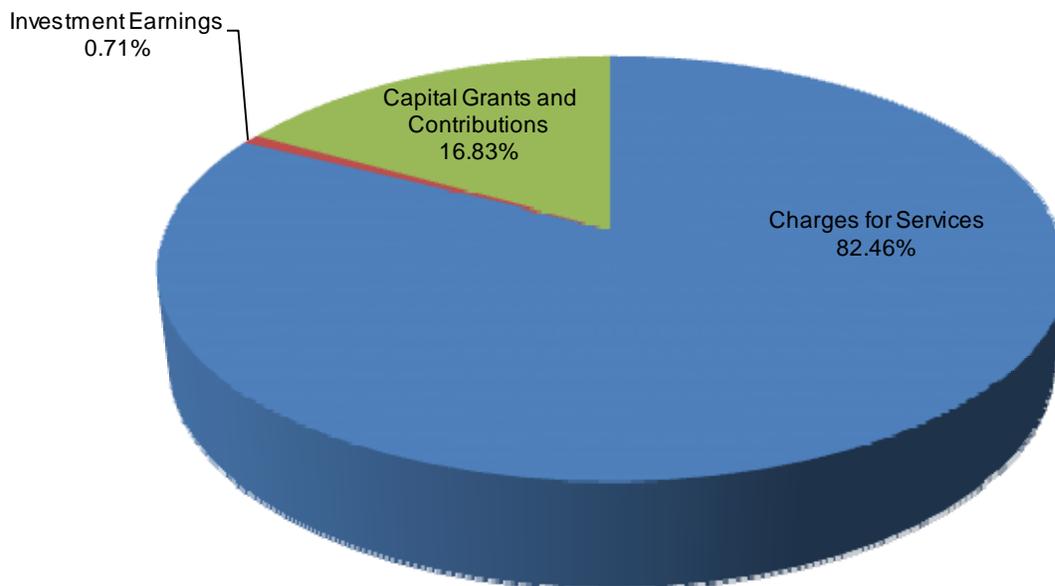
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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, 2015, the City's governmental funds reported combined ending fund balances of \$13,888,130, a decrease of \$5,456,285 in comparison with the prior year. Approximately 12% of this total amount, \$1,638,403, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance, \$12,249,727, 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, 2015, the unassigned fund balance of the General Fund was \$4,472,824, while the total fund balance was \$4,653,545. 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 20% of total General Fund expenditures, while total fund balance represents 20.4% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund increased by \$396,645, due both to an increase in revenues and a decrease in expenses.

The total fund balance of all the nonmajor governmental funds is \$9,234,585, a net decrease of \$5,852,930 when compared with the prior year. The decrease in fund balance is due to the following: construction began on the new fire station; completion of construction at Oviedo on the Park; and the purchase of new City vehicles. These items are included as capital assets in the government-wide statement of net position. Capital outlay for all nonmajor governmental funds increased by \$494,733 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, 2015 amounted to \$14,240,194. There was an increase in net position of the Water and Sewer Utility Fund of \$1,079,578 in 2015 compared to a decrease of \$436,363 in 2014. The increase in fiscal year 2015 was primarily due to the increase in revenues as a result of Water and Sewer Utility rate adjustments implemented from the revenue and sufficiency study, as well as, an increase in capital contributions related to dedicated improvements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund Budgetary Highlights

Differences between the adopted budget and the final amended budget (\$236,236 increase in revenues and \$685,802 increase in appropriations) can be briefly summarized as follows:

Revenues:

- Increase in miscellaneous income of \$182,841. This is income from Police Special Events that was not included in the FY 2014/15 adopted budget. The "Police Special Events" are events worked by off-duty officers and the City is reimbursed for expenses incurred. These are not City sponsored Events and are hosted by a third party.
- Decrease in business receipts of \$22,721
- Decrease in charges for services of \$9,841.
- Decrease in sale of capital assets of \$21,722
- Increase in transfers from the following funds: 3rd Generation Sales Tax Fund of \$59,217; Building Services Fund of \$40,962; and DEA Grant Fund of \$7,500.

Expenditures:

- Adjustments within the various General Fund departments resulted in an increase in expenditures of \$223,065. The increase reflects adjustments for both carry forwards and mid-year adjustments. The increase in expenditures is due to the following: an increase of \$88,909 in computer hardware to replace old City switches and routers; an increase of \$66,000 in other operating supplies to cover expenses incurred at Oviedo on the Park; an increase in other contractual services of \$59,217 to cover additional funding required to complete the City's landscape maintenance and mowing contract with a new provider, as the existing contractor requested termination of their contract during the year; an increase in various accounts of \$8,939.
- Transfers out increased by \$462,737. This includes increases in transfers to the following funds: Fire Impact Fee Fund of \$69,429 to replenish cash; Health Insurance Fund of \$200,000 to help off-set higher than anticipated claims; General Facility Improvements Fund of \$39,056 to fund the annual payment on an internal promissory note; Downtown Improvement Construction Fund of \$128,859 to replenish cash; Fleet Fund of \$56,740 to replenish cash; and Recreation Facility Improvement Fund of \$3,304. The increase in transfers out was offset slightly by a decrease in transfers out of \$34,651 to the Debt Service Fund.

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.

Differences between the final amended budget and actuals (\$491,321 increase in revenues and other financing sources and \$477,530 decrease in expenditures and other financing uses) can be briefly summarized as follows:

Revenues:

- Actual year end revenues were over budget by \$491,321 of 1.95%. This variance is attributed primarily to increases in the following: utility taxes; licenses and permits; intergovernmental; and fines and forfeitures.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund Budgetary Highlights, Continued

Expenditures:

- Actual year end expenditures were under budget by \$477,530 or 1.9%. The variance was primarily attributable to the following: decrease in personnel services of \$385,000 due to open positions in various departments; decrease in other current charges for Economic Development programs of \$59,000; and a decrease in the transfer to the Stormwater Fund of \$40,000.

Overall:

- The net increase in fund balance was \$396,645.

Capital Asset and Debt Administration

Capital assets. The City's total capital assets for its governmental and business-type activities as of September 30, 2015, amounts to \$172,631,350 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, and machinery and equipment. The total increase in the City's total capital assets for the current fiscal year was \$5,098,615 (a 3.04% increase in total assets).

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014 as restated	2015	2014 as restated	2015	2014 as restated
Land	\$15,320,494	\$14,315,979	\$ 2,105,829	\$ 2,105,829	\$ 17,426,323	\$ 16,421,808
Buildings	9,292,811	9,566,708	849,954	890,669	10,142,765	10,457,377
Infrastructure and Improvements	57,482,572	47,397,732	74,866,182	76,164,126	132,348,754	123,561,858
Machinery and Equipment	4,637,100	2,008,212	1,262,215	759,729	5,899,315	2,767,941
Intangibles	90,229	137,370	1,462,501	1,508,174	1,552,730	1,645,544
Construction in Progress	4,774,295	12,360,000	487,168	318,207	5,261,463	12,678,207
Total capital assets, net	<u>\$91,597,501</u>	<u>\$85,786,001</u>	<u>\$81,033,849</u>	<u>\$81,746,734</u>	<u>\$ 172,631,350</u>	<u>\$ 167,532,735</u>

Additional information on the City's capital assets can be found in Note 5 in the accompanying notes to financial statements.

Long-term debt. At September 30, 2015, the City had \$73,226,000 in bonded debt outstanding. Of this amount, \$1,000,000 related to General Obligation Bonds, \$5,891,000 related to General Obligation Notes, \$10,850,000 related to Public Improvement Revenue Notes, \$6,878,000 related to Capital Improvement Revenue Notes and \$48,607,000 related to Utility Revenue Bonds/Notes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Asset and Debt Administration, Continued

Long-term debt, continued

In addition, the City had \$4,483,594 related to the State Revolving Fund Loan, \$178,831 related to the City's Landfill and \$2,576,580 related to capital leases on equipment.

There was a reduction in principal outstanding of \$2,663,000 in annual principal payments for the fourteen outstanding bond and note issues, \$617,508 in principal payments for the capital leases, and principal payments totaling \$214,921 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	
	2015	2014	2015	2014	2015	2014
General Obligation Bond						
2003	\$ 1,000,000	\$ 1,230,000	\$ -	\$ -	\$ 1,000,000	\$ 1,230,000
General Obligation Note	5,891,000	5,891,000	-	-	5,891,000	5,891,000
Public Improvement						
Refunding Revenue Notes	6,950,000	7,950,000	-	-	6,950,000	7,950,000
Capital Improvement						
Refunding Revenue Notes	6,878,000	7,459,000	-	-	6,878,000	7,459,000
Public Improvement						
Revenue Notes	3,900,000	3,900,000	-	-	3,900,000	3,900,000
Utility Revenue Bonds	-	-	34,315,000	34,850,000	34,315,000	34,850,000
Utility Revenue Notes	-	-	14,292,000	14,609,000	14,292,000	14,609,000
State Revolving Loan	-	-	4,483,594	4,698,515	4,483,594	4,698,515
Landfill Post-closure Care	178,831	195,203	-	-	178,831	195,203
Capital Leases	1,239,862	794,818	1,336,718	1,669,012	2,576,580	2,463,830
Total	<u>\$26,037,693</u>	<u>\$27,420,021</u>	<u>\$54,427,312</u>	<u>\$55,826,527</u>	<u>\$80,465,005</u>	<u>\$83,246,548</u>

Additional information on the City's long-term liabilities can be found in Note 5 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 2016 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 millage rate for fiscal year 2016 remains at 5.0434 mills, which is 4.31% greater than the rolled back millage rate of 4.8349 mills. The property millage rate for the General Obligation Bonds decreased from .2546 mills to .2386 mills, a decrease of 6.28%. The combined tax rate for fiscal year 2016 is 5.2820 mills, and is .016 mills or .30% less than the fiscal year 2015 combined tax rate.

The FY 2015/16 General Fund budget of \$28,094,882 is \$3,024,862 greater than the adopted FY 2014/15 budget. The FY 2015/16 General Fund budget was adopted without the use of fund balance, leaving the unassigned fund balance for the General Fund at \$4,472,824. This unassigned fund balance is 16% of General Fund expenditures for FY 2015/16, and the City continues to meet its Fund Balance Reserve Policy. As a result of the increase in the City's tax base (gross taxable value) of 7.08%, General Fund budgeted revenues for property taxes increased \$675,702, or 6.8% from FY 2014/15. Total non-ad valorem revenues of \$14,844,755 for FY15/16 reflect a net increase of \$1,697,906 or 12.86% measured against the FY14/15 non-ad valorem base of \$13,146,869. Leading the most significant increases are Oviedo on the Park charges for services; Florida Department of Economic Opportunity Grant; Electric Service Taxes; State Revenue Sharing; State Half-Cent Sales Tax; and Police Special Events. 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 adopted budget for all City funds combined of \$60.1 million (exclusive of interfund transfers) is \$5,681,872 or 10.44% greater than the FY 2014/15 total adopted budget.

The City's tax base increased by \$144 million, or 7.08%, as compared to fiscal year 2015, based on the Certification of Taxable Value as 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.

Basic Financial Statements

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CITY OF OVIEDO, FLORIDA
Statement of Net Position
September 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 10,093,022	\$ 10,284,725	\$ 20,377,747
Investments	2,768,239	3,438,686	6,206,925
Accounts Receivable, net	1,533,389	710,680	2,244,069
Unbilled Revenues	-	578,908	578,908
Due from Other Governments	1,334,012	308,479	1,642,491
Internal Balances	(350,959)	350,959	-
Inventories	41,658	42,937	84,595
Prepaid Expenses	2,247,465	-	2,247,465
Restricted Assets:			
Cash and cash equivalents	274,949	-	274,949
Investments	-	1,410,000	1,410,000
Capital Assets:			
Not being depreciated	20,094,789	2,592,997	22,687,786
Being depreciated, net	71,502,712	78,440,852	149,943,564
Total assets	<u>109,539,276</u>	<u>98,159,223</u>	<u>207,698,499</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	41,368	34,892	76,260
Deferred outflows of pension earnings	1,670,770	-	1,670,770
Total deferred outflows of resources	<u>1,712,138</u>	<u>34,892</u>	<u>1,747,030</u>
LIABILITIES			
Accounts Payable	1,561,302	437,263	1,998,565
Accrued Liabilities	711,239	84,941	796,180
Retainage Payable	159,522	7,093	166,615
Unearned Revenues	510,317	-	510,317
Due to Other Governments	1,108	-	1,108
Liabilities Payable from Restricted Assets	79,530	618,649	698,179
Long-term Liabilities:			
Due within one year:			
Accrued interest	312,950	1,221,992	1,534,942
Landfill closure liability	68,404	-	68,404
Capital lease payable	222,246	249,848	472,094
Bonds payable	235,000	555,000	790,000
Loans payable	1,631,000	916,447	2,547,447
Compensated absences	213,433	16,842	230,275
Due in more than one year:			
Landfill closure liability	110,427	-	110,427
Capital lease payable	1,017,616	1,086,870	2,104,486
Bonds payable	758,226	33,808,171	34,566,397
Loans payable	21,988,000	17,859,147	39,847,147
Compensated absences	1,920,897	151,581	2,072,478
Net pension liability	3,979,851	-	3,979,851
Other post employment benefits	949,799	119,601	1,069,400
Total liabilities	<u>36,430,867</u>	<u>57,133,445</u>	<u>93,564,312</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of pension earnings	789,484	-	789,484
Total deferred inflows of resources	<u>789,484</u>	<u>-</u>	<u>789,484</u>
NET POSITION			
Net Investment in Capital Assets	65,745,413	27,447,996	93,193,409
Restricted for:			
Debt service	451,068	-	451,068
Public safety	292,526	-	292,526
Capital improvements	940,101	-	940,101
Unrestricted	6,601,955	13,612,674	20,214,629
Total net position	<u>\$ 74,031,063</u>	<u>\$ 41,060,670</u>	<u>\$ 115,091,733</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, 2015

<u>Functions/programs</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>						
	<u>Expenses</u>	<u>Program Revenue</u>			<u>Primary Government</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Primary Government							
Governmental activities:							
General government	\$ 2,679,017	\$ 426,117	\$ -	\$ -	\$ (2,252,900)	\$ -	\$ (2,252,900)
Public safety	16,355,073	1,995,479	584,055	123,227	(13,652,312)	-	(13,652,312)
Physical environment	10,345,870	4,770,346	80,551	1,882,955	(3,612,018)	-	(3,612,018)
Parks and recreation	4,633,470	1,472,205	16,000	-	(3,145,265)	-	(3,145,265)
Interest on long-term debt	<u>684,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(684,912)</u>	<u>-</u>	<u>(684,912)</u>
Total governmental activities	<u>34,698,342</u>	<u>8,664,147</u>	<u>680,606</u>	<u>2,006,182</u>	<u>(23,347,407)</u>	<u>-</u>	<u>(23,347,407)</u>
Business-type activities:							
Water and sewer	<u>13,155,735</u>	<u>12,265,322</u>	<u>-</u>	<u>2,502,999</u>	<u>-</u>	<u>1,612,586</u>	<u>1,612,586</u>
Total business-type activities	<u>13,155,735</u>	<u>12,265,322</u>	<u>-</u>	<u>2,502,999</u>	<u>-</u>	<u>1,612,586</u>	<u>1,612,586</u>
Total primary government	<u>\$ 47,854,077</u>	<u>\$ 20,929,469</u>	<u>\$ 680,606</u>	<u>\$ 4,509,181</u>	<u>(23,347,407)</u>	<u>1,612,586</u>	<u>(21,734,821)</u>
General Revenues:							
Property taxes					10,377,791	-	10,377,791
Utility taxes					4,372,348	-	4,372,348
Business receipt taxes					137,830	-	137,830
Franchise fees					2,493,781	-	2,493,781
Motor fuel taxes					775,041	-	775,041
Sales tax					4,911,112	-	4,911,112
Unrestricted intergovernmental revenue					44,746	-	44,746
Unrestricted investment earnings					139,561	105,295	244,856
Miscellaneous					276,291	-	276,291
Gain on sale of capital assets					630	-	630
Transfers					<u>123,311</u>	<u>(123,311)</u>	<u>-</u>
Total general revenues and transfers					<u>23,652,442</u>	<u>(18,016)</u>	<u>23,634,426</u>
Change in net position					305,035	1,594,570	1,899,605
Net Position - beginning					83,247,511	40,154,037	123,401,548
Prior period adjustment					<u>(9,521,483)</u>	<u>(687,937)</u>	<u>(10,209,420)</u>
Net Position - ending					<u>\$ 74,031,063</u>	<u>\$ 41,060,670</u>	<u>\$ 115,091,733</u>

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

CITY OF OVIEDO, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 2,044,964	\$ 7,482,187	\$ 9,527,151
Investments	505,743	2,082,496	2,588,239
Receivables, net	1,137,380	285,709	1,423,089
Due from other governments	658,043	675,969	1,334,012
Due from other funds	1,930,926	-	1,930,926
Prepaid items	37,373	2,203,967	2,241,340
Restricted assets:			
Cash and cash equivalents	143,348	131,601	274,949
Total assets	\$ 6,457,777	\$ 12,861,929	\$ 19,319,706
Liabilities and Fund Balances:			
Accounts payable	\$ 594,795	\$ 475,384	\$ 1,070,179
Accrued liabilities	667,751	33,764	701,515
Retainage payable	-	159,522	159,522
Due to other funds	-	2,909,405	2,909,405
Due to other governments	1,108	-	1,108
Unearned revenue	510,317	-	510,317
Payable from restricted assets	30,261	49,269	79,530
Total liabilities	1,804,232	3,627,344	5,431,576
Fund Balances:			
Nonspendable	37,373	2,203,967	2,241,340
Restricted	26,657	6,363,954	6,390,611
Committed	-	1,520,189	1,520,189
Assigned	116,691	1,980,896	2,097,587
Unassigned	4,472,824	(2,834,421)	1,638,403
Total fund balances	4,653,545	9,234,585	13,888,130
Total Liabilities and Fund Balances	\$ 6,457,777	\$ 12,861,929	\$ 19,319,706

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, 2015

Total Fund Balance, governmental funds \$ 13,888,130

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	\$ 161,323,697	
Less: Accumulated depreciation	<u>(69,771,879)</u>	91,551,818

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

1,052,695

Deferred inflows and outflows of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.

881,286

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	\$ (24,619,000)	
Deferred charge on refunding	41,368	
Unamortized discount	6,774	
Lease payable	(1,239,862)	
Landfill closure	(178,831)	
Compensated absences	(2,110,715)	
Net pension liability	(3,979,851)	
Accrued interest payable	(312,950)	
Other post employment benefits	<u>(949,799)</u>	<u>(33,342,866)</u>

Net Position of Governmental Activities in the Statement of Net Position \$ 74,031,063

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, 2015

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes:			
Property taxes	\$ 9,879,110	\$ 498,681	\$ 10,377,791
Utility taxes	4,372,348	-	4,372,348
Business receipt	137,830	-	137,830
Licenses, permits and fees	2,498,751	841,739	3,340,490
Intergovernmental	3,616,639	3,657,636	7,274,275
Charges for services	2,600,507	4,475,402	7,075,909
Fines and forfeitures	170,906	101,922	272,828
Investment income	45,351	89,023	134,374
Service assessments	3,876	385,088	388,964
Miscellaneous	314,525	57,503	372,028
Total revenues	<u>23,639,843</u>	<u>10,106,994</u>	<u>33,746,837</u>
Expenditures:			
Current:			
General government	3,712,860	64,042	3,776,902
Public safety	12,482,617	1,681,685	14,164,302
Physical environment	2,750,776	4,244,073	6,994,849
Parks and recreation	3,787,733	4,553	3,792,286
Debt service:			
Principal	-	2,096,214	2,096,214
Interest and fiscal charges	-	548,315	548,315
Capital outlay:			
General government	-	8,435	8,435
Public safety	-	3,388,052	3,388,052
Physical environment	-	2,401,640	2,401,640
Parks and recreation	17,541	3,261,305	3,278,846
Total expenditures	<u>22,751,527</u>	<u>17,698,314</u>	<u>40,449,841</u>
Excess (Deficiency) of			
Revenues Over Expenditures	<u>888,316</u>	<u>(7,591,320)</u>	<u>(6,703,004)</u>
Other Financing Sources (Uses):			
Transfers In	2,025,439	5,652,828	7,678,267
Transfers Out	(2,526,765)	(4,645,216)	(7,171,981)
Refunding Notes Issued	-	730,258	730,258
Sale of General Capital Assets	9,655	520	10,175
Total Other Financing Sources (Uses)	<u>(491,671)</u>	<u>1,738,390</u>	<u>1,246,719</u>
Net Change in Fund Balances	396,645	(5,852,930)	(5,456,285)
Fund Balances - beginning	<u>4,256,900</u>	<u>15,087,515</u>	<u>19,344,415</u>
Fund Balances - ending	<u>\$ 4,653,545</u>	<u>\$ 9,234,585</u>	<u>\$ 13,888,130</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, 2015

Net Change in Fund Balances - total governmental funds: \$ (5,456,285)

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	\$ 9,036,019	
Less: current year depreciation	<u>(4,332,235)</u>	4,703,784

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (18,791)

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

Capital leases		(730,258)
Landfill closure liability		16,372

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		2,096,214
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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 (7,533)

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	\$ (52,764)	
Change in other post employment benefits	(98,188)	
Change in accrued interest	<u>(129,064)</u>	(280,016)

Contributions of capital assets are not reported as revenues in the governmental funds 1,127,412

Cash pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and therefore decreased net position. (886,644)

Internal service funds are used by management to account for the cost of health insurance, long-term disability, life insurance and fleet maintenance. The net revenue of certain activities of internal service funds is reported with governmental activities. (259,220)

Change in Net Position of Governmental Activities \$ 305,035

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, 2015

	Business-type Activities Water and Sewer Utility Fund	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,284,725	\$ 565,871
Investments	3,438,686	180,000
Restricted investments	1,410,000	-
Receivables, net	710,680	-
Insurance receivable	-	110,300
Unbilled revenues	578,908	-
Prepaid expenses	-	6,125
Due from other governments	308,479	-
Inventories	42,937	41,658
Total current assets	16,774,415	903,954
Noncurrent assets:		
Advances to other funds	978,479	-
Capital assets:		
Not being depreciated	2,592,997	-
Being depreciated, net	78,440,852	45,683
Total noncurrent assets	82,012,328	45,683
Total assets	98,786,743	949,637
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	34,892	-
Total deferred outflows of resources	34,892	-
LIABILITIES		
Current liabilities:		
Accounts payable	437,263	491,123
Accrued liabilities	84,941	9,724
Retainage payable	7,093	-
Compensated absences	16,842	2,362
Bonds payable - current	555,000	-
Capital lease payable - current	249,848	-
Loans payable - current	916,447	-
Accrued interest payable	1,221,992	-
Payable from restricted assets	618,649	-
Total current liabilities	4,108,075	503,209
Noncurrent liabilities:		
Bonds payable, net of unamortized premium	33,808,171	-
Capital leases payable	1,086,870	-
Loans payable	17,859,147	-
Compensated absences	151,581	21,253
Other post employment benefits	119,601	-
Total noncurrent liabilities	53,025,370	21,253
Total liabilities	57,133,445	524,462
NET POSITION		
Net Investment in Capital Assets	27,447,996	45,683
Unrestricted	14,240,194	379,492
Total net position	\$ 41,688,190	\$ 425,175
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	(627,520)	
Total Net Position per Government-wide Financial Statements	\$ 41,060,670	

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, 2015

	Business-type Activities	Governmental Activities
	Water and Sewer Utility Fund	Internal Service Funds
Operating Revenues:		
User charges	\$ 12,086,071	\$ 270,422
Other revenue	179,251	2,441,754
Total operating revenues	<u>12,265,322</u>	<u>2,712,176</u>
Operating Expenses:		
Cost of sales/services	5,206,650	4,032,007
Administration	1,027,063	-
Depreciation and amortization	3,480,947	10,151
Total operating expenses	<u>9,714,660</u>	<u>4,042,158</u>
Operating income (loss)	<u>2,550,662</u>	<u>(1,329,982)</u>
Nonoperating Revenues (Expenses):		
Investment earnings	105,295	5,187
Interest expense	(1,992,525)	-
Miscellaneous revenue	-	-
Total nonoperating revenues (expenses)	<u>(1,887,230)</u>	<u>5,187</u>
Income (loss) before contributions and transfers	663,432	(1,324,795)
Capital Contributions	2,502,999	-
Transfers In	-	902,903
Transfers Out	<u>(1,398,916)</u>	<u>(10,273)</u>
Change in Net Position	1,767,515	(432,165)
Net Position - beginning	40,608,612	857,340
Prior Period Adjustment	<u>(687,937)</u>	<u>-</u>
Net Position - ending	<u>\$ 41,688,190</u>	<u>\$ 425,175</u>
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund	<u>(172,945)</u>	
Change in Business-Type Activities Net Position per Government-Wide Financial Statements.	<u>\$ 1,594,570</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, 2015

	<u>Enterprise Fund</u>	
	<u>Water/Sewer Utility Fund</u>	<u>Governmental Activities- Internal Service Funds</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 11,918,395	\$ -
Receipts from internal services provided	-	2,818,164
Payments to suppliers	(4,666,689)	(3,928,127)
Payments to employees	(1,553,055)	(213,371)
Net cash provided by (used in) operating activities	<u>5,698,651</u>	<u>(1,323,334)</u>
Cash Flows From Non-capital Financing Activities:		
Increase in due from other funds	(941,938)	-
Transfers in	-	902,903
Transfers out	(1,398,916)	(10,273)
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>(2,340,854)</u>	<u>892,630</u>
Cash Flows From Capital and Related Financing Activities:		
Purchase of capital assets	(1,367,574)	-
Principal paid on capital debt	(1,399,215)	-
Interest paid on capital debt	(1,950,415)	-
Capital contributions	1,102,511	-
Net Cash Used in Capital and related Financing Activities	<u>(3,614,693)</u>	<u>-</u>
Cash Flows From Investing Activities:		
Sale of investments	3,853,787	550,000
Investment income	105,295	5,187
Net Cash Used in Investing Activities	<u>3,959,082</u>	<u>555,187</u>
Net Increase in Cash and Cash Equivalents	<u>3,702,186</u>	<u>124,483</u>
Cash and Cash Equivalents - beginning	<u>6,582,539</u>	<u>441,388</u>
Cash and Cash Equivalents - ending	<u>\$ 10,284,725</u>	<u>\$ 565,871</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, 2015

	Enterprise Funds	
	Water/Sewer Utility Fund	Governmental Activities- Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in)		
Operating Activities:		
Operating income (loss)	\$ 2,550,662	\$ (1,329,982)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	3,480,947	10,151
(Increase) Decrease in accounts receivable	(132,695)	105,988
Increase in due from other governments	(308,479)	-
(Increase) decrease in inventories	26,880	(41,658)
Decrease in unbilled revenues	99,655	-
Increase in prepaid expenses	-	(3,725)
Increase (decrease) in accounts payable	46,927	(97,447)
Increase (decrease) in accrued liabilities and compensated absences	(28,647)	33,339
Decrease in retainage payable	(45,603)	-
Decrease in payable from restricted assets	(5,408)	-
Increase in OPEB obligation	14,412	-
Net cash provided by (used in) operating activities	\$ 5,698,651	\$ (1,323,334)
Noncash Capital and Financing Activities:		
Contributed capital assets	\$ 1,400,488	\$ -

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, 2015

	Total Employee Retirement Funds
ASSETS	
Cash and cash equivalents	\$ 674,605
Receivables:	
Interest receivable	40,945
Contributions receivable	286,833
Total receivables	327,778
Investments, at fair value:	
U.S. Treasury & Government agency	477,090
Real Estate Investment Trust	2,137,842
Corporate & foreign bonds	3,105,260
Mutual funds & common stocks	22,483,746
Total Investments	28,203,938
Total assets	29,206,321
LIABILITIES	
Refunds payable and others	173,024
Total liabilities	173,024
NET POSITION	
Net position held in trust for pension benefits	\$ 29,033,297

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, 2015

	Total Employee Retirement Funds
ADDITIONS	
Contributions:	
City	\$ 952,221
State	546,738
Employee	432,647
Total contributions	1,931,606
Investment income:	
Interest	804,441
Net increase in fair value of investments	(473,680)
Net investment earnings	330,761
Total additions	2,262,367
DEDUCTIONS	
Benefit payments	893,404
Administrative expenses	274,716
Total deductions	1,168,120
Change in Net Position	1,094,247
Net Position - beginning	27,939,050
Net Position - ending	\$ 29,033,297

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

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, 2015.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

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 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 internal service funds for the City's self-insured health insurance plan and the City provided long-term disability and life insurance costs, and for fleet maintenance operations. Because services accounted for in the internal service funds predominately benefit governmental rather than business-type functions, it has been included within the governmental activities in the government-wide financial statements and are 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, 3rd Generation Sales Tax Fund and the Downtown Improvement Construction Fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

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, 2015

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, 2015

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, 2015, expenditures exceeded appropriations in the following funds (the legal level of budgetary control): (a) state law enforcement special revenue fund by \$1,265; (b) federal DEA grant (forfeiture) special revenue fund by \$7,443; (c) law enforcement special revenue fund by \$15,263, (d) police donations special revenue fund by \$49,632 and (e) second dollar education special revenue fund by \$1,000.

3. *Appropriations in excess of Funds Available*

Appropriations for the solid waste special revenue 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 \$3,297 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 average daily balance of cash in each fund for the period.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

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 one year. 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, 2015

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 two items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and the deferred outflows of pension earnings. 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, 2015

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 has one item that qualifies for reporting in this category, deferred inflows of pension investment earnings.

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, 2015

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, 2015 was 5.0434 mills.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

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 funds 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 funds 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, 2015

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, 2015, there has been no activity since tax values of the property within the CRA are below the threshold established for the base value.

J. New GASB Implemented

In fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements replace the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, as well as the requirements of GASB Statement No. 50, *Pension Disclosures*, as they relate to the pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. GASB Statement No 71 addresses the issue of the transition provisions in Statement No. 68. Beginning net position of governmental activities has been restated and disclosed in Note 2.

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 2 - ACCOUNTING CHANGES AND CORRECTION OF AN ERROR

Beginning net position of the Governmental Activities, Business-Type Activities and Water and Sewer Utility Fund have been adjusted for the effects of errors in the calculation of accumulated depreciation on capital assets, and corrections to capital asset balances and CIP projects.

Additionally, the beginning balances of Governmental activities have been adjusted due to the implementation of GASB Statement 68.

	Government-Wide		Proprietary Fund
	Governmental Activities	Business-Type Activities	Water and Sewer Utility Fund
Net position, October 1, 2014, previously stated	\$ 83,247,511	\$ 40,154,037	\$ 40,608,612
Restatement of net position due to implementation of GASB 68	(2,211,921)	-	-
Correction of capital asset errors	(7,309,562)	(687,937)	(687,937)
Net position October 1, 2014, restated	<u>\$ 73,726,028</u>	<u>\$ 39,466,100</u>	<u>\$ 39,920,675</u>

NOTE 3 - 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 4 - 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, 2015

NOTE 4 - 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 5 - 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, 2015, the carrying amount of the City's deposits was \$10,136,881 and the bank balance was \$10,321,247. 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, 2015, 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	\$ 10,136,881	\$ 10,136,881	\$ -	\$ -
Florida Prime	4,804	4,804	-	-
Certificates of Deposit	7,000,000	-	7,000,000	-
U.S. Agencies	500,437	-	500,437	-
Money Market	10,507,713	10,507,713	-	-
	<u>\$ 28,149,835</u>	<u>\$ 20,649,398</u>	<u>\$ 7,500,437</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - 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, 2015, the carrying amount of investments includes accrued interest of \$116,489.

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	\$ 20,377,747
Investments	6,206,925
Restricted assets:	
Cash and cash equivalents	274,949
Restricted investments	1,410,000
Total cash and investments	<u>\$ 28,269,621</u>
Portfolio Total Shown Above	\$ 28,149,835
Plus: cash on hand	3,297
Plus: accrued interest	116,489
Total cash and investments	<u>\$ 28,269,621</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, 2015.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - 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	95%
Florida Prime	AAAm	0%
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa	5%

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, 2015, 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, 2015 consisted of the following:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Interest Income	\$ 43,991	\$ 85,779	\$ 100,522	\$ 4,867
Net Increase (Decrease) in Fair Value of Investments	1,360	3,244	4,773	320
	<u>\$ 45,351</u>	<u>\$ 89,023</u>	<u>\$ 105,295</u>	<u>\$ 5,187</u>

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - 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>Other Governmental Funds</u>	<u>Water & Sewer Utility Fund</u>
Accounts Receivable	\$ 2,625,356	\$ 468,161	\$ 1,089,984
Less: allowance for doubtful accounts	<u>(1,487,976)</u>	<u>(182,452)</u>	<u>(379,304)</u>
Accounts receivable, net	<u>\$ 1,137,380</u>	<u>\$ 285,709</u>	<u>\$ 710,680</u>

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CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

D. Capital assets

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

Primary Government	Beginning Balance, as restated	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 14,315,979	\$ 1,004,515	\$ -	\$ 15,320,494
Construction in progress	12,360,000	6,369,230	(13,954,935)	4,774,295
Total capital assets, not being depreciated	<u>26,675,979</u>	<u>7,373,745</u>	<u>(13,954,935)</u>	<u>20,094,789</u>
Capital assets, being depreciated:				
Buildings	13,212,856	-	-	13,212,856
Machinery and equipment	9,862,578	3,402,936	(410,756)	12,854,758
Intangibles	495,468	-	-	495,468
Infrastructure and improvements	101,425,657	13,341,685	-	114,767,342
Total capital assets, being depreciated	<u>124,996,559</u>	<u>16,744,621</u>	<u>(410,756)</u>	<u>141,330,424</u>
Less accumulated depreciation for:				
Buildings	(3,646,148)	(273,897)	-	(3,920,045)
Machinery and equipment	(7,854,366)	(764,503)	401,211	(8,217,658)
Intangibles	(358,098)	(47,141)	-	(405,239)
Infrastructure and improvements	(54,027,925)	(3,256,845)	-	(57,284,770)
Total accumulated depreciation	<u>(65,886,537)</u>	<u>(4,342,386)</u>	<u>401,211</u>	<u>(69,827,712)</u>
Total capital assets, being depreciated, net	<u>59,110,022</u>	<u>12,402,235</u>	<u>(9,545)</u>	<u>71,502,712</u>
Governmental Activities Capital Assets, net	<u>\$ 85,786,001</u>	<u>\$ 19,775,980</u>	<u>\$ (13,964,480)</u>	<u>\$ 91,597,501</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 2,105,829	\$ -	\$ -	\$ 2,105,829
Construction in progress	318,207	1,000,046	(831,085)	487,168
Total capital assets, not being depreciated	<u>2,424,036</u>	<u>1,000,046</u>	<u>(831,085)</u>	<u>2,592,997</u>
Capital assets, being depreciated:				
Buildings	1,938,797	-	-	1,938,797
Machinery and equipment	2,811,951	654,846	-	3,466,797
Intangibles	1,635,260	-	-	1,635,260
Infrastructure and improvements	111,199,160	1,944,255	-	113,143,415
Total capital assets, being depreciated	<u>117,585,168</u>	<u>2,599,101</u>	<u>-</u>	<u>120,184,269</u>
Less Accumulated Depreciation for:				
Buildings	(1,048,128)	(40,715)	-	(1,088,843)
Machinery and equipment	(2,052,222)	(152,360)	-	(2,204,582)
Intangibles	(127,086)	(45,673)	-	(172,759)
Infrastructure and improvements	(35,035,034)	(3,242,199)	-	(38,277,233)
Total accumulated depreciation	<u>(38,262,470)</u>	<u>(3,480,947)</u>	<u>-</u>	<u>(41,743,417)</u>
Total capital assets, being depreciated, net	<u>79,322,698</u>	<u>(881,846)</u>	<u>-</u>	<u>78,440,852</u>
Business-type Activities Capital Assets, net	<u>\$ 81,746,734</u>	<u>\$ 118,200</u>	<u>\$ (831,085)</u>	<u>\$ 81,033,849</u>

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - 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	\$ 113,447
Public safety	581,617
Transportation, including depreciation of general infrastructure assets	3,008,400
Culture and recreation	628,771
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>10,151</u>
Total depreciation expense	<u><u>\$ 4,342,386</u></u>

Business-type Activities:

Water and sewer utility	<u>\$ 3,480,947</u>
Total depreciation expense	<u><u>\$ 3,480,947</u></u>

E. Interfund balances

The composition of interfund transfers for the year ended September 30, 2015 is as follows:

	Transfer in:			
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Transfer out:				
General fund	\$ -	\$ 1,755,570	\$ 771,195	\$ 2,526,765
Nonmajor				
governmental funds	749,834	3,864,755	30,627	4,645,216
Water/sewer utility fund	1,275,605	32,503	90,808	1,398,916
Internal service funds	-	-	10,273	10,273
Total	<u><u>\$ 2,025,439</u></u>	<u><u>\$ 5,652,828</u></u>	<u><u>\$ 902,903</u></u>	<u><u>\$ 8,581,170</u></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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Interfund balances (continued)

The due to other funds balances consists of \$1,930,926 due to the general fund for working capital loans, and \$978,479 advanced from the water and sewer utility fund to fund the Oviedo on the Park Project and to fund the new fire station. The advance for Oviedo on the Park 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%. The advance for the new fire station was approved by council as a promissory note of up to \$705,000 to be repaid over 10 years, plus interest at 2.5%.

F. Lease obligations

The City has entered into lease agreements as lessee for financing the acquisition of vehicles, 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	\$ 1,730,431	\$ 2,463,840
Less: accumulated depreciation	<u>(13,892)</u>	<u>(309,692)</u>
Total	<u>\$ 1,716,539</u>	<u>\$ 2,154,148</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2016	\$ 249,474	\$ 291,396
2017	249,474	291,396
2018	249,474	291,396
2019	249,474	291,396
2020	221,022	291,396
2021-2022	<u>103,421</u>	<u>-</u>
Total Minimum Lease Payments	1,322,339	1,456,980
Less: amount representing interest	<u>(82,477)</u>	<u>(120,262)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,239,862</u>	<u>\$ 1,336,718</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

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 \$1,084,970. For the fiscal year, principal and interest paid on this series was \$275,000 and total pledged revenue was \$498,681.

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 \$8,304,923. For the fiscal year, interest paid on this series was \$100,883 and total pledged revenue was \$498,681.

General obligation bonds and notes outstanding at September 30, 2015 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 9/30/2015</u>
Limited Ad Valorem Bonds	2003	\$ 9,000,000	2% - 4.75%	2018	\$ 1,000,000
<u>General Obligation Note</u>					
Limited Ad Valorem Notes	2013	\$ 5,900,000	3.43%	2033	\$ 5,891,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Long-term liabilities (continued)

Public improvement notes

Public Improvement notes outstanding at September 30, 2015 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 9/30/2015</u>
Public Improvement (Refunding - Series A)	2012	\$ 6,526,000	1.94%	2022	\$ 5,342,000
Public Improvement (Refunding - Series B)	2012	\$ 2,370,000	1.46%	2018	\$ 1,608,000
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 \$5,766,938. For the fiscal year, principal and interest paid on this series was \$721,571 and total pledged revenue was \$4,372,348.

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 \$1,655,392. For the fiscal year, principal and interest paid on this series was \$414,309 and total pledged revenue was \$4,372,348.

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 \$4,629,848. For the fiscal year, total interest paid on this series was \$47,580 and total pledged revenue was \$4,372,348.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Long-term liabilities (continued)

Capital improvement notes

Capital improvement notes outstanding at September 30, 2015, 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 9/30/2015</u>
Capital Improvement (Refunding - Series A)	2012	\$ 1,422,000	1.68%	2020	\$ 1,088,000
Capital Improvement (Refunding - Series B)	2012	\$ 4,779,000	2.31%	2027	\$ 4,253,000
Capital Improvement (Refunding - Series C)	2012	\$ 595,000	2.11%	2023	\$ 499,000
Capital Improvement (Refunding - Series D)	2012	\$ 1,194,000	2.36%	2025	\$ 1,038,000

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 \$1,143,726. For the fiscal year, principal and interest paid on this series was \$190,715 and total pledged revenue was \$4,550,012.

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 \$4,922,912. For the fiscal year, principal and interest paid on this series was \$379,455 and total pledged revenue was \$4,550,012.

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 \$547,857. For the fiscal year, principal and interest paid on this series was \$61,056 and total pledged revenue was \$4,550,012.

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 \$1,178,326. For the fiscal year, principal and interest paid on this series was \$107,464 and total pledged revenue was \$4,550,012.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - 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, 2015, 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 9/30/2015</u>
Utility Revenue Note	2007	\$ 3,752,000	3.86%	2027	\$ 2,765,000
Utility Revenue Bonds (Series A)	2010	\$ 5,080,000	2% to 3%	2020	\$ 3,495,000
Utility Revenue Bonds (Series B)	2010	\$30,820,000	5.03% to 5.96%	2040	\$30,820,000
Utility Refunding Revenue Note Series 2014	2014	\$ 8,054,000	3.13%	2033	\$ 7,948,000
Utility Refunding Revenue Note Series 2014A	2014	\$ 3,628,000	2.50%	2026	\$ 3,579,000

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 \$3,514,940. For the fiscal year, principal and interest paid on this series was \$268,729 and total pledged revenue was \$8,510,939.

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 \$3,782,838. For the fiscal year, principal and interest paid on this series was \$622,113 and total pledged revenue was \$8,510,939.

The Utility Revenue Bonds, Series 2010B are Build America Bonds, which the City receives a federal subsidy to reduce the total debt service payments. These bonds 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 \$65,061,299. For the fiscal year, interest paid on this series was \$1,784,472 and total pledged revenue was \$8,510,939.

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 \$10,884,284. For the fiscal year, principal and interest paid on this series was \$354,772 and total pledged revenue was \$8,510,939.

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 \$4,092,638. For the fiscal year, principal and interest paid on this series was \$138,475 and total pledged revenue was \$8,510,939.

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Long-term liabilities (continued)

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, 2015, 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 9/30/2015</u>
State of Florida State Revolving Fund (SRF) Loan	2006	\$ 3,732,834	2.71%	2026	\$ 2,246,478
State of Florida State Revolving Fund (SRF) Loan	2012	\$ 2,278,893	3.15%	2032	\$ 2,237,116

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 \$2,613,000 and \$2,990,015, respectively. For the fiscal year, principal and interest paid on these series was \$419,187 and total pledged revenue was \$3,415,995.

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>
2016	\$ 256,000	\$ 1,610,000	\$ 596,169	\$ 2,462,169
2017	267,000	1,919,661	551,894	2,738,555
2018	278,000	1,953,061	502,845	2,733,906
2019	289,000	1,988,502	452,348	2,729,850
2020	305,000	1,605,985	404,633	2,315,618
2021-2025	1,673,000	6,182,678	1,388,274	9,243,952
2026-2030	1,981,000	2,468,113	591,119	5,040,232
2031-2034	1,842,000	-	128,607	1,970,607
	<u>6,891,000</u>	<u>\$ 17,728,000</u>	<u>\$ 4,615,889</u>	<u>\$ 29,234,889</u>
Less Amount Representing:				
Unamortized Discount	(6,774)			
Net Debt	<u>\$ 6,884,226</u>			

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - 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>
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	297,331	737,000	600,000	2,259,449	3,893,780
2021-2025	1,620,047	4,024,000	3,315,000	10,416,799	19,375,846
2026-2030	870,628	4,331,000	4,380,000	8,575,468	18,157,096
2031-2035	587,108	2,468,000	8,030,000	6,205,130	17,290,238
2036-2040	-	-	12,840,000	2,828,256	15,668,256
2041	-	-	2,875,000	85,718	2,960,718
	<u>\$ 4,483,594</u>	<u>\$14,292,000</u>	<u>34,315,000</u>	<u>\$39,848,420</u>	<u>\$92,939,014</u>
Less Amount Representing:					
Unamortized Premium			<u>48,171</u>		
Net Debt			<u>\$34,363,171</u>		

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - 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, 2015 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due w within one year
Governmental Activities:					
General Obligation Bonds	\$ 1,230,000	\$ -	\$ (230,000)	\$ 1,000,000	\$ 235,000
Unamortized discount	(7,413)	-	639	(6,774)	-
General Obligation Notes	5,891,000	-	-	5,891,000	21,000
Public Improvement Revenue Notes	3,900,000	-	-	3,900,000	-
Public Improvement Refunding					
Revenue Notes	7,950,000	-	(1,000,000)	6,950,000	1,017,000
Capital Improvement Refunding					
Revenue Notes	7,459,000	-	(581,000)	6,878,000	593,000
Landfill Post-closure Care	195,203	-	(16,372)	178,831	68,404
Capital Lease	794,818	730,258	(285,214)	1,239,862	222,246
Compensated Absences	2,057,951	298,542	(222,163)	2,134,330	213,433
Other Post Employment Benefits	851,611	98,188	-	949,799	-
Governmental Activity Long-term Liabilities	<u>\$30,322,170</u>	<u>\$ 1,126,988</u>	<u>\$ (2,334,110)</u>	<u>\$29,115,048</u>	<u>\$2,370,083</u>
Business-type Activities:					
Utility Revenue Bonds	\$34,850,000	\$ -	\$ (535,000)	\$34,315,000	\$ 555,000
Unamortized (discount) premium	57,805	-	(9,634)	48,171	-
Utility Revenue Notes	14,609,000	-	(317,000)	14,292,000	651,000
SRF Loan	4,698,515	-	(214,921)	4,483,594	265,447
Capital Lease	1,669,012	-	(332,294)	1,336,718	249,848
Compensated Absences	193,256	20,199	(45,032)	168,423	16,842
Other Post Employment Benefits	105,189	14,412	-	119,601	-
Business-type Activity Long-term Liabilities	<u>\$56,182,777</u>	<u>\$ 34,611</u>	<u>\$ (1,453,881)</u>	<u>\$54,763,507</u>	<u>\$1,738,137</u>

Landfill post-closure care is discussed in Note 5, I. - Commitments and Contingencies, 3. - Landfill Post-Closure Care.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - 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 56 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 it's 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, 2015. 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 \$159,443 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	\$	118,908
25% Margin		29,727
Estimated Unpaid Prescription Drugs		10,808
	<u>\$</u>	<u>159,443</u>

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

	<u>2015</u>	<u>2014</u>
Claims Liability - beginning of year	\$ 136,016	\$ 113,196
Incurred Claims	2,555,061	2,505,035
Payments on Claims	(2,531,634)	(2,482,215)
Claims Liability - end of year	<u>\$ 159,443</u>	<u>\$ 136,016</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - 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, 2015, the City had ongoing construction commitments of \$4,024,477 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 \$128,831 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 2015.

Balance - October 1, 2014	\$ 31,938
Required deposit	-
Investment income	-
Balance - September 30, 2015	<u>\$ 31,938</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - 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.

5. Transportation Impact Fee Credits

The City has entered into a number of agreements with developers under which the developer donates transportation infrastructure improvements or rights of way to the City and receives credit for future transportation impact fee payments. As of September 30, 2015, credit balances for future impact fees total approximately \$5,000,000.

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, 2015 there were 272 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, 2015, both the City and participating employees contributed \$652,552 to the Plan, which represents a significant percentage of the covered payroll of participating employees.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

J. Defined contribution plan (continued)

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%

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. Defined Benefit Pension Plans

The City has two defined benefit single-employer pension plans:

- Police Officers' Retirement Trust Fund
- Firefighters' Pension Trust Fund

The plans do not issue stand-alone financial reports and are not included in any other retirement system's or entity's financial report. The City accounts for both plans as pension trust funds; therefore, they are accounted for in substantially the same manner as proprietary funds. Plan member contributions, employer contributions and contributions from other entities are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Defined Benefit Pension Plans (continued)

The following are the financial statements for the Police Officers' Retirement Trust Fund and Firefighters' Pension Trust Fund as of September 30, 2015:

**Combining Statement of Net Position
Fiduciary Funds**

	Police Officers' Retirement Trust Fund	Firefighters' Pension Trust Fund	Total Employee Retirement Funds
ASSETS			
Cash and cash equivalents	\$ 473,593	\$ 201,012	\$ 674,605
Receivables:			
Interest receivable	31,511	9,434	40,945
Contributions receivable	283,972	2,861	286,833
Total receivables	<u>315,483</u>	<u>12,295</u>	<u>327,778</u>
Investments, at fair value:			
U.S. Treasury & Government agency	477,090	-	477,090
Real Estate Investment Trust	1,009,425	1,128,417	2,137,842
Corporate & foreign bonds	3,105,260	-	3,105,260
Mutual funds & common stocks	12,861,104	9,622,642	22,483,746
Total Investments	<u>17,452,879</u>	<u>10,751,059</u>	<u>28,203,938</u>
Total assets	<u>18,241,955</u>	<u>10,964,366</u>	<u>29,206,321</u>
LIABILITIES			
Refunds Payable and Others	<u>2,171</u>	<u>170,853</u>	<u>173,024</u>
Total liabilities	<u>2,171</u>	<u>170,853</u>	<u>173,024</u>
NET POSITION			
Net position held in trust for pension benefits	<u>\$ 18,239,784</u>	<u>\$ 10,793,513</u>	<u>\$ 29,033,297</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Defined Benefit Pension Plans (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	\$ 749,483	\$ 202,738	\$ 952,221
State	272,781	273,957	546,738
Employee	228,727	203,920	432,647
Total contributions	<u>1,250,991</u>	<u>680,615</u>	<u>1,931,606</u>
Investment income:			
Interest	501,521	302,920	804,441
Net increase (decrease) in fair value of investments	<u>(372,090)</u>	<u>(101,590)</u>	<u>(473,680)</u>
Net investment earnings	<u>129,431</u>	<u>201,330</u>	<u>330,761</u>
Total additions	<u>1,380,422</u>	<u>881,945</u>	<u>2,262,367</u>
DEDUCTIONS			
Benefit payments	657,351	236,053	893,404
Administrative expenses	<u>154,181</u>	<u>120,535</u>	<u>274,716</u>
Total deductions	<u>811,532</u>	<u>356,588</u>	<u>1,168,120</u>
Change in Net Position	568,890	525,357	1,094,247
Net Position - beginning	<u>17,670,894</u>	<u>10,268,156</u>	<u>27,939,050</u>
Net Position - ending	<u>\$ 18,239,784</u>	<u>\$ 10,793,513</u>	<u>\$ 29,033,297</u>

In addition to other disclosures, the GASB requires a schedule of changes in the net pension liability and related ratios; a schedule of contributions; and a schedule of investment returns that include historical trend information. These schedules are included as required supplementary information to the financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Defined Benefit Pension Plans (continued)

1. Fire

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.

The Plan is administered by a Board of Trustees comprised of two council appointees, two members of the Department elected by the membership, and a fifth member elected by the other four members, and appointed by Council.

Benefits Provided - The Plan provides retirement, termination, disability and death benefits. 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. Retirement benefits are calculated as 3% of average final compensation times credited service. Early retirement for Firefighters is defined as age 50 and 10 years of credited service. Retirement benefits are reduced 3% per year. Employees are 100% vested after 10 years of credited services. Members will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal retirement date. 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% of average final compensation (service incurred) or 25% of average final compensation (not service incurred). Vested members will receive pre-retirement death benefits as a monthly accrued benefit payable to the designated beneficiary for 10 years at the otherwise normal or early retirement date. Non-vested members will receive pre-retirement death benefits as a refund of accumulated contributions without interest.

Effective September 30, 2016, excess Premium tax monies received pursuant to Chapter 175, Florida Statutes will be allocated to individual member (including DROP participants) share accounts based on years of Credited Service. To assist with Plan funding, the City may use the amount of Premium Tax Monies received in fiscal 2013 (\$273,286.09) plus 50% of annual monies received in excess of this amount. The remaining 50% excess is allocated to the Share Plan, beginning with the fiscal year ending September 30, 2016.

Plan Membership - At September 30, 2015 plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	6
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	2
Active Plan Members	51
	<u>59</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Defined Benefit Pension Plans (continued)

1. Fire (continued)

Contributions - Member contributions are 7% of Salary. City and State Contributions are the remaining amount necessary to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of Chapter 112, Florida Statutes.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined as of that date. The components of the net pension liability of the sponsor on September 30, 2015 were as follows:

Total Pension Liability	\$ 13,875,877
Plan Fiduciary Net Position	(10,787,652)
Sponsor's Net Pension Liability	<u>\$ 3,088,225</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.74%

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	Service based
Discount Rate	7.75%
Investment Rate of Return	7.75%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table, Sex Distinct. Disabled lives set forward 5 years. Based on studies of public safety pension plans, we believe this assumption sufficiently accommodates expected future mortality improvements.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed on July 25, 2014, for the period 2004-2013.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Defined Benefit Pension Plans (continued)

1. Fire (continued)

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, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	55%	7.50%
International	15%	8.50%
Broad Market Income	30%	2.50%
Total	100%	

Discount rate - The discount rate used to measure the total pension liability was 7.75%. 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.

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Defined Benefit Pension Plans (continued)

1. Fire (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2014	\$ 12,632,115	\$ 10,257,373	\$ 2,374,742
Changes for a Year:			
Service Cost	550,448	-	550,448
Interest	1,045,163	-	1,045,163
Differences between expected and actual experience	(341,180)	-	(341,180)
Changes of assumptions	224,555	-	224,555
Changes of benefit terms	-	-	-
Contributions-employer	-	199,738	(199,738)
Contributions-state	-	281,879	(281,879)
Contributions-employee	-	203,092	(203,092)
Contributions-buy back	829	829	-
Net investment income	-	123,073	(123,073)
Benefit payments, including refunds of employee contributions	(236,053)	(236,053)	-
Administrative Expense	-	(42,279)	42,279
Net Changes	<u>1,243,762</u>	<u>530,279</u>	<u>713,483</u>
Balances at September 30, 2015	<u>\$ 13,875,877</u>	<u>\$ 10,787,652</u>	<u>\$ 3,088,225</u>

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

	1% Decrease	Current	1% Increase
	6.75%	Discount Rate 7.75%	8.75%
Plan Sponsor's Net Pension Liability	\$ 4,950,900	\$ 3,088,225	\$ 1,529,764

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Defined Benefit Pension Plans (continued)

1. Fire (continued)

Deferred outflows and inflows of resources

For the year ended September 30, 2015 the Sponsor will recognize a pension expense of \$380,742. On September 30, 2015 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 312,749
Changes of assumptions	205,843	-
Net difference between projected and actual earnings on pension plan investments	366,019	-
	<u>\$ 571,862</u>	<u>\$ 312,749</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:

2016	\$ 64,702
2017	64,701
2018	64,701
2019	133,042
2020	(9,719)
Thereafter	(58,314)

2. Police

The City established a single-employer, defined benefit pension plan that covers all full-time sworn police officers' effective October 1, 1991.

The Plan is administered by a Board of Trustees comprised of two council appointees, two members of the Department elected by the membership, and a fifth member elected by the other four members, and appointed by Council.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Defined Benefit Pension Plans (continued)

2. Police (continued)

Benefits Provided - The Plan provides retirement, termination, disability and death benefits. 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. Retirement benefits are calculated as 3% of average final compensation times credited service. Early retirement is defined as age 45 and 10 years of credited service. Retirement benefits are reduced 3% for each year that the commencement of benefits precedes normal retirement. Employees hired prior to January 1, 2006 are 100% vested after 5 years of credited services. Employees hired after December 31, 2005 are 100% vested after 10 years of credited service. Members will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal retirement date. 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). Pre-retirement death benefits for vested members are an accrued benefit payable to the beneficiary for 10 years beginning at the deceased member's normal retirement date, or actuarially reduced for payment commencing earlier. Pre-retirement death benefits for non-vested members are a refund of accumulated member contributions.

Plan Membership - At September 30, 2015 plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	6
Active Plan Members	63
	<u>89</u>

Contributions - Member contributions are 6% of Salary, effective September 27, 2010. City and State Contributions are the remaining amount necessary to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined as of that date. The components of the net pension liability of the sponsor on September 30, 2015 were as follows:

Total Pension Liability	\$ 19,131,196
Plan Fiduciary Net Position	(18,239,570)
Sponsor's Net Pension Liability	<u>\$ 891,626</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.34%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Defined Benefit Pension Plans (continued)

2. Police (continued)

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	4.50%-8.50%
Discount Rate	7.75%
Investment Rate of Return	7.75%

Mortality rates were based on the RP-2000 Generational, 100% Annuitant White Collar, Scale BB for female, and RP-2000 Generational, 10% annuitant White Collar/90% Annuitant Blue Collar, Scale BB for males. Disabled lives for female, 60% RP2000 disabled female set forward two years/ 40% annuitant white collar with no set back; no projection scale.

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an actuarial experience study performed on July 30, 2015, for the period 2009-2014.

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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	50%	7.50%
International	15%	8.50%
Fixed Income	25%	2.50%
Alternative	10%	2.50%
Total	<u>100%</u>	

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Defined Benefit Pension Plans (continued)

2. Police (continued)

Discount rate - The discount rate used to measure the total pension liability was 7.75%. 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.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2014	\$ 17,734,247	\$ 17,673,203	\$ 61,044
Changes for a Year:			
Service Cost	763,943	-	763,943
Interest	1,442,214	-	1,442,214
Change in excess state money	56,824	-	56,824
Differences between expected and actual experience	(544,841)	-	(544,841)
Changes of assumptions	336,160	-	336,160
Changes of benefit terms	-	-	-
Contributions-employer	-	749,270	(749,270)
Contributions-state	-	272,781	(272,781)
Contributions-employee	-	228,727	(228,727)
Net investment income	-	6,739	(6,739)
Benefit payments, including refunds of employee contributions	(657,351)	(657,351)	-
Administrative Expense	-	(33,799)	33,799
Net Changes	1,396,949	566,367	830,582
Balances at September 30, 2015	<u>\$ 19,131,196</u>	<u>\$ 18,239,570</u>	<u>\$ 891,626</u>

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

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
	Plan Sponsor's Net Pension Liability	\$ 3,255,387	\$ 879,626

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

L. Defined Benefit Pension Plans (continued)

2. Police (continued)

Deferred outflows and inflows of resources

For the year ended September 30, 2015 the Sponsor will recognize a pension expense of \$505,902. On September 30, 2015 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 476,735
Changes of assumptions	294,140	-
Net difference between projected and actual earnings on pension plan investments	804,769	-
	<u>\$ 1,098,909</u>	<u>\$ 476,735</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:

2016	\$ 146,872
2017	146,871
2018	146,871
2019	259,815
2020	(26,085)
Thereafter	(52,170)

On September 30, 2015, the Sponsor reported a payable of \$10,978 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2015.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

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

Funded status and funding progress

The most recent actuarial report for the City's Retiree Continuation Insurance plan was prepared as of October 1, 2014. At that point in time, the unfunded actuarial accrued liability (UAAL) for benefits was \$1,335,900 and funded ratio was 0%. The covered payroll was \$11,332,100 and the ratio of UAAL to covered payroll was 11.79%.

Annual OPEB cost and Net OPEB obligation

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2015 is as follows:

Annual Required Contribution	\$ 147,700
Interest on Net OPEB Obligation	38,300
Adjustment to Annual Required Contribution	<u>(39,800)</u>
Annual OPEB Cost	146,200
Employer Contributions	<u>(33,600)</u>
Increase in Net OPEB Obligation	112,600
Net OPEB Obligation (Beginning of Year)	<u>956,800</u>
Net OPEB Obligation (End of Year)	<u><u>\$ 1,069,400</u></u>

Three year trend information:

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

Year Ended September 30,	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 146,200	23.0%	\$ 1,069,400
2014	136,700	21.1%	956,800
2013	130,300	18.0%	849,300

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - 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, 2015

NOTE 5 - 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, 2014 for the year beginning October 1, 2014. The City is eligible to perform biennial valuations. The City may elect to apply the 2014 results to the fiscal year beginning in 2015 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 8.0% in the fiscal year beginning October 1, 2014. This expected rate decreases at a rate of 0.5% per year until an ultimate rate of 5.00% is reached.

Claim costs - The assumed age-related gross medical claim level for pre-65 medical benefits as of the valuation date is based on medical plan premium rates as of October 1, 2015. The premium rates were blended based on census information provided by the city, age-adjusted and trended to the midpoint of the valuation year.

Age	Claim Cost (Annual)
50 and lower	6,734
50 - 54	8,392
55 - 59	10,309
60 - 64	12,724

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, 2015

NOTE 5 - 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-2014 Mortality table for males and females with improvement scale MP-2014.

Termination - The rate for Police Officers and Firefighters are the same as those used for the October 1, 2014 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.

	<u>Years of Service</u>		<u>Firefighters</u>
	0-2		15.00%
	3 or more		5.00%

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

Assumed retirement - The rates for Police Officers and Firefighters are the same as those used for the October 1, 2014 City of Oviedo Pension Actuarial Valuation Reports. The rates for General Employees are the same as those used in the previous valuation, with reasonable rates added prior to age 62. Sample rates are shown below.

General Employees

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

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

Actuarial methods and assumptions (continued)

Decrements (continued) -

Firefighters

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

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.

Retiree Contributions - Retiree contributions are assumed to increase each year by the assumed Medical Trend Rate.

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 Police Officers, and 3% for Firefighters.

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, 2015

NOTE 5 - 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, 2015

NOTE 5 - 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 \$53,062; the Vehicle Replacement Capital Projects fund has a deficit fund balance of \$1,563,444; the Landfill Closure Capital Projects Fund has a deficit fund balance of \$6,081; the General Facility Improvements Capital Projects Fund has a deficit fund balance of \$842,571; and the Recreational Facility Improvement Capital Projects Fund has a deficit fund balance of \$369,263 at September 30, 2015. The Fleet Internal Service Fund has a deficit net position of \$63,041 at September 30, 2015.

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2015

NOTE 5 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

N. Fund balances (continued)

At September 30, 2015, the City's governmental fund balances were classified as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances			
Nonspendable:			
Prepaid items	\$ 37,373	\$ 2,203,967	\$ 2,241,340
Restricted for:			
General government	26,102	103,991	130,093
Police	555	681,584	682,139
Fire		(23,253)	(23,253)
Transportation	-	2,024,608	2,024,608
Road construction	-	2,080,197	2,080,197
Highway and street maintenance	-	844,904	844,904
Recreation	-	200,855	200,855
Debt service	-	451,068	451,068
Committed to:			
Stormwater	-	1,520,189	1,520,189
Assigned to:			
Tree Bank	116,691	-	116,691
Building Services	-	4,068	4,068
Landfill postclosure care	-	44,851	44,851
Various capital projects	-	1,931,977	1,931,977
Unassigned	<u>4,472,824</u>	<u>(2,834,421)</u>	<u>1,638,403</u>
Total fund balance	<u>\$ 4,653,545</u>	<u>\$ 9,234,585</u>	<u>\$ 13,888,130</u>

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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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property Taxes	\$ 9,881,193	\$ 9,881,193	\$ 9,879,110	\$ (2,083)
Utility taxes	4,286,246	4,286,246	4,372,348	86,102
Business receipts	138,000	115,279	137,830	22,551
Licenses and permits	2,297,650	2,297,650	2,498,751	201,101
Intergovernmental	3,456,254	3,456,254	3,616,639	160,385
Charges for services	2,573,067	2,563,226	2,600,507	37,281
Fines and forfeitures	96,600	96,600	170,906	74,306
Investment income	40,750	40,750	45,351	4,601
Service assessments	-	-	3,876	3,876
Miscellaneous	<u>228,302</u>	<u>411,143</u>	<u>314,525</u>	<u>(96,618)</u>
Total revenues	<u>22,998,062</u>	<u>23,148,341</u>	<u>23,639,843</u>	<u>491,502</u>
Expenditures:				
Current:				
General government	4,150,701	4,242,512	3,712,860	529,652
Public safety	12,488,076	12,491,556	12,482,617	8,939
Physical environment	2,667,394	2,739,861	2,750,776	(10,915)
Culture and recreation	3,706,163	3,766,429	3,787,733	(21,304)
Capital outlay:				
Public safety	10,000	-	-	-
Culture and recreation	<u>15,000</u>	<u>20,041</u>	<u>17,541</u>	<u>2,500</u>
Total expenditures	<u>23,037,334</u>	<u>23,260,399</u>	<u>22,751,527</u>	<u>508,872</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(39,272)</u>	<u>(112,058)</u>	<u>888,316</u>	<u>1,000,374</u>
Other Financing Sources (Uses):				
Transfers in	1,919,318	2,026,997	2,025,439	(1,558)
Transfers out	(2,032,686)	(2,495,423)	(2,526,765)	(31,342)
Sale of Capital Assets	<u>30,000</u>	<u>8,278</u>	<u>9,655</u>	<u>1,377</u>
Total Other Financing Sources (Uses)	<u>(83,368)</u>	<u>(460,148)</u>	<u>(491,671)</u>	<u>(31,523)</u>
Net Change in Fund Balances	(122,640)	(572,206)	396,645	968,851
Fund Balances - beginning	<u>4,256,900</u>	<u>4,256,900</u>	<u>4,256,900</u>	<u>-</u>
Fund Balances - ending	<u>\$ 4,134,260</u>	<u>\$ 3,684,694</u>	<u>\$ 4,653,545</u>	<u>\$ 968,851</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, 2015

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Normal Cost (c)	Covered Payroll (d)	UAAL as a Percentage of Covered Payroll ((b-a)/d)
10/1/2014 ⁽¹⁾	\$ -	\$ 1,335,900	\$ 1,335,900	0.00%	\$ 90,300	\$11,332,100	11.79%
10/1/2012 ⁽²⁾	-	1,097,800	1,097,800	0.00%	84,100	11,384,600	9.64%
10/1/2010 ⁽³⁾	-	1,402,000	1,402,000	0.00%	96,700	11,885,700	11.80%
10/1/2008 ⁽⁴⁾	-	1,172,000	1,172,000	0.00%	158,400	10,888,800	10.76%

(1) Actuarial valuation for 10/1/14 covers the years ended September 30, 2015 and 2016.

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

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

(4) 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**

Year ended September 30,	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
2015	\$ 147,700	22.7%	\$ 1,069,400
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

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION
LIABILITY AND RELATED RATIOS
FIREFIGHTERS' RETIREMENT TRUST**

September 30, 2015

	<u>9/30/2015</u>	<u>9/30/2014</u>
Total Pension Liability		
Service Cost	\$ 550,448	\$ 585,000
Interest	1,045,163	941,288
Changes in Excess State Money	-	-
Differences Between Expected and Actual Experience	(341,180)	-
Changes of Assumptions	224,555	-
Contributions-buy back	829	-
Benefit Payments, including refunds of employee contributions	<u>(236,053)</u>	<u>(150,549)</u>
Net Change in Total Pension Liability	1,243,762	1,375,739
Total Pension Liability-beginning	12,632,115	11,256,376
Total Pension Liability-ending (a)	<u><u>\$ 13,875,877</u></u>	<u><u>\$ 12,632,115</u></u>
Plan Fiduciary Net Position		
Contributions-employer	199,738	325,118
Contributions-state	281,879	280,765
Contributions-employee	203,092	206,887
Contributions-buy back	829	-
Net Investment Income	123,073	1,052,994
Benefit Payments, Including Refunds of Employee Contributions	(236,053)	(150,549)
Administrative Expense	<u>(42,279)</u>	<u>(35,600)</u>
Net Change in Plan Fiduciary Net Position	530,279	1,679,615
Plan Fiduciary Net Position - beginning	10,257,373	8,577,758
Plan Fiduciary Net Position - ending (b)	<u><u>\$ 10,787,652</u></u>	<u><u>\$ 10,257,373</u></u>
Net Pension Liability - ending (a) - (b)	<u><u>\$ 3,088,225</u></u>	<u><u>\$ 2,374,742</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.74%	81.20%
Covered-employee Payroll	\$ 3,406,171	\$ 2,955,529
Net Pension Liability as a Percentage of Covered Employee Payroll	90.67%	80.35%

Notes to Schedule:

Changes of assumptions:

For fiscal year 2015, amounts reported as changes of assumptions were based on results of the July 25, 2014 actuarial experience study, the following assumption and method changes have been modified:

- Normal and early retirement rates
- Investment return
- Salary scale
- Termination Rates
- Actuarial Asset Value

Only two years of data is available at year end.

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION
LIABILITY AND RELATED RATIOS
POLICE OFFICERS' RETIREMENT TRUST**

September 30, 2015

	<u>9/30/2015</u>	<u>9/30/2014</u>
Total Pension Liability		
Service Cost	\$ 763,943	\$ 744,581
Interest	1,442,214	1,327,911
Changes in Excess State Money	56,824	51,315
Differences Between Expected and Actual Experience	(544,841)	-
Changes of Assumptions	336,160	-
Benefit Payments, including refunds of employee contributions	<u>(657,351)</u>	<u>(668,793)</u>
Net Change in Total Pension Liability	1,396,949	1,455,014
Total Pension Liability-beginning	17,734,247	16,279,233
Total Pension Liability-ending (a)	<u>\$ 19,131,196</u>	<u>\$ 17,734,247</u>
 Plan Fiduciary Net Position		
Contributions-employer	749,270	738,705
Contributions-state	272,781	267,271
Contributions-employee	228,727	205,746
Net Investment Income	6,739	1,812,653
Benefit Payments, Including Refunds of Employee Contributions	(657,351)	(668,793)
Administrative Expense	(33,799)	(20,166)
Other	-	-
Net Change in Plan Fiduciary Net Position	<u>566,367</u>	<u>2,335,416</u>
 Plan Fiduciary Net Position- beginning	<u>17,673,203</u>	<u>15,337,787</u>
Plan Fiduciary Net Position- ending (b)	<u>\$ 18,239,570</u>	<u>\$ 17,673,203</u>
 Net Pension Liability - ending (a) - (b)	<u>\$ 891,626</u>	<u>\$ 61,044</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.34%	99.66%
 Covered-employee Payroll	\$ 3,982,036	\$ 3,429,102
 Net Pension Liability as a Percentage of Covered Employee Payroll	22.39%	1.78%

Notes to Schedule:

Changes of assumptions:

For fiscal year 2015, amounts reported as changes of assumptions were in light of an actuarial experience study performed on July 30, 2015, the Board of Trustees adopted numerous changes to the actuarial assumptions. The specifics of these changes can be found in the assumptions and methods section of the 10/1/2015 valuation report.

Only two years of data is available at year end.

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS - FIREFIGHTERS' TRUST

September 30, 2015

	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 481,617	\$ 605,883
Contributions in Relation to the Actuarially Determined Contribution	481,617	605,883
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	3,406,171	2,955,529
Contributions as a Percentage of Covered employee Payroll	14.14%	20.50%

Notes to Schedule

Valuation Date 10/1/2013
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Funding Method	Frozen Entry Age Actuarial Cost Method
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	30 years (as of 10/1/2013)
Asset Methodology	Market Value, net of investment-related expenses
Inflation	3.00%
Salary Increases	6.00% per year until the assumed retirement age
Payroll Growth	3% per year
Interest Rate	8% per year, compounded annually, net of investment expenses
Retirement Age	Earlier of Age 55 with 10 years of credited service or Age 52 with 25 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
Termination rates	See table below
Disability Retirement	See table below
Mortality	RP-2000 Combined Healthy, Sex Distinct, Disabled lives set forward 5 years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

<u>Age</u>	<u>% Terminated During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	6.00%	0.03%
30	5.00%	0.04%
40	2.60%	0.07%
50	0.80%	0.18%

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS - POLICE OFFICER'S TRUST

September 30, 2015

	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 965,227	\$ 954,662
Contributions in Relation to the Actuarially Determined Contribution	965,227	954,662
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll	3,982,036	3,429,102
Contributions as a Percentage of Covered Employee Payroll	24.24%	27.84%

Notes to Schedule

Valuation Date 10/1/2013

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

Methods and assumptions used to determine contribution rates:

Funding Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	29 years (as of 10/1/2013)
Mortality	RP -2000 combined Healthy Mortality Table without projection. Disabled lives set forward 5 years. Based on study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.
Termination Rates	See below table
Disability Rates	See table below. It is assumed that 75% of Disability retirements are duty-related
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
Interest Rate	8% per year, compounded annually, net of investment expenses
Inflation	3.00%
Salary Increases	6.00% per year up to the assumed retirement age
Asset Valuation Method	The actuarial value of assets is brought forward using the historical four-year geometric average of market value returns (net-of-fees). Over time, this may result in a deminis bias that is above or below the market value of assets.
Payroll Increase	3.7% per year

Termination and Disability Rate Table	Age	% Terminated During	% Becoming Disabled
		the Year	During the Year
	20	6.00%	0.03%
	30	5.00%	0.04%
	40	2.60%	0.07%
	50	0.80%	0.18%

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

September 30, 2015

	<u>9/30/2014</u>	<u>9/30/2015</u>
Annual Money-Weighted Rate of Return Net of Investment Expense		
Police Officers' Retirement Trust	11.74%	0.04%
Firefighters' Pension Trust	11.81%	1.17%

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**Combined and Individual
Statements and Schedules**

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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.

3rd Generation Sales Tax Fund - to account for the City's construction projects approved to use the extra one cent sales tax approved by voters.

Downtown Improvement Construction Fund - to account for the proceeds of Series 2003 general obligation bonds issued to fund the City's downtown masterplan, which includes the acquisition of land and the construction of an amphitheater and related infrastructure.

CITY OF OVIEDO, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	\$ 3,986,326	\$ 451,175	\$ 3,044,686	\$ 7,482,187
Investments	1,182,496	-	900,000	2,082,496
Receivables, net	284,539	-	1,170	285,709
Due from other governments	328,776	1	347,192	675,969
Prepaid expenses	9,508	-	2,194,459	2,203,967
Restricted assets:				
Cash and cash equivalents	-	-	131,601	131,601
Total assets	\$ 5,791,645	\$ 451,176	\$ 6,619,108	\$ 12,861,929
Liabilities and Fund Balances:				
Accounts payable	\$ 375,981	\$ 108	\$ 99,295	\$ 475,384
Accrued liabilities	23,764	-	10,000	33,764
Retainage payable	29,239	-	130,283	159,522
Due to other funds	-	-	2,909,405	2,909,405
Payable from restricted assets	49,269	-	-	49,269
Total liabilities	478,253	108	3,148,983	3,627,344
Fund Balances:				
Nonspendable	9,508	-	2,194,459	2,203,967
Restricted	3,832,689	451,068	2,080,197	6,363,954
Committed	1,520,189	-	-	1,520,189
Assigned	4,068	-	1,976,828	1,980,896
Unassigned	(53,062)	-	(2,781,359)	(2,834,421)
Total fund balances	5,313,392	451,068	3,470,125	9,234,585
Total Liabilities and Fund Balances	\$ 5,791,645	\$ 451,176	\$ 6,619,108	\$ 12,861,929

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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, 2015

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Taxes	\$ -	\$ 498,681	\$ -	\$ 498,681
Licenses and permits	841,739	-	-	841,739
Intergovernmental	2,056,690	-	1,600,946	3,657,636
Charges for services	4,104,534	-	370,868	4,475,402
Fines and forfeitures	101,922	-	-	101,922
Investment income	32,568	2,239	54,216	89,023
Service assessments	385,088	-	-	385,088
Miscellaneous	49,373	-	8,130	57,503
Total revenues	<u>7,571,914</u>	<u>500,920</u>	<u>2,034,160</u>	<u>10,106,994</u>
Expenditures:				
Current:				
General government	-	-	64,042	64,042
Public safety	1,522,536	-	159,149	1,681,685
Physical environment	3,453,479	-	790,594	4,244,073
Parks and recreation	-	-	4,553	4,553
Debt service:				
Principal	-	2,096,214	-	2,096,214
Interest and fiscal charges	-	540,185	8,130	548,315
Capital outlay:				
General government	-	-	8,435	8,435
Public safety	224,667	-	3,163,385	3,388,052
Physical environment	1,086,102	-	1,315,538	2,401,640
Parks and recreation	21,968	-	3,239,337	3,261,305
Total expenditures	<u>6,308,752</u>	<u>2,636,399</u>	<u>8,753,163</u>	<u>17,698,314</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>1,263,162</u>	<u>(2,135,479)</u>	<u>(6,719,003)</u>	<u>(7,591,320)</u>
Other Financing Sources (Uses):				
Transfers In	93,148	2,302,692	3,256,988	5,652,828
Transfers Out	(1,438,837)	-	(3,206,379)	(4,645,216)
Proceeds of Refunding Debt	-	-	730,258	730,258
Sale of General Capital Assets	-	-	520	520
Total Other Financing Sources (Uses)	<u>(1,345,689)</u>	<u>2,302,692</u>	<u>781,387</u>	<u>1,738,390</u>
Net Change in Fund Balances	(82,527)	167,213	(5,937,616)	(5,852,930)
Fund Balances - beginning	<u>5,395,919</u>	<u>283,855</u>	<u>9,407,741</u>	<u>15,087,515</u>
Fund Balances - ending	<u>\$ 5,313,392</u>	<u>\$ 451,068</u>	<u>\$ 3,470,125</u>	<u>\$ 9,234,585</u>

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2015

	<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	\$ 461,389	\$ 550,850	\$ 18,765	\$ 104,024	\$ -
Investments	262,496	-	10,000	40,000	-
Receivables, net	1,495	-	-	-	169,577
Due from other governments	-	323,956	-	-	3,951
Prepaid expenses	-	-	-	7,643	-
Total assets	<u>\$ 725,380</u>	<u>\$ 874,806</u>	<u>\$ 28,765</u>	<u>\$ 151,667</u>	<u>\$ 173,528</u>
Liabilities and Fund Balances:					
Accounts payable	\$ 21,968	\$ 23,916	\$ -	\$ 138	\$ 226,590
Accrued liabilities	-	-	-	-	-
Retainage payable	23,253	5,986	-	-	-
Payable from restricted assets	-	-	-	-	-
Total liabilities	<u>45,221</u>	<u>29,902</u>	<u>-</u>	<u>138</u>	<u>226,590</u>
Fund Balances:					
Non spendable	-	-	-	7,643	-
Restricted	680,159	844,904	28,765	143,886	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(53,062)
Total fund balances	<u>680,159</u>	<u>844,904</u>	<u>28,765</u>	<u>151,529</u>	<u>(53,062)</u>
Total Liabilities and Fund Balances	<u>\$ 725,380</u>	<u>\$ 874,806</u>	<u>\$ 28,765</u>	<u>\$ 151,667</u>	<u>\$ 173,528</u>

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet, Continued
Nonmajor Special Revenue Funds
September 30, 2015

<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>
\$ 104,995	\$ 1,094,194	\$ 1,540,619	\$ 48,311	\$ 29,887	\$ 33,292	\$ 3,986,326
-	360,000	510,000	-	-	-	1,182,496
-	113,467	-	-	-	-	284,539
-	-	-	-	-	869	328,776
-	-	-	1,865	-	-	9,508
<u>\$ 104,995</u>	<u>\$ 1,567,661</u>	<u>\$ 2,050,619</u>	<u>\$ 50,176</u>	<u>\$ 29,887</u>	<u>\$ 34,161</u>	<u>\$ 5,791,645</u>
\$ 51,658	\$ 23,708	\$ 26,011	\$ 823	\$ 1,169	\$ -	\$ 375,981
-	23,764	-	-	-	-	23,764
-	-	-	-	-	-	29,239
49,269	-	-	-	-	-	49,269
<u>100,927</u>	<u>47,472</u>	<u>26,011</u>	<u>823</u>	<u>1,169</u>	<u>-</u>	<u>478,253</u>
-	-	-	1,865	-	-	9,508
-	-	2,024,608	47,488	28,718	34,161	3,832,689
-	1,520,189	-	-	-	-	1,520,189
4,068	-	-	-	-	-	4,068
-	-	-	-	-	-	(53,062)
<u>4,068</u>	<u>1,520,189</u>	<u>2,024,608</u>	<u>49,353</u>	<u>28,718</u>	<u>34,161</u>	<u>5,313,392</u>
<u>\$ 104,995</u>	<u>\$ 1,567,661</u>	<u>\$ 2,050,619</u>	<u>\$ 50,176</u>	<u>\$ 29,887</u>	<u>\$ 34,161</u>	<u>\$ 5,791,645</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, 2015

	<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	-	1,509,952	-	-	546,738
Charges for services	-	3,575	-	-	-
Fines and forfeitures	-	-	17,227	31,461	-
Investment income	4,444	2,981	169	1,829	-
Service assessments	247,113	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>251,557</u>	<u>1,516,508</u>	<u>17,396</u>	<u>33,290</u>	<u>546,738</u>
Expenditures:					
Current:					
Public safety	1,316	-	10,265	212,743	546,738
Physical environment	-	46,564	-	-	-
Capital outlay:					
Public safety	224,667	-	-	-	-
Physical environment	-	767,544	-	-	-
Parks and recreation	21,968	-	-	-	-
Total expenditures	<u>247,951</u>	<u>814,108</u>	<u>10,265</u>	<u>212,743</u>	<u>546,738</u>
Excess (Deficiency) of					
Revenues Over Expenditures	<u>3,606</u>	<u>702,400</u>	<u>7,131</u>	<u>(179,453)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers In	69,429	-	-	-	-
Transfers Out	<u>(555,668)</u>	<u>(236,300)</u>	<u>-</u>	<u>(49,762)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(486,239)</u>	<u>(236,300)</u>	<u>-</u>	<u>(49,762)</u>	<u>-</u>
Net Change in Fund Balances	(482,633)	466,100	7,131	(229,215)	-
Fund Balances (Deficit) - beginning	<u>1,162,792</u>	<u>378,804</u>	<u>21,634</u>	<u>380,744</u>	<u>-</u>
Fund Balances (Deficit) - ending	<u>\$ 680,159</u>	<u>\$ 844,904</u>	<u>\$ 28,765</u>	<u>\$ 151,529</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, 2015

<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>
\$ -	\$ 841,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 841,739
-	-	-	-	-	-	-	2,056,690
2,521,992	-	1,578,967	-	-	-	-	4,104,534
-	-	-	-	44,404	-	8,830	101,922
125	658	8,889	12,969	202	143	159	32,568
-	-	-	137,975	-	-	-	385,088
-	-	-	-	-	49,373	-	49,373
<u>2,522,117</u>	<u>842,397</u>	<u>1,587,856</u>	<u>150,944</u>	<u>44,606</u>	<u>49,516</u>	<u>8,989</u>	<u>7,571,914</u>
-	672,534	-	-	24,913	49,632	4,395	1,522,536
2,409,287	-	958,754	38,874	-	-	-	3,453,479
-	-	-	-	-	-	-	224,667
-	-	249,741	68,817	-	-	-	1,086,102
-	-	-	-	-	-	-	21,968
<u>2,409,287</u>	<u>672,534</u>	<u>1,208,495</u>	<u>107,691</u>	<u>24,913</u>	<u>49,632</u>	<u>4,395</u>	<u>6,308,752</u>
<u>112,830</u>	<u>169,863</u>	<u>379,361</u>	<u>43,253</u>	<u>19,693</u>	<u>(116)</u>	<u>4,594</u>	<u>1,263,162</u>
23,719	-	-	-	-	-	-	93,148
<u>(152,000)</u>	<u>(168,375)</u>	<u>(170,627)</u>	<u>(106,105)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,438,837)</u>
<u>(128,281)</u>	<u>(168,375)</u>	<u>(170,627)</u>	<u>(106,105)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,345,689)</u>
(15,451)	1,488	208,734	(62,852)	19,693	(116)	4,594	(82,527)
<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>
<u>\$ (53,062)</u>	<u>\$ 4,068</u>	<u>\$ 1,520,189</u>	<u>\$ 2,024,608</u>	<u>\$ 49,353</u>	<u>\$ 28,718</u>	<u>\$ 34,161</u>	<u>\$ 5,313,392</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 6,650	\$ 6,650	\$ 4,444	\$ (2,206)
Service assessments	<u>199,000</u>	<u>199,000</u>	<u>247,113</u>	<u>48,113</u>
Total revenues	<u>205,650</u>	<u>205,650</u>	<u>251,557</u>	<u>45,907</u>
Expenditures:				
Current:				
Public safety	-	-	1,316	(1,316)
Parks and recreation	18,395	18,395	-	18,395
Capital outlay:				
Public safety	-	224,667	224,667	-
Parks and recreation	<u>27,250</u>	<u>205,250</u>	<u>21,968</u>	<u>183,282</u>
Total expenditures	<u>45,645</u>	<u>448,312</u>	<u>247,951</u>	<u>200,361</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>160,005</u>	<u>(242,662)</u>	<u>3,606</u>	<u>246,268</u>
Other Financing Sources (Uses):				
Transfers In	-	69,429	69,429	-
Transfers Out	<u>(555,668)</u>	<u>(555,668)</u>	<u>(555,668)</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>(555,668)</u>	<u>(486,239)</u>	<u>(486,239)</u>	<u>-</u>
Net Change in Fund Balances	(395,663)	(728,901)	(482,633)	246,268
Fund Balances - beginning	<u>1,162,792</u>	<u>1,162,792</u>	<u>1,162,792</u>	<u>-</u>
Fund Balances - ending	<u>\$ 767,129</u>	<u>\$ 433,891</u>	<u>\$ 680,159</u>	<u>\$ 246,268</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,135,857	\$ 1,665,383	\$ 1,509,952	\$ (155,431)
Charges for services	-	-	3,575	3,575
Investment income	<u>1,200</u>	<u>1,200</u>	<u>2,981</u>	<u>1,781</u>
Total revenues	<u>1,137,057</u>	<u>1,666,583</u>	<u>1,516,508</u>	<u>(150,075)</u>
Expenditures:				
Current:				
Physical environment	80,000	90,982	46,564	44,418
Capital outlay:				
Physical environment	<u>980,000</u>	<u>1,555,448</u>	<u>767,544</u>	<u>787,904</u>
Total Expenditures	<u>1,060,000</u>	<u>1,646,430</u>	<u>814,108</u>	<u>832,322</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>77,057</u>	<u>20,153</u>	<u>702,400</u>	<u>682,247</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	(159,243)	(216,147)	466,100	682,247
Fund Balances - beginning	<u>378,804</u>	<u>378,804</u>	<u>378,804</u>	<u>-</u>
Fund Balances - ending	<u>\$ 219,561</u>	<u>\$ 162,657</u>	<u>\$ 844,904</u>	<u>\$ 682,247</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, 2015

	<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	\$ -	\$ -	\$ 17,227	\$ 17,227
Investment income	-	-	169	169
Total revenues	<u>-</u>	<u>-</u>	<u>17,396</u>	<u>17,396</u>
Expenditures:				
Current:				
Public safety	-	9,000	10,265	(1,265)
Total expenditures	<u>-</u>	<u>9,000</u>	<u>10,265</u>	<u>(1,265)</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>-</u>	<u>(9,000)</u>	<u>7,131</u>	<u>16,131</u>
Net Change in Fund Balances	-	(9,000)	7,131	16,131
Fund Balances - beginning	<u>21,634</u>	<u>21,634</u>	<u>21,634</u>	<u>-</u>
Fund Balances - ending	<u>\$ 21,634</u>	<u>\$ 12,634</u>	<u>\$ 28,765</u>	<u>\$ 16,131</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, 2015

	<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	\$ -	\$ -	\$ 31,461	\$ 31,461
Investment income	<u>1,800</u>	<u>1,800</u>	<u>1,829</u>	<u>29</u>
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>33,290</u>	<u>31,490</u>
Expenditures:				
Current:				
Public safety	<u>1,800</u>	<u>205,300</u>	<u>212,743</u>	<u>(7,443)</u>
Total expenditures	<u>1,800</u>	<u>205,300</u>	<u>212,743</u>	<u>(7,443)</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>-</u>	<u>(203,500)</u>	<u>(179,453)</u>	<u>24,047</u>
Other financing sources (uses):				
Transfers Out	<u>-</u>	<u>(66,500)</u>	<u>(49,762)</u>	<u>16,738</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(66,500)</u>	<u>(49,762)</u>	<u>16,738</u>
Net Change in Fund Balances	-	(270,000)	(229,215)	40,785
Fund Balances - beginning	<u>380,744</u>	<u>380,744</u>	<u>380,744</u>	<u>-</u>
Fund Balances - ending	<u>\$ 380,744</u>	<u>\$ 110,744</u>	<u>\$ 151,529</u>	<u>\$ 40,785</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, 2015

	<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	\$ 2,664,611	\$ 2,664,611	\$ 2,521,992	\$ (142,619)
Investment income	<u>1,000</u>	<u>1,000</u>	<u>125</u>	<u>(875)</u>
Total revenues	<u>2,665,611</u>	<u>2,665,611</u>	<u>2,522,117</u>	<u>(143,494)</u>
Expenditures:				
Current:				
Physical environment	<u>2,513,611</u>	<u>2,537,330</u>	<u>2,409,287</u>	<u>128,043</u>
Total expenditures	<u>2,513,611</u>	<u>2,537,330</u>	<u>2,409,287</u>	<u>128,043</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>152,000</u>	<u>128,281</u>	<u>112,830</u>	<u>(15,451)</u>
Other Financing Sources (Uses):				
Transfers In	-	23,719	23,719	-
Transfers Out	<u>(152,000)</u>	<u>(152,000)</u>	<u>(152,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(152,000)</u>	<u>(128,281)</u>	<u>(128,281)</u>	<u>-</u>
Net Change in Fund Balances	-	-	(15,451)	(15,451)
Fund Balances - beginning	<u>(37,611)</u>	<u>(37,611)</u>	<u>(37,611)</u>	<u>-</u>
Fund Balances (Deficit) - ending	<u>\$ (37,611)</u>	<u>\$ (37,611)</u>	<u>\$ (53,062)</u>	<u>\$ (15,451)</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, 2015

	<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	\$ 664,303	\$ 841,739	\$ 841,739	\$ -
Investment income	-	660	658	(2)
Miscellaneous	-	-	-	-
Total revenues	<u>664,303</u>	<u>842,399</u>	<u>842,397</u>	<u>(2)</u>
Expenditures:				
Current:				
Public safety	<u>536,890</u>	<u>674,024</u>	<u>672,534</u>	<u>1,490</u>
Total expenditures	<u>536,890</u>	<u>674,024</u>	<u>672,534</u>	<u>1,490</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>127,413</u>	<u>168,375</u>	<u>169,863</u>	<u>1,488</u>
Other Financing Sources (Uses):				
Transfers Out	<u>(127,413)</u>	<u>(168,375)</u>	<u>(168,375)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(127,413)</u>	<u>(168,375)</u>	<u>(168,375)</u>	<u>-</u>
Net Change in Fund Balances	-	-	1,488	1,488
Fund Balances (Deficit) - beginning	<u>2,580</u>	<u>2,580</u>	<u>2,580</u>	<u>-</u>
Fund Balances (Deficit) - ending	<u>\$ 2,580</u>	<u>\$ 2,580</u>	<u>\$ 4,068</u>	<u>\$ 1,488</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, 2015

	<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	\$ 1,506,000	\$ 1,506,000	\$ 1,578,967	\$ 72,967
Investment income	7,000	7,000	8,889	1,889
Miscellaneous	-	-	-	-
Total revenues	<u>1,513,000</u>	<u>1,513,000</u>	<u>1,587,856</u>	<u>74,856</u>
Expenditures:				
Current:				
Physical environment	1,138,712	1,111,692	958,754	152,938
Capital outlay:				
Physical environment	<u>467,523</u>	<u>1,096,087</u>	<u>249,741</u>	<u>846,346</u>
Total expenditures	<u>1,606,235</u>	<u>2,207,779</u>	<u>1,208,495</u>	<u>999,284</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(93,235)</u>	<u>(694,779)</u>	<u>379,361</u>	<u>1,074,140</u>
Other Financing Sources (Uses):				
Transfers In	47,279	47,279	-	47,279
Transfers Out	<u>(170,627)</u>	<u>(170,627)</u>	<u>(170,627)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(123,348)</u>	<u>(123,348)</u>	<u>(170,627)</u>	<u>47,279</u>
Net Change in Fund Balances	(216,583)	(818,127)	208,734	1,121,419
Fund Balances - beginning	<u>1,311,455</u>	<u>1,311,455</u>	<u>1,311,455</u>	<u>-</u>
Fund Balances - ending	<u>\$ 1,094,872</u>	<u>\$ 493,328</u>	<u>\$ 1,520,189</u>	<u>\$ 1,121,419</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 18,000	\$ 18,000	\$ 12,969	\$ (5,031)
Service assessments	150,000	150,000	137,975	(12,025)
Miscellaneous	-	709	-	(709)
Total revenues	<u>168,000</u>	<u>168,709</u>	<u>150,944</u>	<u>(17,765)</u>
Expenditures:				
Current:				
Physical environment	135,000	140,800	38,874	101,926
Capital outlay:				
Physical environment	<u>925,000</u>	<u>1,008,666</u>	<u>68,817</u>	<u>939,849</u>
Total expenditures	<u>1,060,000</u>	<u>1,149,466</u>	<u>107,691</u>	<u>1,041,775</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(892,000)</u>	<u>(980,757)</u>	<u>43,253</u>	<u>1,024,010</u>
Other Financing Sources (Uses):				
Transfers Out	<u>(106,105)</u>	<u>(106,105)</u>	<u>(106,105)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(106,105)</u>	<u>(106,105)</u>	<u>(106,105)</u>	<u>-</u>
Net Change in Fund Balances	(998,105)	(1,086,862)	(62,852)	1,024,010
Fund Balances - beginning	<u>2,087,460</u>	<u>2,087,460</u>	<u>2,087,460</u>	<u>-</u>
Fund Balances - ending	<u>\$ 1,089,355</u>	<u>\$ 1,000,598</u>	<u>\$ 2,024,608</u>	<u>\$ 1,024,010</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 202	\$ 202
Fines and forfeitures	-	2,500	44,404	41,904
Total revenues	-	2,500	44,606	42,106
Expenditures:				
Current:				
Public safety	-	9,650	24,913	(15,263)
Total expenditures	-	9,650	24,913	(15,263)
Excess (Deficiency) of Revenue Over Expenditures	-	(7,150)	19,693	26,843
Net Change in Fund Balances	-	(7,150)	19,693	26,843
Fund Balances - beginning	29,660	29,660	29,660	-
Fund Balances - ending	<u>\$ 29,660</u>	<u>\$ 22,510</u>	<u>\$ 49,353</u>	<u>\$ 26,843</u>

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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 143	\$ 143
Miscellaneous	-	-	49,373	49,373
Total revenues	-	-	49,516	49,516
Expenditures:				
Current:				
Public safety	-	-	49,632	(49,632)
Total expenditures	-	-	49,632	(49,632)
Excess (Deficiency) of Revenue Over Expenditures	-	-	(116)	(116)
Net Change in Fund Balances	-	-	(116)	(116)
Fund Balances - beginning	28,834	28,834	28,834	-
Fund Balances - ending	\$ 28,834	\$ 28,834	\$ 28,718	\$ (116)

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 159	\$ 159
Fines and forfeitures	-	-	8,830	8,830
Total revenues	-	-	8,989	8,989
Expenditures:				
Current:				
Public safety	-	3,395	4,395	(1,000)
Total expenditures	-	3,395	4,395	(1,000)
Excess (Deficiency) of Revenue Over Expenditures	-	(3,395)	4,594	7,989
Net Change in Fund Balances	-	(3,395)	4,594	7,989
Fund Balances - beginning	29,567	29,567	29,567	-
Fund Balances - ending	<u>\$ 29,567</u>	<u>\$ 26,172</u>	<u>\$ 34,161</u>	<u>\$ 7,989</u>

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2015

	Public Improvement Revenue Bonds	General Obligation Bonds	Lease Financing Debt Service	Total
Assets:				
Cash and cash equivalents	\$ 55,564	\$ 391,072	\$ 4,539	\$ 451,175
Due from other governments	-	1	-	1
Total assets	<u>\$ 55,564</u>	<u>\$ 391,073</u>	<u>\$ 4,539</u>	<u>\$ 451,176</u>
Liabilities and Fund Balances:				
Accounts payable	\$ -	\$ 108	\$ -	\$ 108
Total liabilities	<u>-</u>	<u>108</u>	<u>-</u>	<u>108</u>
Fund Balances:				
Restricted	<u>55,564</u>	<u>390,965</u>	<u>4,539</u>	<u>451,068</u>
Total fund balances	<u>55,564</u>	<u>390,965</u>	<u>4,539</u>	<u>451,068</u>
Total Liabilities and Fund Balances	<u>\$ 55,564</u>	<u>\$ 391,073</u>	<u>\$ 4,539</u>	<u>\$ 451,176</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, 2015

	<u>Public Improvement Revenue Bonds</u>	<u>General Obligation Bonds</u>	<u>Lease Financing Debt Service</u>	<u>Total</u>
Revenues:				
Taxes	\$ -	\$ 498,681	\$ -	\$ 498,681
Investment income	-	2,239	-	2,239
Total revenues	<u>-</u>	<u>500,920</u>	<u>-</u>	<u>500,920</u>
Expenditures:				
Debt service:				
Principal	1,581,000	230,000	285,214	2,096,214
Interest and fiscal charges	<u>341,151</u>	<u>146,183</u>	<u>52,851</u>	<u>540,185</u>
Total expenditures	<u>1,922,151</u>	<u>376,183</u>	<u>338,065</u>	<u>2,636,399</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(1,922,151)</u>	<u>124,737</u>	<u>(338,065)</u>	<u>(2,135,479)</u>
Other Financing Sources (Uses):				
Transfers In	<u>1,960,090</u>	-	<u>342,602</u>	<u>2,302,692</u>
Total Other Financing Sources (Uses)	<u>1,960,090</u>	-	<u>342,602</u>	<u>2,302,692</u>
Net Change in Fund Balances	37,939	124,737	4,537	167,213
Fund Balances - beginning	<u>17,625</u>	<u>266,228</u>	<u>2</u>	<u>283,855</u>
Fund Balances - ending	<u>\$ 55,564</u>	<u>\$ 390,965</u>	<u>\$ 4,539</u>	<u>\$ 451,068</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, 2015

	<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	\$ 1,607,521	\$ 1,581,000	\$ 1,581,000	\$ -
Interest	374,828	366,698	341,151	25,547
Issuance costs	-	-	-	-
Total expenditures	<u>1,982,349</u>	<u>1,947,698</u>	<u>1,922,151</u>	<u>25,547</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(1,982,349)</u>	<u>(1,947,698)</u>	<u>(1,922,151)</u>	<u>25,547</u>
Other Financing Sources (Uses):				
Transfers In	<u>1,982,349</u>	<u>1,947,698</u>	<u>1,960,090</u>	<u>12,392</u>
Total Other Financing Sources (Uses)	<u>1,982,349</u>	<u>1,947,698</u>	<u>1,960,090</u>	<u>12,392</u>
Net Change in Fund Balances	-	-	37,939	37,939
Fund Balances (Deficit) - beginning	<u>17,625</u>	<u>17,625</u>	<u>17,625</u>	<u>-</u>
Fund Balances (Deficit) - ending	<u>\$ 17,625</u>	<u>\$ 17,625</u>	<u>\$ 55,564</u>	<u>\$ 37,939</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 498,316	\$ 498,316	\$ 498,681	\$ 365
Investment income	<u>439</u>	<u>439</u>	<u>2,239</u>	<u>1,800</u>
Total revenues	<u>498,755</u>	<u>498,755</u>	<u>500,920</u>	<u>2,165</u>
Expenditures:				
Debt service:				
Principal	256,000	256,000	230,000	26,000
Interest	242,755	242,755	146,183	96,572
Issuance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>498,755</u>	<u>498,755</u>	<u>376,183</u>	<u>122,572</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>124,737</u>	<u>124,737</u>
Net Change in Fund Balances	-	-	124,737	124,737
Fund Balances - beginning	<u>266,228</u>	<u>266,228</u>	<u>266,228</u>	<u>-</u>
Fund Balances - ending	<u>\$ 266,228</u>	<u>\$ 266,228</u>	<u>\$ 390,965</u>	<u>\$ 124,737</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, 2015**

	<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	\$ 331,022	\$ 331,022	\$ 285,214	\$ 45,808
Interest	<u>44,634</u>	<u>44,634</u>	<u>52,851</u>	<u>(8,217)</u>
Total expenditures	<u>375,656</u>	<u>375,656</u>	<u>338,065</u>	<u>37,591</u>
Excess (Deficiency) of				
Revenue Over Expenditures	<u>(375,656)</u>	<u>(375,656)</u>	<u>(338,065)</u>	<u>37,591</u>
Other Financing Sources (Uses):				
Transfers In	<u>375,656</u>	<u>375,656</u>	<u>342,602</u>	<u>(33,054)</u>
Total Other Financing Sources (Uses)	<u>375,656</u>	<u>375,656</u>	<u>342,602</u>	<u>(33,054)</u>
Net Change in Fund Balances	-	-	4,537	4,537
Fund Balances - beginning	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
Fund Balances - ending	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 4,539</u>	<u>\$ 4,537</u>

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2015

	<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	\$ 1,066,731	\$ -	\$ 3,919	\$ 135,696	\$ 30,340
Investments	360,000	-	-	40,000	10,000
Receivables, net	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid expenses	2,194,459	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	99,663
Total assets	<u>\$ 3,621,190</u>	<u>\$ -</u>	<u>\$ 3,919</u>	<u>\$ 175,696</u>	<u>\$ 140,003</u>
Liabilities and Fund Balances:					
Accounts payable	\$ 2,276	\$ 989	\$ -	\$ -	\$ 4,095
Accrued liabilities	-	-	10,000	-	-
Retainage payable	-	-	-	-	-
Due to other funds	-	1,562,455	-	-	978,479
Total liabilities	<u>2,276</u>	<u>1,563,444</u>	<u>10,000</u>	<u>-</u>	<u>982,574</u>
Fund Balances:					
Nonspendable	2,194,459	-	-	-	-
Restricted	1,424,455	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	175,696	-
Unassigned	-	(1,563,444)	(6,081)	-	(842,571)
Total fund balances	<u>3,618,914</u>	<u>(1,563,444)</u>	<u>(6,081)</u>	<u>175,696</u>	<u>(842,571)</u>
Total Liabilities and Fund Balances	<u>\$ 3,621,190</u>	<u>\$ -</u>	<u>\$ 3,919</u>	<u>\$ 175,696</u>	<u>\$ 140,003</u>

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet, Continued
Nonmajor Capital Projects Funds
September 30, 2015

Recreational Facility Improvement	OSC Extension Landfill	Fire Station Construction	3rd Generation Sales Tax	Downtown Improvement Construction	Total
\$ -	\$ 12,913	\$ 1,481,029	\$ 313,131	\$ 927	\$ 3,044,686
-	-	490,000	-	-	900,000
1,170	-	-	-	-	1,170
-	-	-	347,192	-	347,192
-	-	-	-	-	2,194,459
-	31,938	-	-	-	131,601
<u>\$ 1,170</u>	<u>\$ 44,851</u>	<u>\$ 1,971,029</u>	<u>\$ 660,323</u>	<u>\$ 927</u>	<u>\$ 6,619,108</u>
\$ 1,962	\$ -	\$ 84,465	\$ 4,581	\$ 927	\$ 99,295
-	-	-	-	-	10,000
-	-	130,283	-	-	130,283
<u>368,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,909,405</u>
<u>370,433</u>	<u>-</u>	<u>214,748</u>	<u>4,581</u>	<u>927</u>	<u>3,148,983</u>
-	-	-	-	-	2,194,459
-	-	-	655,742	-	2,080,197
-	-	-	-	-	-
-	44,851	1,756,281	-	-	1,976,828
<u>(369,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,781,359)</u>
<u>(369,263)</u>	<u>44,851</u>	<u>1,756,281</u>	<u>655,742</u>	<u>-</u>	<u>3,470,125</u>
<u>\$ 1,170</u>	<u>\$ 44,851</u>	<u>\$ 1,971,029</u>	<u>\$ 660,323</u>	<u>\$ 927</u>	<u>\$ 6,619,108</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, 2015

	<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	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	355,868	-	-	-
Investment income	45,579	-	30	-	5,298
Miscellaneous	-	-	-	-	-
Total revenues	<u>45,579</u>	<u>355,868</u>	<u>30</u>	<u>-</u>	<u>5,298</u>
Expenditures:					
Current:					
General government	-	-	-	64,042	-
Public safety	-	159,149	-	-	-
Physical environment	20,354	-	-	-	32,812
Parks and recreation	-	1,126	-	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	8,130
Capital outlay:					
General government	-	-	-	8,435	-
Public safety	-	1,798,972	-	-	-
Physical environment	54,306	535,839	-	-	667,712
Parks and recreation	-	227,370	-	-	509,890
Total expenditures	<u>74,660</u>	<u>2,722,456</u>	<u>-</u>	<u>72,477</u>	<u>1,218,544</u>
Excess (Deficiency) of					
Revenues Over Expenditures	<u>(29,081)</u>	<u>(2,366,588)</u>	<u>30</u>	<u>(72,477)</u>	<u>(1,213,246)</u>
Other Financing Sources (Uses):					
Transfers In	-	43,820	-	74,600	53,713
Transfers Out	-	(185,709)	-	-	(2,925,342)
Capital Lease Proceeds	-	730,258	-	-	-
Sale of General Capital Assets	-	-	-	520	-
Total Other Financing	<u>-</u>	<u>588,369</u>	<u>-</u>	<u>75,120</u>	<u>(2,871,629)</u>
Sources (Uses)	<u>-</u>	<u>588,369</u>	<u>-</u>	<u>75,120</u>	<u>(2,871,629)</u>
Net Change in Fund Balances	(29,081)	(1,778,219)	30	2,643	(4,084,875)
Fund Balances (Deficit) - beginning	<u>3,647,995</u>	<u>214,775</u>	<u>(6,111)</u>	<u>173,053</u>	<u>3,242,304</u>
Fund Balances (Deficit) - ending	<u>\$ 3,618,914</u>	<u>\$ (1,563,444)</u>	<u>\$ (6,081)</u>	<u>\$ 175,696</u>	<u>\$ (842,571)</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, 2015

Recreational Facility Improvement	OSC Extension Landfill	2008 Revenue Bond Construction Fund	Fire Station Construction	3rd Generation Sales Tax	Downtown Improvement Construction	Total
\$ -	\$ -	\$ -	\$ 98,265	\$ 1,502,681	\$ -	\$ 1,600,946
-	15,000	-	-	-	-	370,868
-	378	51	500	87	2,293	54,216
<u>8,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,130</u>
<u>8,130</u>	<u>15,378</u>	<u>51</u>	<u>98,765</u>	<u>1,502,768</u>	<u>2,293</u>	<u>2,034,160</u>
-	-	-	-	-	-	64,042
-	-	-	-	-	-	159,149
-	7,300	-	-	730,128	-	790,594
3,427	-	-	-	-	-	4,553
-	-	-	-	-	-	8,130
-	-	-	-	-	-	8,435
-	-	-	1,364,413	-	-	3,163,385
-	-	-	-	57,681	-	1,315,538
<u>1,170,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,331,843</u>	<u>3,239,337</u>
<u>1,173,661</u>	<u>7,300</u>	<u>-</u>	<u>1,364,413</u>	<u>787,809</u>	<u>1,331,843</u>	<u>8,753,163</u>
<u>(1,165,531)</u>	<u>8,078</u>	<u>51</u>	<u>(1,265,648)</u>	<u>714,959</u>	<u>(1,329,550)</u>	<u>(6,719,003)</u>
1,312,819	12,000	-	1,630,250	-	129,786	3,256,988
-	(23,719)	(12,392)	-	(59,217)	-	(3,206,379)
-	-	-	-	-	-	730,258
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>520</u>
<u>1,312,819</u>	<u>(11,719)</u>	<u>(12,392)</u>	<u>1,630,250</u>	<u>(59,217)</u>	<u>129,786</u>	<u>781,387</u>
147,288	(3,641)	(12,341)	364,602	655,742	(1,199,764)	(5,937,616)
<u>(516,551)</u>	<u>48,492</u>	<u>12,341</u>	<u>1,391,679</u>	<u>-</u>	<u>1,199,764</u>	<u>9,407,741</u>
<u>\$ (369,263)</u>	<u>\$ 44,851</u>	<u>\$ -</u>	<u>\$ 1,756,281</u>	<u>\$ 655,742</u>	<u>\$ -</u>	<u>\$ 3,470,125</u>

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CITY OF OVIEDO, FLORIDA

INTERNAL SERVICE FUNDS

Internal service funds are used to account for services provided to other departments of the government on a cost -reimbursement basis.

Health Insurance Fund - to account for the City's self-insurance health plan and city paid employee long-term disability and life insurance.

Fleet Fund - to account for the City's fleet maintenance program.

City of Oviedo, Florida
Combining Statement of Net Position
Internal Service Funds
September 30, 2015

	<u>Health Insurance Fund</u>	<u>Fleet ISF</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 559,350	\$ 6,521	\$ 565,871
Investments	180,000	-	180,000
Receivables, net	110,300	-	110,300
Prepaid expenses	6,125	-	6,125
Inventories		41,658	41,658
Total current assets	<u>855,775</u>	<u>48,179</u>	<u>903,954</u>
Noncurrent assets:			
Being depreciated, net	<u>45,683</u>	-	<u>45,683</u>
Total noncurrent assets	<u>45,683</u>	-	<u>45,683</u>
Total assets	<u>901,458</u>	<u>48,179</u>	<u>949,637</u>
LIABILITIES			
Current liabilities:			
Accounts payable	413,242	77,881	491,123
Accrued liabilities	-	9,724	9,724
Compensated absences	-	2,362	2,362
Total current liabilities	<u>413,242</u>	<u>89,967</u>	<u>503,209</u>
Noncurrent liabilities:			
Compensated absences	-	21,253	21,253
Total current liabilities	-	21,253	21,253
Total liabilities	<u>413,242</u>	<u>111,220</u>	<u>524,462</u>
NET POSITION			
Net Investment in Capital Assets	45,683	-	45,683
Unrestricted	<u>442,533</u>	<u>(63,041)</u>	<u>379,492</u>
Total net position	<u>488,216</u>	<u>(63,041)</u>	<u>425,175</u>

City of Oviedo, Florida
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2015

	<u>Health Insurance Fund</u>	<u>Fleet ISF</u>	<u>Total</u>
Operating Revenues:			
User charges	\$ -	\$ 270,422	\$ 270,422
Other revenue	2,441,003	751	2,441,754
Total operating revenues	<u>2,441,003</u>	<u>271,173</u>	<u>2,712,176</u>
Operating Expenses:			
Cost of sales/services	3,651,463	380,544	4,032,007
Depreciation and amortization	10,151	-	10,151
Total operating expenses	<u>3,661,614</u>	<u>380,544</u>	<u>4,042,158</u>
Operating income (loss)	<u>(1,220,611)</u>	<u>(109,371)</u>	<u>(1,329,982)</u>
Nonoperating Revenues (Expenses):			
Investment earnings	5,324	(137)	5,187
Miscellaneous revenue	-	-	-
Total nonoperating revenues (expenses)	<u>5,324</u>	<u>(137)</u>	<u>5,187</u>
Loss before contributions and transfers	(1,215,287)	(109,508)	(1,324,795)
Transfers in	846,163	56,740	902,903
Transfers out	<u>-</u>	<u>(10,273)</u>	<u>(10,273)</u>
Change in Net Position	(369,124)	(63,041)	(432,165)
Net Position - beginning	<u>857,340</u>	<u>-</u>	<u>857,340</u>
Net Position - ending	<u>\$ 488,216</u>	<u>\$ (63,041)</u>	<u>\$ 425,175</u>

CITY OF OVIEDO, FLORIDA
Combining Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2015

	Health Insurance Fund	Fleet Fund	Total
Cash Flows From Operating Activities:			
Receipts from internal services provided	\$ 2,546,991	\$ 271,173	\$ 2,818,164
Payments to suppliers	(3,830,516)	(97,611)	(3,928,127)
Payments to employees	-	(213,371)	(213,371)
Net cash provided by (used in) operating activities	<u>(1,283,525)</u>	<u>(39,809)</u>	<u>(1,323,334)</u>
Cash Flows From Non-capital Financing Activities:			
Transfers in	846,163	56,740	902,903
Transfers out	-	(10,273)	(10,273)
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>846,163</u>	<u>46,467</u>	<u>892,630</u>
Cash Flows From Investing Activities:			
Sale of investments	550,000	-	550,000
Investment income	5,324	(137)	5,187
Net Cash Used in Investing Activities	<u>555,324</u>	<u>(137)</u>	<u>555,187</u>
Net Increase in Cash and Cash Equivalents	117,962	6,521	124,483
Cash and Cash Equivalents - beginning	441,388	-	441,388
Cash and Cash Equivalents - ending	<u>\$ 559,350</u>	<u>\$ 6,521</u>	<u>\$ 565,871</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in)			
Operating Activities:			
Operating income (loss)	\$ (1,220,611)	\$ (109,371)	\$ (1,329,982)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	10,151	-	10,151
Decrease in accounts receivable	105,988	-	105,988
Increase in inventories	-	(41,658)	(41,658)
Increase in prepaid expenses	(3,725)	-	(3,725)
Increase (decrease) in accounts payable	(175,328)	77,881	(97,447)
Increase in accrued liabilities and compensated absences	-	33,339	33,339
Net cash provided by (used in) operating activities	<u>\$ (1,283,525)</u>	<u>\$ (39,809)</u>	<u>\$ (1,323,334)</u>

Statistical Section

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CITY OF OVIEDO, FLORIDA

STATISTICAL SECTION

September 30, 2015

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	114
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	120
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	124
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	129
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	131
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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 41,987	\$ 42,758	\$ 56,841	\$ 70,052	\$ 69,958	\$ 677,766	\$ 67,505	\$ 71,921	\$ 75,793	\$ 65,745
Restricted	9,070	15,667	6,060	12,668	13,338	7,956	12,044	8,467	2,138	1,684
Unrestricted	10,172	11,082	6,050	3,280	3,016	4,845	3,769	4,676	5,317	6,602
Total governmental activities net position	<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>	<u>74,031</u>
Business-type activities										
Net investment in capital assets	39,541	48,465	45,184	37,677	36,505	35,700	32,980	30,866	28,572	27,448
Restricted	180	324	299	180	182	333	-	-	-	-
Unrestricted	9,432	7,659	10,765	5,611	5,827	6,236	8,276	9,862	11,582	13,613
Total business-type activities net position	<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>	<u>41,061</u>
Primary government										
Net investment in capital assets	81,528	91,223	102,025	107,729	106,463	713,466	100,485	102,787	104,365	93,193
Restricted	9,250	15,991	6,359	12,848	13,520	8,289	12,044	8,467	2,138	1,684
Unrestricted	19,604	18,741	16,815	8,891	8,843	11,081	12,045	14,538	16,899	20,215
Total primary government net position	<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>	<u>\$ 115,092</u>

Table 2

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 3,730	\$ 3,721	\$ 3,994	\$ 3,790	\$ 3,477	\$ 2,686	\$ 2,455	\$ 2,497	\$ 2,283	\$ 2,679
Public safety	11,168	12,359	13,189	13,550	13,853	14,054	13,932	14,144	14,280	16,355
Highways and streets	8,285	8,386	10,433	10,997	10,764	14,222	10,590	11,463	10,001	10,346
Parks and recreation	4,032	4,143	4,335	4,259	3,808	3,992	3,732	3,413	4,114	4,633
Interest on long term debt	1,062	1,087	1,268	1,222	1,219	1,209	1,149	731	624	685
Total government activities expenses	<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>	<u>34,698</u>
Business-type activities:										
Sewer & Water	6,324	7,240	7,756	7,785	8,463	12,815	12,917	13,529	13,322	13,156
Stormwater	1,285	1,593	2,020	-	-	-	-	-	-	-
Total business-type activities expenses	<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>	<u>\$ 13,156</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 406	\$ 665	\$ 691	\$ 92	\$ 193	\$ 154	\$ 222	\$ 250	\$ 217	\$ 426
Public safety	3,455	2,562	2,319	1,670	1,687	1,954	1,746	2,170	1,397	1,996
Highways and streets	578	2,719	2,437	4,164	4,330	4,385	4,591	4,465	4,343	4,770
Parks and recreation	1,105	1,493	1,334	1,221	1,371	1,398	1,382	1,409	1,285	1,472
Operating grants and contributions	767	871	864	704	662	669	1,032	777	776	681
Capital grants and contributions	12	4,405	384	1,833	1,611	563	1,033	3,421	264	2,006
Total government activities program revenues	<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>	<u>11,351</u>
Business-type activities:										
Charges for services:										
Sewer & Water	5,070	5,291	5,553	6,386	6,046	11,781	11,751	11,811	11,630	12,265
Stormwater	934	1,129	1,362	-	-	-	-	-	-	-
Operating grants and contributions	-	-	662	-	-	-	-	-	-	-
Capital grants and contributions	937	9,247	1,567	1,803	1,198	840	921	1,306	1,172	2,503
Total business-type activities program revenues	<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>	<u>14,768</u>
Total government program revenues	<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>	<u>\$ 26,119</u>
Net (expense)/revenue										
Governmental activities	\$ (21,954)	\$ (16,981)	\$ (25,190)	\$ (24,134)	\$ (23,267)	\$ (27,040)	\$ (21,852)	\$ (19,756)	\$ (23,020)	\$ (23,347)
Business-type activities	(668)	6,834	(632)	404	(1,219)	(194)	(245)	(412)	(520)	1,612
Total government net expense	<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>	<u>\$ (21,735)</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 9,308	\$ 11,612	\$ 11,502	\$ 11,236	\$ 10,251	\$ 9,580	\$ 9,125	\$ 9,217	\$ 9,463	\$ 10,378
Franchise and utility taxes	6,310	6,564	6,979	7,229	7,689	7,031	6,609	6,773	6,952	7,779
Unrestricted intergovernmental revenues	5,334	5,442	4,916	4,480	4,554	4,619	3,978	3,702	4,187	4,956
Unrestricted investment earnings	980	1,464	1,182	1,132	711	365	385	141	145	140
Miscellaneous revenues	120	9	26	173	187	174	145	251	287	276
Gain on sale of capital assets	75	45	15	-	-	-	28	1,252	30	-
Transfers	100	124	12	13,526	187	206	190	167	139	123
Total governmental activities	<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>	<u>23,652</u>
Business-type activities										
Investment earnings	459	506	343	336	450	130	140	49	85	105
Miscellaneous revenues	70	79	102	5	1	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	26	3	1	-	-
Transfers	(100)	(124)	(12)	(13,526)	(187)	(206)	(190)	(167)	(139)	(123)
Total business-type activities	<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>	<u>(18)</u>
Total government	<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>	<u>\$ 23,634</u>
Change in Net Position										
Governmental activities	\$ 273	\$ 8,279	\$ (558)	\$ 13,642	\$ 312	\$ (5,065)	\$ (1,392)	\$ 1,747	\$ (1,817)	\$ 305
Business-type activities	(239)	7,295	(199)	(12,781)	(955)	(244)	(292)	(529)	(574)	1,594
Total government	<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>	<u>\$ 1,899</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Property Tax	\$ 9,308	\$ 11,612	\$ 11,502	\$ 11,236	\$ 10,251	\$ 9,580	\$ 9,125	\$ 9,217	\$ 9,463	\$ 10,378
Utility Tax										
Electricity	2,020	2,073	2,115	2,223	2,558	2,383	2,232	2,379	2,542	2,550
Water	367	399	412	435	436	530	519	492	485	516
Gas	50	58	60	51	51	50	59	42	47	44
Telecommunications	1,507	1,558	1,777	1,648	1,654	1,538	1,490	1,473	1,326	1,262
Total	3,944	4,088	4,364	4,357	4,699	4,501	4,300	4,386	4,400	4,372
Franchise Fees	2,366	2,476	*	*	*	*	*	*	*	*
Total Tax Revenue by Source	\$ 15,618	\$ 18,176	\$ 15,866	\$ 15,593	\$ 14,950	\$ 14,081	\$ 13,425	\$ 13,603	\$ 13,863	\$ 14,750
Taxes included in Unrestricted Intergovernmental Revenues										
Sales Tax	\$ 3,765	\$ 3,798	\$ 3,473	\$ 2,970	\$ 2,917	\$ 2,932	\$ 2,241	\$ 2,033	\$ 2,356	\$ 2,329
State Revenue Sharing	976	1,115	966	720	710	746	779	864	955	1,063
Other	13	87	17	23	19	23	20	8	25	16
Total	\$ 4,754	\$ 5,000	\$ 4,456	\$ 3,713	\$ 3,646	\$ 3,701	\$ 3,040	\$ 2,905	\$ 3,336	\$ 3,408

* 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									
	2006	2007	2008	2009	2010	2011*	2012*	2013*	2014*	2015*
General fund										
Reserved	\$ 219	\$ 591	\$ 155	\$ 168	\$ 241	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,122	3,562	3,897	3,831	3,614	-	-	-	-	-
Total General Fund	<u>\$ 4,341</u>	<u>\$ 4,153</u>	<u>\$ 4,052</u>	<u>\$ 3,999</u>	<u>\$ 3,855</u>	<u>\$ -</u>				
All other governmental funds										
Reserved	\$ 11,432	\$ 19,048	\$ 11,154	\$ 8,309	\$ 9,360	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,145	1,747	2,980	8,084	9,360	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	2,704	2,772	3,641	4,536	5,278	-	-	-	-	-
Total all other governmental	<u>\$ 16,281</u>	<u>\$ 23,567</u>	<u>\$ 17,775</u>	<u>\$ 20,929</u>	<u>\$ 23,998</u>	<u>\$ -</u>				

* Implemental of GASB Statement No. 54

General fund										
Nonspendable						\$ 84	\$ 56	\$ 116	\$ 113	\$ 37
Restricted						34	47	26	26	27
Assigned						193	-	100	286	117
Unassigned						3,380	2,914	3,173	3,832	4,473
Total general fund						<u>\$ 3,691</u>	<u>\$ 3,017</u>	<u>\$ 3,415</u>	<u>\$ 4,257</u>	<u>\$ 4,654</u>
All other governmental funds										
Nonspendable						\$ -	\$ -	\$ 2,502	\$ 2,619	\$ 2,204
Restricted						15,402	19,478	13,088	7,059	6,364
Committed						1,345	1,474	907	1,311	1,520
Assigned						1,978	1,596	2,659	4,879	1,981
Unassigned						-	(21)	(63)	(771)	(2,834)
Total all other governmental						<u>\$ 18,725</u>	<u>\$ 22,527</u>	<u>\$ 19,093</u>	<u>\$ 15,097</u>	<u>\$ 9,235</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes:										
Property	\$ 9,308	\$ 11,612	\$ 11,502	\$ 11,236	\$ 10,251	\$ 9,580	\$ 9,125	\$ 9,217	\$ 9,463	\$ 10,378
Franchise and utility taxes	6,310	6,564	4,364	4,357	4,699	4,501	4,300	4,385	4,400	4,372
Business receipt	-	-	136	140	152	155	134	140	138	138
Licenses and permits	952	1,372	3,658	3,260	3,616	3,191	3,011	3,219	2,711	3,340
Intergovernmental	8,125	7,268	6,049	5,163	6,724	5,524	5,515	5,061	5,208	7,274
Charges for services	3,342	4,072	4,024	6,061	5,889	6,207	6,259	6,506	6,473	7,076
Fines and forfeitures	129	179	173	200	144	146	169	154	328	273
Investment income	1,201	1,748	1,142	1,086	678	350	373	138	142	134
Service assessments	924	1,488	1,150	485	727	747	804	755	84	389
Miscellaneous	233	130	157	219	279	248	391	308	355	372
Total revenues	<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>	<u>33,746</u>
Expenditures										
General government	3,626	3,552	3,777	3,488	3,327	2,458	2,210	2,196	2,159	3,777
Public safety	10,523	11,727	12,508	12,492	12,735	12,771	12,978	13,391	13,265	14,164
Physical environment	6,450	6,547	8,557	7,883	7,515	11,202	7,737	8,024	6,710	6,995
Parks and recreation	3,587	3,690	3,827	3,559	3,355	3,255	3,305	3,215	3,387	3,792
Debt service:										
Principal	1,056	1,132	1,397	1,462	1,537	1,726	1,086	7,545	524	2,096
Interest	1,062	1,085	1,315	1,260	1,219	1,210	1,143	742	489	548
Issuance costs	-	-	-	-	-	38	162	106	20	-
Capital outlay	10,380	5,481	6,581	4,791	3,075	2,718	2,153	5,090	8,576	9,077
Total expenditures	<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>	<u>40,449</u>
Excess of revenues over (under) expenditures	(6,160)	1,219	(5,607)	(2,728)	396	(4,729)	(693)	(10,426)	(5,828)	(6,703)
Other financing sources (uses):										
Transfers in	9,722	5,741	3,743	5,322	3,553	3,664	3,360	3,083	2,599	7,679
Transfers out	(9,622)	(6,175)	(4,230)	(3,627)	(3,815)	(4,018)	(3,614)	(3,359)	(3,805)	(7,172)
Proceeds of refunding debt	-	5,710	-	688	-	1,300	16,886	5,951	3,849	730
Payment to refunded bond escrow agent	-	-	-	-	-	-	(17,132)	-	-	-
Capital leases	20	559	186	-	1,255	491	-	-	-	-
Sale of general capital assets	85	45	15	38	20	52	31	1,715	32	10
Total other financing sources (uses)	<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>	<u>1,247</u>
Net change in fund balance	<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>	<u>\$ (5,456)</u>
Debt service as a percentage of noncapital expenditures	8.76%	8.69%	9.46% *	9.93% *	9.28%	9.00%	7.83%	23.60%	3.82%	8.43%

* Fiscal years 2008 & 2009 Debt Service percentages were restated.

Table 6

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	
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%
2015	2,482,861	2,520,672	110,290	111,970	558,843	5.2980	2,034,309	2,632,642	77.27%

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		
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
2015	5.0434	0.2546	5.2980	4.8751	0.0000	4.8751	7.8970	0.0000	7.8970	0.3164	18.3865

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

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

Taxpayer	2015			2006		
	Assessed	Rank	Total Taxable	Assessed	Rank	Total Taxable
Oviedo Grove Apartments LP	\$ 21,821	1	1.07%	\$ 14,747	4	0.86%
Duke Energy (1)	16,888	2	0.83%			
WRI - TC Alafaya Square, LLC	16,430	3	0.81%			
United Dominion Realty Trust, Inc.	15,803	4	0.78%	12,083	6	0.71%
Oviedo Town Center, LLC	11,625	5	0.57%			
Oviedo Fund LLC	10,126	6	0.50%			
Riverside Landings Inv, LLC	7,899	7	0.39%	10,169	9	0.60%
AEJ Oviedo LLC	7,655	8	0.38%			
Bellsouth Telecommunications	7,342	9	0.36%	10,524	7	0.62%
Gemini Town Center	7,008	10	0.34%			
The Rouse-Orlando Inc.				63,266	1	3.71%
Woolbright Alafaya Ltd				14,863	2	0.87%
Alafaya Utilities Inc.				14,747	3	0.86%
Florida Power Corporation				14,162	5	0.83%
Dillard Department Stores, Inc				10,224	8	0.60%
Burdines, Inc.				10,089	10	0.59%
Total	\$ 122,599		6.03%	\$ 174,874		10.25%

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
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	9,858,654	9,367,013	95.01%	95,906	9,462,919	95.99%
2015	10,472,713	10,217,389	97.56%	160,401	10,377,790	99.09%

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Outstanding Delinquent Taxes (3)	% of Delinquent Taxes to Total Levy
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	9,858,654	1,826,414	18.53%
2015	10,472,713	1,537,432	14.68%

Notes:

(1) Fiscal year 2007 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			
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
2015	17,728	6,884	1,240	48,655	1,337	4,484	80,327	5.22%	2,182

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
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
2015	6,884		6,884	0.26%		187

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, 2015

<u>Jurisdiction</u>	<u>Long-Term Debt Outstanding</u>	<u>Percentage Applicable to City of Oviedo</u>	<u>Amount Applicable to City of Oviedo</u>
Direct:			
City of Oviedo (1)	\$ 25,852	100.00%	\$ 25,852
Overlapping:			
Seminole County (2)	132,978,957	7.95% (3)	10,571,827
Total overlapping general obligation bonded debt	132,978,957		10,571,827
Total	\$ 133,004,809		\$ 10,597,679

Sources:

- (1) City of Oviedo Finance Department
- (2) Seminole County Finance Department. The information provided is as of September 30, 2014. FY 2015 informaton was not available from Seminole County prior to the publication of the CAFR.

Note:

- (3) Percentage applicable for overlapping debt is based on the City's total taxable value as a percentage of Seminole County's total taxable value.

CITY OF OVIEDO, FLORIDA
Computation of Legal Debt Margin*
September 30, 2015

Assessed valuations:		
Assessed value		\$ 2,034,309,000
Add back exempt real property		558,843,000
Total assessed value		<u>\$ 2,593,152,000</u>
Legal debt margin:		
Debt limitation - 3% of assessed value		<u>\$ 77,794,560</u>
Debt applicable to limitation:		
Total bonded debt	\$ 24,612,000	
Less: Public Improvement Revenue Bonds	<u>(17,728,000)</u>	
Total debt applicable to limitation		<u>\$ 6,884,000</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
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
2015	4,372,348	1,505,608	2.90	2015	4,550,012	738,595	6.16

<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
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
2015	14,582,323	7,264,468	1,193,084	8,510,939	3,168,561	2.31	2.69

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
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	1,354,490	40,516 (5)	34.7 (1)	8,198	4.9% (3)
2009	33,529	1,258,578	37,537 (5)	36.3 (1)	7,924	8.3% (3)
2010	33,316	1,259,611	37,808 (5)	35.6 (1)	7,836	8.7% (3)
2011	33,969	1,325,335	39,016 (5)	36.3 (1)	7,795	7.9% (3)
2012	34,573	1,395,263	40,357 (5)	35.3 (1)	7,743	8.9% (3)
2013	34,965	1,407,446	40,253 (5)	36.4 (1)	7,739	5.7% (6)
2014	36,251	1,515,509	41,806 (5)	39.0 (7)	7,676	5.1% (3)
2015	36,819	1,601,287	43,491 (5)	38.9 (7)	7,710	4.6% (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 (11 month lag)

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

(7) Source: US Census Bureau

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

Employer	2015			2006		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees	Rank	Percentage of Total City Employment
Seminole County School System	659 (3)	1	6.01%			
Publix Super Markets	524	2	4.78%	295	2	4.45%
City of Oviedo	359	3	3.27%	335	1	5.05%
CKS Masonry & Concrete, Inc.	160	4	1.46%	130	6	1.96%
Swell Construction	133	5	1.21%	110	9	1.66%
CrossLife Church	125	6	1.14%	116	8	1.75%
Macy's	110	7	1.00%			
Winn Dixie Stores, Inc.	110	7	1.00%	150	5	2.26%
A Duda & Sons, Inc	101	8	0.92%			
Miller's Ale House	87	9	0.79%			
Orlando Orthopaedic Center	84	10	0.77%			
	<u>2,452</u>		<u>22.35%</u>	<u>1,136</u>		<u>17.13%</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

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	94	103	101	100	74	59	56	61	62	65
Public Safety:										
Police										
Officers	60	63	64	63	63	62	62	63	67	67
Civilians	20	20	19	19	17	17	11	9	6	6
Fire										
Firefighters and officers	50	50	50	50	51	50	52	52	53	53
Civilians	1	1	1	1	1	1	1	1	1	1
Building	3	4	4	4	4	4	4	4	4	4
Public Works	37	39	38	37	34	37	38	36	36	40
Parks and Recreation (1)	71	70	67	59	57	56	56	54	57	64
Total (2)	<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>	<u>299</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>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>	<u>2015</u>
Police										
Traffic and parking violations	3,618	5,187	4,735	4,669	3,618	4,616	3,367	5,127	4,710	7,575
Physical arrests	1,051	1,144	881	977	1,051	937	676	640	772	1,290
Complaints	32,486	39,872	42,424	52,554	32,486	46,883	44,431	45,519	41,489	52,981
Fire										
Construction inspections	1,258	1,323	955	1,249	1,652	1,198	367	385	196	391
Hydrant inspections	516	1,000	1,300	800	1,128	1,140	1,140	1,140	500	1,143
Number of emergency calls answered	4,032	3,993	3,971	4,228	3,919	3,894	4,076	4,113	3,728	4,156
Medical Transports	1,215	1,302	1,575	1,427	1,418	1,443	1,493	1,541	1,453	1,663
Highways and streets										
Streets paved (miles)	-	0.3	-	6.2	6.2***	6.11	6.54	3.80	2.75	6.20
Streets resurfaced (tons/asphalt)	4,100	12,000	7,547	4,782	6,150	4,926	5,223.50	3,754	2,284	6,741
Sidewalks/bike paths built or repaired (square feet)	56,450	-	72,171	54,585	131,395	75,330	22,275	75,130	57,642	51,643
Parks and recreation										
Sports Complex ball games	2,560	2,610	2,422	2,395	2,346	2,359	1,985	1,838	1,854	1,809
Field Rentals	31	39	45	31	59	57	89	40	45	46
Swimming Pool Passes	312	382	376	393	393	379	298	269	177	1,418
Water										
New connections	190	292	172	99	317	32	206	21	393	694
Number of customers	11,416	11,708	11,880	11,979	12,296	12,328	12,534	12,555	12,948	12,902
Water main breaks	3	1	1	1	2.00	1.00	-	2	1	1
Average daily consumption (millions of gallons)	4.16	3.86	4.04	3.71	3.55	4.00	3.80	3.45	3.39	3.62
Average daily production (millions of gallons)	4.66	4.59	4.47	4.00	3.68	4.17	3.80	3.95	4.30	4.07
Meter reads	136,992	140,496	142,560	143,747	149,052	150,628	153,190	150,658	155,376	154,824
General Government										
Employment applications received	1,177	1,165	1,660	664	851	1,328	938	1,172	1,221	2,072
Personnel Action Forms processed	607	635	555	422	394	281	417	406	396	328
Legal Notices published	56	62	75	74	67	61	51	66	46	78
Business Tax Receipts issued	4,400	4,291	4,200	4,081	4,119	4,310	3,947	4,098	4,252	3,250
Insurance Claims Submitted	33	21	43	49**	47	30	20	34	33	26
Permits issued	4,269	4,035	3,082	2,727	2,952	3,071	2,726	3,098	2,312	4,119
Number of general ledger transactions posted	163,153	183,208	168,280	177,685	186,569	176,335	210,509	146,654	145,491	161,705
A/P Checks issued	9,585	10,103	6,388	5,583	5,385	5,252	5,073	6,035	5,563	4,986
Purchase orders/FPO's processed	6,775	6,857	4,255	3,142	3,322	3,011	2,908	2,497	2,264	2,453

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>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>	<u>2015</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicle patrol units	41	42	42	49	42	41	39	38	39	39
Motorcycle patrol units	4	4	4	4	4	4	4	4	4	-
Bicycle patrol units	15	18	18	19	18	21	14	14	14	14
Fire stations	3	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets maintained - paved (miles)	114.98	130.00	115.28	115.28	116.78	117.00	117.30	117.90	117.90	117.90
Streets maintained - unpaved (miles)	7.89	8.00	7.89	7.89	7.39	7.19	6.90	6.90	6.90	6.90
Traffic Signals	20	20	20	20	23	23	25	26	25	26
Culture and recreation										
Park acreage	353	353	387	482	482	482	482	482	482	482
Parks	11	11	12	12	12	12	12	12	12	12
Tennis courts	8	8	8	8	8	8	8	8	8	8
Community centers	2	2	2	2	2	2	3	3	3	3
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Water										
Water plants	3	2	2	2	1	1	1	1	1	1
Water mains (miles)	133	137	175	160	175	175	176	176	180	180
Fire hydrants	1,000	1,124	1,125	1,124	1,124	1,124	1,126	1,126	1,300	1,144
Maximum daily capacity (millions of gallons)	20.48	17.24	17.24	17.24	10.00	10.00	10.00	10.00	10.00	10.00
Sewer										
Wastewater plants	-	-	-	-	1	1	1	1	1	1
Sanitary sewers (miles)	29.33	31.20	32.30	32.30	106.00	108.00	110.00	110.00	121.00	121.72
Sanitary lift stations	*	*	*	*	64	65	66	66	67	68
Reclaim										
Reclaim lines (miles)	*	16.52	26.00	26.00	53.30	53.30	57.80	57.80	61.00	61.06

Notes:

* Information not available

Other Supplemental Schedules

OVIEDO
Florida

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Table 20

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Summary of Capital Improvement Funding Plan (\$000s)
 September 30, 2015

	Fiscal Year Ending September 30,											Total
	2015 [1]	2016 [2]	2017 [2]	2018 [2]	2019 [2]	2020 [2]	2021 [2]	2022 [2]	2023 [2]	2024 [2]	2025 [2]	
Capital Projects:												
Water System	\$ 1,240,833	\$ 1,609,010	\$ 1,153,250	\$ 691,250	\$ 1,719,250	\$ 1,870,250	\$ 719,250	\$ 813,450	\$ 695,250	\$ 768,250	\$ 1,763,690	\$ 13,043,733
Sewer System [3]	783,077	1,284,500	1,520,700	496,000	440,000	496,000	440,000	496,000	440,000	496,000	440,000	7,332,277
Reclaim System	-	-	-	-	-	-	570,000	2,383,859	-	4,229,747	-	7,183,606
Alafaya System	1,832,035	387,650	295,000	4,595,000	2,895,000	295,000	270,000	270,000	270,000	270,000	270,000	11,649,685
Stormwater System	672,523	213,000	480,000	140,000	160,000	200,000	370,000	280,213	307,188	550,000	50,000	3,422,924
Total Utility System												
Capital Projects	<u>\$ 4,528,468</u>	<u>\$ 3,494,160</u>	<u>\$ 3,448,950</u>	<u>\$ 5,922,250</u>	<u>\$ 5,214,250</u>	<u>\$ 2,861,250</u>	<u>\$ 2,369,250</u>	<u>\$ 4,243,522</u>	<u>\$ 1,712,438</u>	<u>\$ 6,313,997</u>	<u>\$ 2,523,690</u>	<u>\$ 42,632,225</u>
Funding Sources:												
Fund Equity (Available Reserves or Unfunded)	\$ 693,101	\$ 333,000	\$ 580,000	\$ 240,000	\$ 260,000	\$ 300,000	\$ 735,000	\$ 2,764,072	\$ 407,188	\$ 4,879,747	\$ 150,000	\$ 11,342,108
New Debt	-	-	-	4,300,000	2,600,000	-	-	-	-	-	-	6,900,000
Outstanding Debt -												
2007 Utility Revenue Note	83,236	-	-	-	-	-	-	-	-	-	-	83,236
Series 2010 Bonds	1,261,215	-	-	-	-	-	-	-	-	-	-	1,261,215
Bank of America Lease	-	-	-	-	-	-	-	-	-	-	-	-
SRF Loan	-	-	-	-	-	-	-	-	-	-	-	-
Renewal and Replacement Fund	1,428,750	1,288,235	879,250	935,250	879,250	935,250	854,250	910,250	854,250	910,250	854,250	10,729,235
SRF Loan							305,000					305,000
System Development												
Charges	508,416	1,706,925	1,620,700	290,000	1,414,000	1,490,000	359,000	330,000	290,000	290,000	1,378,000	9,677,041
Vehicle Replacement Fund	553,750	166,000	369,000	157,000	61,000	136,000	116,000	239,200	161,000	234,000	141,440	2,334,390
Total Funding Sources	<u>\$ 4,528,468</u>	<u>\$ 3,494,160</u>	<u>\$ 3,448,950</u>	<u>\$ 5,922,250</u>	<u>\$ 5,214,250</u>	<u>\$ 2,861,250</u>	<u>\$ 2,369,250</u>	<u>\$ 4,243,522</u>	<u>\$ 1,712,438</u>	<u>\$ 6,313,997</u>	<u>\$ 2,523,690</u>	<u>\$ 42,632,225</u>

Notes:

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

[2] Source: City of Oviedo; FY 2015/16 Adopted Budget Book

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

Source: City of Oviedo Finance Department

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
Existing Water System Rates [1]
September 30, 2015

Description	Current City Rates
<u>Residential Water:</u>	
Monthly Base Charge per Dwelling Unit	\$ 11.03
<u>Usage Charge per Thousand Gallons</u>	
Block 1 (0 -3,000 Gallons)	\$ 0.91
Block 2 (3,001 -10,000 Gallons)	\$ 2.03
Block 3 (10,001 -15,000 Gallons)	\$ 3.83
Block 4 (15,001 -30,000 Gallons)	\$ 5.45
Block 5 (Above 30,000 Gallons)	\$ 6.40
<u>Commercial Water:</u>	
<u>Monthly Base Charge per Account</u>	
5/8" Meter	\$ 11.03
1" Meter	\$ 27.59
1 1/2" Meter	\$ 55.19
2" Meter	\$ 88.28
3" Meter	\$ 165.54
4" Meter	\$ 275.90
6" Meter	\$ 551.80
Usage Charge per Thousand Gallons	\$ 2.75
<u>Residential Irrigation (Potable Water):</u>	
Monthly Base Charge per Account	\$ 11.03
<u>Usage Charge per Thousand Gallons</u>	
Block 1 (0 -10,000 Gallons)	\$ 3.83
Block 2 (10,001 -15,000 Gallons)	\$ 5.45
Block 3 (Above 15,000 Gallons)	\$ 6.42
<u>Commercial Irrigation (Potable Water):</u>	
<u>Monthly Base Charge per Account</u>	
5/8" Meter	\$ 11.03
1" Meter	\$ 27.59
1 1/2" Meter	\$ 55.19
2" Meter	\$ 88.28
3" Meter	\$ 165.54
4" Meter	\$ 275.90
6" Meter	\$ 551.80
Usage Charge per Thousand Gallons	\$ 4.28
<u>Wholesale Water</u>	
All Usage (per Thousand Gallons)	\$ 1.45

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

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Existing Sewer System Rates [1]
 September 30, 2015

Description	Service Area	
	Alafaya	City
<u>Residential Sewer:</u>		
Monthly Base Charge per Dwelling Unit	\$ 29.03	\$ 22.79
Usage Charge per Thousand Gallons		
(Up 10,000 Gallons)	\$ 3.91	\$ 4.18
<u>Commercial Sewer:</u>		
Monthly Base Charge per Account		
5/8" Meter	\$ 29.03	\$ 22.79
1" Meter	\$ 71.51	\$ 56.98
1 1/2" Meter	\$ 145.28	\$ 113.95
2" Meter	\$ 232.45	\$ 182.33
3" Meter	\$ 464.87	\$ 341.86
4" Meter	\$ 726.36	\$ 569.77
6" Meter	\$ 1,451.74	\$ 1,139.54
Usage Charge per Thousand Gallons	\$ 3.91	\$ 4.18
<u>Note:</u>		
[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, 2015

Description	Current City Rates
<u>Residential Reclaimed/Alternative Water:</u>	
Monthly Base Charge per Account	\$ 10.11
<u>Usage Charge per Thousand Gallons</u>	
Block 1 (0 -15,000 Gallons)	\$ 1.20
Block 2 (15,001 -30,000 Gallons)	\$ 1.80
Block 3 (Above 30,000 Gallons)	\$ 3.60
<u>Commercial Reclaimed! Alternative Water:</u>	
<u>Monthly Base Charge per Account</u>	
5/8" Meter	\$ 10.11
1" Meter	\$ 25.28
1 1/2" Meter	\$ 50.53
2" or Greater	\$ 80.87
Usage Charge per Thousand Gallons	\$ 1.20

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
 Water and Sewer Rate Comparison
 September 30, 2015

Description	Service Area		
	Water	Sewer	Total
	(assuming 8,000 gal of utility service)		
City of Oviedo			
Current Rates -Existing City Utility System	\$ 23.91	\$ 56.23	\$ 80.14
Current Rates -Alafaya System	\$ 23.91	\$ 60.31	\$ 84.22
Other Florida Utilities [1]			
City of Altamonte Springs	\$ 20.52	\$ 38.15	\$ 58.67
City of Casselberry	\$ 23.03	\$ 63.55	\$ 86.58
City of Cocoa	\$ 40.38	\$ 61.46	\$ 101.84
City of Deland	\$ 27.24	\$ 66.08	\$ 93.32
City of Deltona	\$ 27.27	\$ 134.35	\$ 161.62
City of Maitland	\$ 17.54	\$ 52.85	\$ 70.39
City of Melbourne	\$ 44.56	\$ 66.63	\$ 111.19
City of Orlando/O.U.C.	\$ 15.30	\$ 54.89	\$ 70.19
City of Sanford	\$ 25.39	\$ 53.86	\$ 79.25
City of St. Cloud	\$ 28.02	\$ 51.61	\$ 79.63
City of Titusville	\$ 36.89	\$ 69.01	\$ 105.90
City of Winter Park	\$ 20.74	\$ 45.39	\$ 66.13
City of Winter Springs	\$ 16.36	\$ 46.35	\$ 62.71
Orange County	\$ 17.28	\$ 44.27	\$ 61.55
Seminole County	\$ 20.99	\$ 56.05	\$ 77.04
Volusia County -Softened	\$ 45.48	\$ 54.44	\$ 99.92
Other Neighboring Utilities Average	\$ 26.69	\$ 59.93	\$ 86.62

Note:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect September 2015 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: City of Oviedo Finance Department

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	\$ 13.76	\$ 17.82	\$ 23.91	\$ 27.97	\$ 47.12	\$ 74.37
2	City of Oviedo, Alafaya System	13.76	17.82	23.91	27.97	47.12	74.37
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	17.64	21.48	27.24	35.28	61.41	91.56
7	City of Deltona	15.24	18.24	27.27	33.29	59.59	85.89
8	City of Maitland	11.42	13.46	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	25.39	31.04	47.69	66.03
12	City of St. Cloud	16.85	20.91	28.02	33.10	48.11	67.40
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	62.54
15	City of Winter Springs	9.71	12.37	16.36	19.02	28.67	41.47
16	Orange County	9.93	12.87	17.28	20.22	34.87	49.52
17	Seminole County	15.69	17.81	20.99	23.11	31.86	47.71
18	Volusia County - Softened	24.30	31.74	45.48	54.64	78.29	104.44
19	Average [2]	14.77	18.95	26.69	32.68	50.97	73.27
20	Minimum [2]	7.45	11.56	15.30	18.48	26.42	35.61
21	Maximum [2]	24.30	31.74	45.48	54.64	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	\$ 225.78	\$ 500.78	\$ 638.28	\$ 1,463.28		
23	City of Oviedo, Alafaya System	225.78	500.78	638.28	1,463.28		
Other Florida Utilities:							
24	City of Altamonte Springs	155.85	476.85	637.35	1,600.35		
25	City of Casselberry	138.81	521.43	822.43	2,775.43		
26	City of Cocoa	283.67	680.63	944.63	3,222.11		
27	City of DeLand	156.19	555.49	856.99	2,665.99		
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	163.61	491.55	688.91	2,312.17		
33	City of St. Cloud	200.48	454.48	581.48	1,343.48		
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	104.59	251.59	325.09	766.09		
38	Seminole County	333.48	1,329.48	1,827.48	4,815.48		
39	Volusia County - Softened	534.78	1,661.78	2,225.28	5,606.28		
40	Average [2]	210.98	603.30	822.88	2,223.94		
41	Minimum [2]	98.80	251.59	325.09	766.09		
42	Maximum [2]	534.78	1,661.78	2,225.28	5,606.28		

Notes:

- [1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during September 2015, 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	\$ 35.33	\$ 43.69	\$ 56.23	\$ 64.59	\$ 64.59	\$ 64.59
2	City of Oviedo, Alafaya System	40.76	48.58	60.31	68.13	68.13	68.13
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	42.98	52.22	66.08	75.32	98.42	98.42
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.	32.29	41.33	54.89	63.93	82.01	82.01
11	City of Sanford	26.01	37.15	53.86	65.00	76.14	76.14
12	City of St. Cloud	30.06	38.68	51.61	60.23	81.78	103.33
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	26.42	33.56	44.27	51.41	65.69	65.69
17	Seminole County	33.45	42.49	56.05	65.09	87.69	110.29
18	Volusia County - Softened	33.04	41.60	54.44	63.00	84.40	105.80
19	Average [2]	31.21	42.34	59.93	71.68	90.06	99.93
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	\$ 391.33	\$ 809.33	\$ 1,018.33	\$ 2,272.33		
23	City of Oviedo, Alafaya System	427.95	818.95	1,014.45	2,187.45		
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	424.13	886.13	1,117.13	2,503.13		
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.	359.79	1,079.36	1,439.14	3,597.86		
32	City of Sanford	365.98	922.98	1,201.48	2,872.48		
33	City of St. Cloud	306.78	737.78	953.28	2,246.28		
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	284.01	641.01	819.51	1,890.51		
38	Seminole County	385.12	837.12	1,063.12	2,419.12		
39	Volusia County - Softened	375.79	803.79	1,017.79	2,301.79		
40	Average [2]	397.90	993.44	1,291.20	3,077.81		
41	Minimum [2]	256.98	641.01	819.51	1,890.51		
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 2015, 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, 2015

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 2015 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: City of Oviedo Finance Department

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Water System Customer and Sales Statistics
 September 30, 2015

Fiscal Year Ending September 30,	Average Annual		Billed Sales (1,000 gallons)	Average Use (Gal/Mo/ERC)
	Accounts	ERCs [1]		
2011	12,651	14,478	1,396,543	8,038
2012	12,844	14,648	1,341,892	7,634
2013	12,981	14,764	1,303,064	7,355
2014	13,071	14,984	1,246,406	6,932
2015	13,102	15,095	1,264,709	6,982
Average Annual Historical Growth Rate	1.3%	1.5%	-0.7%	-2.2%

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
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%
2015	1,485,417	4,070	4,674	87.1%

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 54,000 gallons per day.

Source: City of Oviedo Finance Department

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Sewer System and Reclaimed Water System Customer and Sales Statistics
 September 30, 2015

Fiscal Year Ending September 30,	Average Annual		Billed Sales [2] (1,000 gallons)	Average Billed (Gal/Mo/ERC)
	Accounts	ERCs [1]		
Sewer System:				
2011	9,170	10,288	723,109	5,857
2012	9,355	10,471	731,176	5,819
2013	9,508	10,643	713,775	5,589
2014	9,568	10,916	704,855	5,381
2015	9,637	10,862	717,477	5,505
Average Annual Historical Growth Rate	1.2%	1.4%	-0.2%	-1.5%

Notes:

- [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.
- [2] 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.

Average Annual Accounts	Annual Usage (1,000 gallons)	Average Use (Gal/Mo/Acct)
----------------------------	---------------------------------	------------------------------

Reclaimed Water System:

2011	[1]	2,341	463,649	16,505
2012		2,462	402,379	13,620
2013		2,683	372,625	11,574
2014		2,798	357,034	10,634
2015		2,847	369,068	10,803
Average Annual Historical Growth Rate		5.0%	-5.5%	-10.1%

Note:

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

Source: City of Oviedo Finance Department

CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
Utility Enterprise System Top Ten Utility Customers
September 30, 2015

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	\$ 179,462	1.33%
2	Seminole County Public Schools	Government	Water/Sewer	176,111	1.31%
3	Paradigm Properties, Inc	Multi-Family	Water/Sewer	146,345	1.09%
4	Oviedo Apts/Inland Residential	Multi-Family	Water/Sewer	126,481	0.94%
5	Oviedo Fund LLC	Commercial	Water/Sewer	122,968	0.91%
6	Seminole County	Government	Water	48,064	0.36%
7	Circle K Stores, Inc.	Commercial	Water/Sewer	34,331	0.26%
8	SLP IV	Commercial	Water/Sewer	34,119	0.25%
9	Millers Ale House	Commercial	Water/Sewer	18,830	0.14%
10	Publix Supermarkets	Commercial	Water/Sewer	14,975	0.11%
Total				\$ 901,686	6.70%
Total Utility Enterprise System Rate Revenues				\$ 13,462,444	

Rank	Account	12-Month Usage [3]	Percent of Total	Revenue Generated	Percent of Total
Ten Largest Water Users					
1	Seminole County	34,890	2.86%	\$ 48,064	1.04%
2	Seminole County Public Schools	19,877	1.63%	79,906	1.72%
3	CPG Construction	16,454	1.35%	53,027	1.14%
4	Oviedo Fund LLC	15,014	1.23%	55,366	1.19%
5	Paradigm Properties, Inc.	9,788	0.80%	43,044	0.93%
6	Circle K Stores Inc	5,037	0.41%	13,564	0.29%
7	Oviedo Apts/Inland Residential	4,437	0.36%	38,338	0.83%
8	SLP IV	3,653	0.30%	12,581	0.27%
9	Publix Super Markets	3,512	0.29%	7,737	0.17%
10	Millers Ale House	2,718	0.22%	7,410	0.16%
Total		115,380	9.46%	\$ 359,037	7.74%
Total Water System Billed Usage		1,220,204			
Total Water System Rate Revenues				\$ 4,640,936	

Rank	Account	12-Month Usage [3]	Percent of Total	Revenue Generated	Percent of Total
Ten Largest Sewer Users					
1	CPG Construction	16,371	2.28%	\$ 126,435	2.01%
2	Paradigm Properties, Inc	9,727	1.35%	103,301	1.64%
3	Oviedo Fund LLC	9,570	1.33%	67,602	1.08%
4	Seminole County Public Schools	9,044	1.26%	96,205	1.53%
5	Circle K Stores Inc	5,037	0.70%	20,767	0.33%
6	Oviedo Apts/Inland Residential	4,436	0.62%	88,143	1.40%
7	SLP IV	3,653	0.51%	21,538	0.34%
8	Millers Ale House	2,718	0.38%	11,420	0.18%
9	Publix Supermarkets	2,457	0.34%	7,238	0.12%
10	Twin Rivers Golf Club	1,499	0.21%	6,236	0.10%
Total		64,512	8.98%	\$ 548,885	8.74%
Total Sewer System Billed Sales		718,442			
Total Sewer System Rate Revenues				\$ 6,283,714	

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

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Stormwater System
 September 30, 2015

Fiscal Year Ending September 30, 2015	Average Annual Accounts	Average Annual ERUs [1]
2011	12,198	17,707
2012	12,538	17,768
2013	12,715	18,019
2014	12,754	18,614
2015	12,783	18,797
Average Annual Historical Growth Rate	1.2%	1.5%

Stormwater Top Ten Customers - Fiscal Year 2015 (Based on Billed Revenues)

	Service Class	Rate Revenues	
		Total Annual [1]	Pct of Total [2]
1	Publix Supermarkets	\$ 21,756	1.38%
2	CPG Construction	20,160	1.28%
3	Oviedo Apartments on the Park LLC	13,671	0.87%
4	MB Trax Real Estate Holdings LLC	11,760	0.74%
5	Reformed Theological Seminary	11,592	0.73%
6	Paradigm Properties, Inc	10,920	0.69%
7	MPB Catholic Church	9,660	0.61%
8	LA Fitness	8,400	0.53%
9	Winn Dixie	8,316	0.53%
10	First Baptist Church of Oviedo	7,140	0.45%
Total		\$ 123,375	7.81%
Total Stormwater System Rate Revenues		\$ 1,578,967	

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, 2015

	Fiscal Year Ended September 30, [1]				
	2011	2012	2013	2014	2015
Total Sales Revenues [2]					
Potable Water	\$ 4,786,280	\$ 4,600,663	\$ 4,558,032	\$ 4,427,729	\$ 4,640,936
Sewer	5,699,996	5,851,989	6,016,063	6,006,983	6,283,714
Reclaimed Water	865,303	874,656	823,532	839,222	958,827
Stormwater System	1,397,267	1,497,204	1,515,891	1,552,369	1,578,967
Revenue from Other Sources:					
Other Operating Revenues [3]	1,083,843	1,048,507	1,007,831	936,775	967,097
Unrestricted Interest Income [4]	82,634	96,400	40,206	74,105	85,656
Total Gross Revenues	\$ 13,915,323	\$ 13,969,419	\$ 13,961,555	\$ 13,837,183	\$ 14,515,196
Cost of Operation and Maintenance [5]					
Water, Wastewater and Reclaimed Water Systems	\$ 5,454,682	\$ 5,685,063	\$ 5,731,388	\$ 6,372,067	\$ 6,233,705
Stormwater System	994,979	802,836	854,530	884,818	956,085
Total Cost of Operation and Maintenance	\$ 6,449,661	\$ 6,487,899	\$ 6,585,918	\$ 7,256,885	\$ 7,189,790
Net Revenues	\$ 7,465,662	\$ 7,481,520	\$ 7,375,637	\$ 6,580,298	\$ 7,325,406
Total Bond Service Requirement [6]	\$ 3,092,305	\$ 3,610,808	\$ 3,608,331	\$ 2,783,972	\$ 3,168,561
Senior Lien Bond Rate Covenant Compliance: [7]					
Test (i) - Net Revenues:					
Calculated Bond Service Coverage	2.41	2.07	2.04	2.36	2.31
Minimum Requirement	1.10	1.10	1.10	1.10	1.10
OR					
Test (ii) - Net Revenues:					
Calculated Bond Service Coverage	2.41	2.07	2.04	2.36	2.31
Minimum Requirement	1.00	1.00	1.00	1.00	1.00
AND					
Net Revenues	\$ 7,465,662	\$ 7,481,520	\$ 7,375,637	\$ 6,580,298	\$ 7,325,406
System Development Charges Available for Bond Service Requirement [8]	96,294	300,931	83,243	916,609	1,193,084
Total Pledged Revenue	\$ 7,561,956	\$ 7,782,451	\$ 7,458,880	\$ 7,496,907	\$ 8,518,490
Calculated Debt Service Coverage	2.45	2.16	2.07	2.69	2.69
Minimum Requirement	1.25	1.25	1.25	1.25	1.25
Subordinate Debt Service – Second Lien					
Adjusted Net Revenue [9]	4,064,127	3,509,631	3,406,473	3,517,929	3,839,990
Total Subordinate Lien Debt Service [10]	217,052	237,032	236,550	296,879	419,187
Calculated Debt Service Coverage	18.72	14.81	14.40	11.85	9.16
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	\$ 4,156,305	\$ 3,633,680	\$ 3,530,756	\$ 3,499,447	\$ 3,737,659
Less Other Recognized Transfers [13]					
Vehicle and Information Technology Equipment Replacement Funds [14]	\$ 218,236	\$ 288,118	\$ 219,867	\$ 88,872	\$ 115,969
Other Debt – Capital Leases [15]	377,890	384,541	382,923	383,126	382,905
Administrative Indirect Allocation	1,100,583	1,303,111	1,346,799	1,397,670	1,415,605
Total Other Recognized Transfers	\$ 1,696,709	\$ 1,975,770	\$ 1,949,589	\$ 1,869,668	\$ 1,914,479
Excess of Net Revenues above Transfers [16]	\$ 2,459,595	\$ 1,657,910	\$ 1,581,167	\$ 1,629,779	\$ 1,823,179
Total System Development Charges Collected [17]	\$ 96,294	\$ 300,931	\$ 83,243	\$ 973,346	\$ 1,193,084
Net Amount Available for Other Utility System Purposes	\$ 2,555,889	\$ 1,958,841	\$ 1,664,410	\$ 2,603,125	\$ 3,016,263

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. During FY 2015, a thorough review of the account classifications was completed for FY's 2011-2014, which resulted in minor modifications to previous fiscal years.
- [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. Amounts also include revenues from 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,				
	2011	2012	2013	2014	2015
Net Revenues	\$ 7,465,662	\$ 7,481,520	\$ 7,375,637	\$ 6,580,298	\$ 7,325,406
Less Senior Lien Debt Service	3,092,305	3,610,808	3,608,331	2,783,972	3,168,561
Less Senior Lien Debt Service Coverage Requirement (10% of Debt Service)	309,231	361,081	360,833	278,397	316,856
Net Revenues Available for SRF Loan Coverage Calculation	\$ 4,064,127	\$ 3,509,631	\$ 3,406,473	\$ 3,517,929	\$ 3,839,990

- [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,				
	2011	2012	2013	2014	2015
Subordinate Leases					
SunTrust (Generator) Lease (a)	\$ 93,210	\$ 93,210	\$ 93,210	\$ 93,210	\$ 93,210
BB&T (Street Sweeper) Lease (b)	32,898	33,071	-	-	-
BBOA (Meter Replacement) Lease (c)	284,681	291,331	289,713	289,916	289,696
Total Subordinate Leases	<u>\$ 410,789</u>	<u>\$ 417,612</u>	<u>\$ 382,923</u>	<u>\$ 383,126</u>	<u>\$ 382,905</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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 19, 2016.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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

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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*.

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 19, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the *City of Oviedo, Florida's* (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended September 30, 2015.

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Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

McDiarmid Davis & Company, LLC

Orlando, Florida
February 19, 2016

CITY OF OVIEDO, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2015

Award type

Grantor

Pass-through grantor

Grantor program title

CFDA

Number

Agency or Pass-through

Entity Grant Number

Expenditures

Federal Grants

United States Department of Justice

Bulletproof Vest Partnership Program

16.607

QTM-B-III A

30,067

DEA Overtime

16.000

7,250

CCIB Overtime

16.000

4,954

passed through State of Florida, Department of Law Enforcement

Edward Byrne Memorial Justice Assistance Grant (JAG) Program

16.738

2015-JAGD-SEMI-2-R1-135

3,578

Edward Byrne Memorial Justice Assistance Grant (JAG) Program

16.738

2015-JAGC-SEMI-6-R3-155

16,430

United States Department of Transportation

passed through State of Florida, Department of Transportation

Highway Planning and Construction (Federal-Aid Highway Program) *

20.205

429610-1-58-01

517,204

Highway Planning and Construction (Federal-Aid Highway Program) *

20.205

434914-1-58-01

148,701

Total federal awards

\$ 728,184

* Denotes a major program

See accompanying Notes to Schedule of Expenditures of Federal Awards

CITY OF OVIEDO, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2015

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Oviedo, Florida (the City) under programs of the federal government for the year ended September 30, 2015. The information in this Schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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, 2015, even if grant or loan was received subsequent to that date. Federal expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, 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 -
FEDERAL AWARD PROGRAMS**

Year Ended September 30, 2015

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 federal programs are reported in the Independent Auditor's Report on Compliance For Each Major Program and Report on Internal Control over Compliance in Accordance with OMB Circular A-133.
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 major programs included: Department of Transportation, Highway Planning and Construction (CFDA 20.205).
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, 2015, and have issued our report thereon dated February 19, 2016.

Auditor's Responsibility

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

Other 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 Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, 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 19, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and 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. and 10.5596(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2015, 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, 2015. 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 did not have any such recommendations.

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.

McDiernit Davis & Company, LLC

Orlando, Florida
February 19, 2016

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, 2015, and have issued our report thereon dated February 19, 2016. 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.

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 1 to the financial statements, the city adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension Plans*, and GASB Statement No. 71, *Pension transition for Contributions Made Subsequent to the Measurement Date*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. 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.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to the prior period adjustments for the implementation of new GASBs, and correction of fixed asset recording errors.

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. Management has corrected all identified misstatements

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. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

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 19, 2016.

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 19, 2016

**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, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and 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, 2015.

MCDIRMIT DAVIS & COMPANY, LLC

Orlando, Florida
February 19, 2016

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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)

