



OVIEDO
Florida

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2013



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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

CITY OF OVIEDO, FLORIDA

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013

PREPARED BY:
FINANCE DEPARTMENT

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CITY OF OVIEDO, FLORIDA

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Introductory Section

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CITY OF OVIEDO FLORIDA

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February 14, 2014

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Oviedo, Florida, for the fiscal year ended September 30, 2013. This report fulfills the requirements of the City Charter, Florida Statutes, and the Rules of the Florida Auditor General. It is presented in conformity with generally accepted accounting principles (GAAP) and audited by an independent firm of certified public accountants. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board (GASB), the State of Florida and the Government Finance Officers Association of the United States and Canada (GFOA).

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

McDermitt Davis and Company, LLC, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended September 30, 2013 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion on the City's financial statements for the year ended September 30, 2013, and that the statements are fairly presented in conformity with GAAP. The independent auditor's report is presented at the front of the Financial Section of this report.

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

Profile of the City

The City of Oviedo, Florida was incorporated in 1925. Located in Central Florida and considered part of the Orlando Metropolitan area, the City encompasses 16 square miles and is the home of approximately 34,965 residents.

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

The annual budget serves as the foundation for the City of Oviedo's, financial planning and control. The City Charter requires the City Manager to submit the proposed budget and accompanying 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 to 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 amounts 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 Combining and Individual Statements subsection of this report. The financial plan may be obtained from the City's Budget Department or the City's website <http://www.cityofoviedo.net>.

Local Economy

The City of Oviedo is greatly encouraged by its most recent economic trends. The City's 2013-14 total taxable property assessed valuation increased 3.18% from the previous fiscal year. Estimates are net yet available fiscal year 2014-15, 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 1.13% and a per capita income increase of 3.1%. The unemployment rate for Seminole County was 5.7% for September 2013 which is lower than the State of Florida's rate of 6.8%, and the national average of 7.2%.

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 include construction of roadways, hardscape, landscape, utilities, site development, an amphitheater park and a minimum of 250 residential dwellings. 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. Additionally, Central Florida Regional Hospital built an 11,000 square foot, freestanding emergency department complete with an ambulance entry, a dozen private beds and a

dedicated trauma room. The Oviedo ER is a significant addition to the region and includes X-ray, CT scan, ultrasound and laboratory services. The Oviedo ER opened in November 2013.

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

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 five year Capital Improvement Program is prepared and updated annually to reflect the capital investment needs of the City consistent with the Comprehensive Plan and other master plans approved by the City Council. Management has developed fiscal policies for the adopted financial plan regarding revenues, expenditures, reserves, capital improvements and debt management.

Relevant Financial Policies

Budget and financial policies adopted by the City are intended to guide elected officials, the City Manager and staff in their on-going roles as financial stewards of the City. Financial reserve policies have been established to provide sufficient cash flow for daily financial needs, to have the ability to offset significant economic downturns or revenue shortfalls, and to provide for unforeseen expenditures related to emergencies or other unanticipated needs. The General Fund financial reserve policy is to maintain at a minimum, un-appropriated fund balance equal to fifteen (15%) of the annual General Fund budget. Should the undesignated 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 ninety (90) days of the Utility System’s operating budget less depreciation. Debt management policies include maintaining minimum debt service coverage of 125% in the Water and Sewer Utility Fund (income available for debt service divided by the maximum debt service requirement). The City shall also maintain a minimum capital reserve balance in the Water and Sewer Renewal and Replacement Fund equal to fifty (50%) of the prior year depreciation expense for plant and equipment. The City reviews its outstanding debt issues on an annual basis 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 .58% as calculated using the average portfolio balance.

Major Initiatives

City Clerk Initiatives Included:

- Completed the implementation of the Agenda portion of the SIRE Technologies software package used to prepare and provide agenda packages for all Council meetings, PZA meetings, DRC meetings, and Special Magistrate Hearings on the City's website. SIRE Technologies also provides live streaming to the internet.
- Initiated the implementation of the Document Imaging portion of the SIRE software and building of electronic cabinets. The electronic cabinets will maintain many of the records in the City Clerk's and Human Resources offices.
- All Ordinances, Resolutions, Minutes and Agenda documents have been converted from Questys to the SIRE Document Management system.
- The Clerk's office has absorbed a 60% increase in the number of new Lot Mow Liens and Lien Satisfactions and a 23% increase in lien searches over the previous fiscal year
- The Clerk's staff maintains compliance with Florida Statutes regarding public records laws, implementation of new laws, and disposition of records.
- The Clerk's office assists all City departments with continuing public records management training.
- The City Clerk's Office worked with various departments within the City to ensure timely responses to the numerous public records requests.

Development Services Initiatives Included:

Code Enforcement

- Fully participated in and reported all performance measurements to the Florida Benchmarking Consortium for FY 12/13. Changed all City performance measures to those of the Florida Benchmarking Consortium for FY 12/13 and previous fiscal years where able to do so.
- Established an Administrative Citation Process and implemented a Special Magistrate eliminating the need for the Code Enforcement Board. Conducted a full year of Special Magistrate Hearings for Code Enforcement cases. Managed all administrative aspects of the Administrative Citation process for police, fire and code enforcement. Increased the number of code enforcement cases processed from previous fiscal year by 4.5%.
- Maintained response time of less than one day from complaint to inspection.
- Replaced the SunGard Code Enforcement Software with Citizen Serve Software which greatly increased departmental efficiency and productivity.
- Established an ordinance to regulate permitted and unpermitted outdoor displays and storage.

Planning and Development Review Divisions

- The City is in the process of rewriting its Land Development Code. The rewrite of the Land Development Code will span multiple fiscal years. The following are actions performed during FY 12/13:
 - Form-Based Code training – Form Based Code Institute – certificate of completion 10/2012.

- Land Development Code Revision – Article VI (Tables 6.1 and 6.4) – Ordinance 1556 adopted on 12/03/2012.
- One-on-one meetings with City Council members to discuss the main topics of the Land Development Code rewrite process (03/06/2013).
- Work session on Form-Based Code with PZA (04/09/2013) and with City Council (04/22/2013).
- Work session on Architectural Guidelines with PZA (05/21/2013) and with City Council (05/28/2013).
- Work session on Approval Process and Parking Standards with PZA (07/23/2013) and with City Council (06/24/2013).
- Work session on LDC wrap-up and Visual Preference Survey with PZA (09/17/2013) and with City Council (09/30/2013).
- Visual Preference Survey done through the City’s website during July 1st and September 1st (540 respondents).
- Staff coordinated the Impact Fees Study and Update (with City Consultants) and took it to the City Council for preliminary consideration during a work session in June 2013. An ordinance was subsequently adopted at the November 4, 2013 regular Council meeting.

Finance Initiatives Included:

- Created monthly closing schedule:
 - Assigned responsibilities and due dates to Staff
 - Held Staff accountable to due dates and deadlines
 - Held regular meetings to tweak and improve operations
- Developed monthly financial reports for the following major funds:
 - General Fund
 - Water & Wastewater Utility
 - Healthcare
- Developed monthly cash position report:
 - Displays cash by fund
 - Restricted and unrestricted balances
 - Displays investments by type and balance
 - Provides display of portfolio asset allocation
- Improved cash reconciliation process:
 - Cash reconciliations are now completed on time.
 - Differences are reconciled and adjusted as necessary before closing.
 - City is now experiencing only minor variances.
 - Completed analysis of cash and restated proper positions of restricted and unrestricted cash. Significant balances of restricted cash had been presented as unrestricted in prior years.
- Developed control schedules for all debt.
- Completed reconciliation of depreciation expense and adjusted the lives of certain assets in the Water & Wastewater Utility Fund:
 - Expected annual expense decrease should exceed \$900,000
- Refinanced the Limited Ad Valorem General Obligation Bonds:
 - Annual savings in excess of \$50,000 to the Citizens of Oviedo
 - Present value savings in excess of \$725,000 over the life of the Note
- Initiated a City wide customer service audit.
- Initiated weekly reconciliation of system interface for Utility Billing.

- Initiated monthly reconciliation of IRS Tax Reports to the General Ledger.
- Cleaned up payment type codes allowing for better control over payments.
- Created controls over non-utility payments:
 - Allows for increased accuracy of account assignment
 - Creates more timely recognition of cash in general ledger
 - Helps facilitate cash reconciliations

Purchasing

- Planned, directed and coordinated the Finance office renovation project.
- Reconciled Building Permit Escrow Account resulting in \$38,000 in collections:
 - Initiated monthly reconciliation to general ledger

Customer Service

- Customer Service Training:
 - Cleaned up system controls and activated several control settings
 - Implemented new controls over the billing process
 - Transitioned Credit Card Payments to Click to Gov from manual processing over the phone (More secure)
- Implemented new utility rates.
- Cleaned up accounts and misdirected charges in Interdepartmental billing.
- Brought Electronic (E) Notification live. Currently working on updating E Notification format to provide more information to customer. Also adding City Logo.
- Created overlay for bills which allows Customer Service to print a customer's bill rather than relying on our 3rd party vendor.
- Initiated the implementation of the Integrated Voice Response system, (IVR), Selectron.
- Improved process for collections by initiating timely contact with customer.
- Lien fees are now added to the customer's account.
- Implemented scanning software & scanners which greatly increased accuracy and productivity. Customer Service Representatives can scan documents rather than file hard copies. All information is online and attached to customers' accounts.
- Twelve months of bills are now kept under each customer's account. System automatically updates files when each new billing is completed (PARSING).

Computer Services

- Increased and applied firewall and intrusion detection software on Police laptops to comply with Federal Department of Law Enforcement (FDLE) audit.
- Applied mandatory Biometrics/two-factor authentication to all Police units to comply with FDLE audit.
- Moved all City cell phones to Verizon for increased functionality and budgetary savings
- Upgraded City Blackberry Enterprise Server and all Blackberries to version 10.
- Installed a new blade server to allow for expansion of virtualization and less downtime during updates.
- Virtualized and decommissioned four physical servers. (Primary file server, email server, monitoring/update server, GIS application server).
- Installed a new core Active Directory server. Completed upgrade to the domain functional level of the City and Police from 2003 to 2008.
- Upgraded the Tyco/Kantech security access control software.
- Implemented DMZ into virtual structure and setup SIREPub virtual server to stabilize SIRE Agenda to Go and Pub applications.

- Worked with Asystech to upgrade email and voicemail server to Exchange 2010 and changed Conference Room reservations to Room Resources from deprecated Public Folder system.
- Coordinated software implementations with Advanced Process Imaging:
 - Implemented OptiView in Customer Service
 - Implemented OptiSpool in Finance and Customer Service
- Coordinated the implementation of Forms Print:
 - Implemented Laser AP check printing
- Assisted with the clean-up of the Land Management Module.
- Assisted with the implementation of Selectron Integrated Voice Response Software:
 - Customer Service
 - Building Permits
- Coordinated the implementation of the Kronos upgrade and training to version 6.3.
- Coordinated City Wide SunGard training for the following applications:
 - Payroll
 - Utilities - Customer Service
 - Land Management
 - COGNOS-Intelligent Business Reporting
 - Building Permits
- Assisted SunGard with the upgrade to version 9.0.

GIS

- Completed street light field audit to ensure accuracy of bills from Duke Energy.
- Created Pole and Light online application for Duke to assist with audit verification.
- Corrected numerous street sign errors and coordinated corrections with public works.
- Assigned critical stop message to all addresses that are not assigned to a habitable structure.
- Developed and provided analytical tools for police department use:
 - Backflow valve thefts.
 - Created a map grid reference list of all residential addresses in Oviedo for a door to door operation.
- Completed addressing/road naming for numerous new developments:
 - Park Place Apartments
 - The Hamptons Townhomes @ Oviedo on the Park
 - Foster Groves
 - Gateway Gardens
 - Enclave @ The Sanctuary
 - Southern Oaks
- Audited Florida Power & Light data.
- Assisted with Utility Billing Customer Service Audit.
- Created online interactive map of all projects currently processed through Development Services.
- Updated and trained all Building Inspectors on the new mobile damage assessment software.
- Audited street sign layer and attribute data via Google StreetView.
- Made significant progress with scrubbing and verifying the data within the SunGard Land Management databases.

- Assisted Building Services Division with ISO re-certification by providing information and creating a fire hydrant map.
- Created Flood Map Web Portal for FEMA audit.
- Audited Fire Hydrant locations.
- Introduced City street map for use by the Recreation and Parks department and phased out archaic/inaccurate street name listing.
- Created subdivision mapbook for Fire and Public Works.
- Assisted with Economic Development Analysis for Development Services regarding top employers in Oviedo.
- Created live weather map application for City of Oviedo homepage.

Human Resources Initiatives Included:

- Implemented a supervisory development training program through a partnership with the University of Central Florida Institute Of Government. Planned and coordinated the delivery of six different topics which provided City supervisors with the ability to enhance core skills. This program increased effectiveness of the supervisory staff, improved organization morale, career development and succession planning, increased retention by developing employees for internal promotions and improved employee performance.
- Efficient management of the Employee Health Center continues to reduce the cost of group health claims. According to the City's broker, The Gehring Group, the Employee Health Center's (EHC) return on investment (ROI) since March 2010 includes a claims avoidance total savings of \$1,763,156 or a 2.13 to 1 ROI. In addition, employees have saved over \$380,000 since the center opened. There was no premium increase to the City or its employees this year.
- City staff worked with the broker to develop an RFP to receive competitive bids for all lines of employee benefits insurance. The result was an enhancement to the group health plan, life, long-term disability, and short term disability plans and the reduction of the following premiums: stop loss fixed cost; group life, AD&D and long term disability. Total reduction in premium costs to the City for FY 13/14 will be \$64,054. Benefit plan enhancements include: a \$25,000 wellness incentive; the addition of hearing benefits to the group health plan; an increase of Wellness Center hours from 20 to 24 hours per week; a decrease in co-pays of DHMO plans making them more affordable to all employees; a three year rate guarantee on group life with AD&D, long term disability and short term disability; an increased long term disability benefit from \$5,000 to \$7,500 per month, and a reduction in premium of 20.8%.
- Coordinated the revision of the City Safety Manual to ensure compliance with state and federal requirements.
- Conducted Employee Satisfaction Survey to improve recruitment, benefits, and recognition and retention programs.
- Improved cost effectiveness of Employee Wellness Center by coordinating the RFP for clinic services, enhanced marketing efforts on wellness events, increased the number of clinic operational hours to further reduce claims costs, coordinated the first Community Wellness Fair, implemented tobacco-free premium incentive and offered tobacco cessation classes.
- Coordinated Healthcare Reform Act compliance.
- Coordinated first internal on-line benefit enrollment software (Bentek) and streamlined the benefits open enrollment process for FY 13/14.
- Initiated a post-care presumption program with cooperation of clinic TPA CareHere, managed care company Genex and workers' compensation provider Gallagher Bassett.

Most workers compensation presumption claimants are now in active weight loss and disease management programs, thereby improving claimant health and reducing the overall cost of care.

- Exceeded on-line safety training goal by reaching 98% compliance for safety and regulatory training requirements by City employees.
- Implemented new applicant tracking software (NeoGov) which increased end-user satisfaction, reduced complaint calls dramatically, and doubled the amount of applications submitted for position vacancies, thereby increasing the viable applicant count for each position.

Management Services Initiatives Included:

- Produced and transmitted quarterly Budget Prospectus' to the City Council and Staff. The Prospectus reports on the status of the Strategic Plan and the Budget to Actual Revenues and Expenditures of the City.
- Presented and processed Budget Amendments during the Mid-Year Review Process, 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 12/13 Budget.
- Currently working with Muni-Cast to provide revenue and expenditure forecasting when preparing Annual Budgets.
- Updated City-wide Performance Measures and provided the data to Florida Benchmarking Consortium (FBC). FBC reports the City of Oviedo's performance data annually and compares the data to other similar cities within the State of Florida.
- The Strategic Plan and City Branding were reviewed and discussed by the City Council. Both items are still open and additional information is being reviewed to be presented in FY 13/14.
- Coordinated resolution to Council Chambers audio problem by upgrading the audio equipment and services.
- The Communications Department worked with City Departments to support many great events, such as "The Taste of Oviedo" and "Great Day in the Country". The City provided coloring books and sidewalk chalk to children at these events.
- The Communications Department assisted the Mayor in updating and preparing the presentation for the annual Oviedo-Winter Springs Chamber of Commerce State of the City meeting.
- Published and emailed three Crossroad publications to citizens in reference to City events, calendar's and the City Manager's message.
- Implemented City Facebook page and four City Twitter pages (Fire, Police, Public Works, and Administration). These pages have been established to better inform our citizens of news, events, closures, and other City relevant information on a daily basis.
- Sent out 75 unique e-blasts informing the citizens of special events, annual events, road construction, accidents and general information.

Public Safety Initiatives Included:

Police

- Part 1 crimes reported to the Uniform Crime Report were down 12.7%.
- The Police Department added a second K-9 team.
- Police Department held its second annual Shop with a Cop that assisted 28 families with the purchase of presents for family members.
- Initiated Coffee with a Cop program. Officers served coffee at local restaurants to engage in informal conversation with citizens. Two programs were run in 2013.

- Held inaugural Kick Ball for Kid's House tournament which raised \$10,500 for Kids House (Seminole County's Child Advocacy Center).
- Organized a charity basketball game with the Fire Department. Each Department played for a charity. The Police Department raised \$1,400 for BASE Camp, an organization that provides year round support for children and families who are facing the challenges of living with cancer.
- The Community Police Academy was active with 19 graduates. Six of those graduates continued their training and became Community on Patrol volunteers.
- The Oviedo Camp PD was resurrected this year with a total of 10 campers. The camp lasted for 2 weeks. The campers learned a new lesson each day and took frequent field trips.
- Arrested a subject responsible for over 70 thefts of backflow valves in Seminole and Orange Counties.
- Arrested 2 subjects for conspiracy to commit robbery and grand theft.
- An Oviedo PD Detective was assigned to FDLE's Cyber Crime Task Force.
- The Traffic Unit was recognized at the Florida Department of Transportation's 2013 Law Enforcement Challenge Ceremony for positively impacting traffic safety in the Oviedo Community and received an award of \$1,500 towards the purchase of traffic safety equipment.
- Officer Joe Bologna was recognized at the yearly Mothers Against Drunk Driving Awards Ceremony for being the most productive Oviedo Police officer in Drug and Alcohol related traffic enforcement arrests.

Fire

- The Fire Rescue Department completed a re-assessment from the Insurance Services Office (ISO), which evaluates the City's fire protection capabilities. The assessment has a direct impact on residential and commercial fire insurance premiums. The City of Oviedo retained an ISO Calls 2 rating which provides for some of the very best insurance premiums possible. The City of Oviedo is one of only 659 fire departments in the nation that achieved the Class 2 rating. Key grading indicators included the fire hydrant and water distribution system, communications, training, pre-emergency planning, fire hydrant testing, response times, staffing, apparatus and equipment, and much more.
- The sale of right of way to the Florida Department of Transportation (FDOT) for \$1.6 million was completed allowing for the construction and re-location of two of the City's fire stations. Starmer Design Group was the architect selected for this important capital project. The new "superstation" will combine fire stations 44 and 46 into a single fire station facility. Apparatus, equipment and staffing will remain the same. The new station will be bid, with construction anticipated to start by spring or summer 2014, and an anticipated opening of the new fire station in 2015.
- The Oviedo ER opened its doors this year. It provides quicker patient turnaround time frames for the emergency medical services personnel of the department. The Fire Department was instrumental in working with the new hospital administration, architect, contractors, and state governing authorities on this important capital project.

Recreation and Parks Initiatives Included:

- Installed new playground equipment at Round Lake Park.
- Obtained a \$250,000 grant from the State of Florida Office of Energy for the Oviedo Sports Complex lighting upgrade.

- Began replacing existing Musco sports lighting at the Oviedo Sports Complex with new energy efficient Green Light Musco technology to meet the Illuminating Engineering Society of North America's standards for sports lighting.
- Preliminary design for the New Community Center was approved by City Council.
- Began design for the new amphitheater and Center Lake Park at Oviedo on the Park.

Public Works Design and Construction Initiatives Included:

- Completed construction of sidewalk connectors at the following locations: East Mitchell Hammock Road at Clara Lee Evans Way to SR 434; West Magnolia Street at SR434 to Lake Jessup Avenue; and Lockwood Road at Most Precious Blood Church to Evening Sky Drive (Townhouse Development).
- Began design and construction of the Mitchell Hammock Road and Clara Lee Evans traffic signal/turn lane improvement project.
- Road resurfacing projects; construction of the Oviedo Boulevard at grade pedestrian crossing by the City's Aquatic Center.
- Performed construction oversight for Oviedo on the Park infrastructure project.
- Design phases were completed this year for the Evans Street Roadway Improvement Project, and the Lawton Elementary School Sidewalk Improvement project.
- The design phase was initiated for the Lockwood Boulevard/Seminole Creek Drive project.
- Median Improvement projects completed; South Lake Jessup Drainage Improvement project; and the Shady Lane Drainage Improvement project.
- Access management analysis was completed for West Mitchell Hammock Road.
- Completed the Aulin Avenue Drainage Improvement Project.

Utility Initiatives Included:

- Updated the master water plan to include reclaimed water, Alafaya 17 & 18 and Little Creek (phase 2) reclaimed water improvements.
- Rerouted contract sewer to internal wastewater plant.
- Initiated an odor control unit at wastewater plant and SCADA upgrades.

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, 2012, which is the 22nd 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.

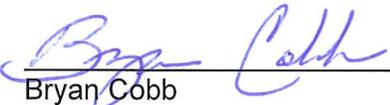
Additionally, the City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2012, the same period covered by this CAFR. This was the eighth consecutive year that the City has received this prestigious

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 devise. 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. 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 interest and support in 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**

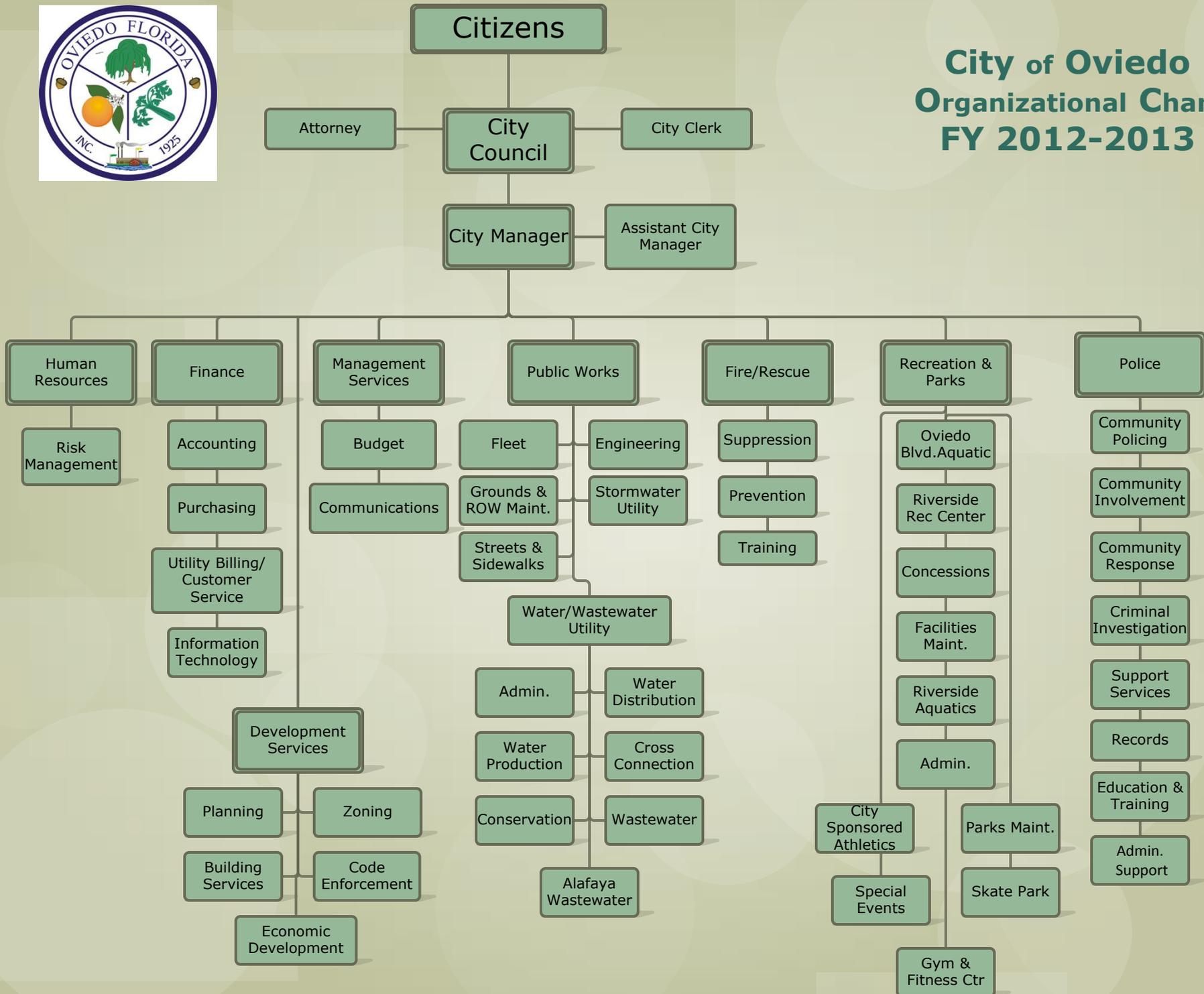
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO



City of Oviedo Organizational Chart FY 2012-2013



**CITY OF OVIEDO, FLORIDA
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2013**

CITY COUNCIL

Stephen W. Schenck, Deputy Mayor
Keith Britton
Cindy Drago
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

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Florida

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Oviedo, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Oviedo, Florida* (the City) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MCDIRMIT DAVIS & COMPANY, LLC

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other post-employment benefit information on pages 3 through 15 and 73 through 76, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards (the Schedule) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

McDiernit Davis & Company, LLC

Orlando, Florida
February 14, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Oviedo, Florida's (the City) discussion and analysis is designed 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.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it 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 2013, the City's assets and deferred outflows of resources exceeded its liabilities by \$125,792,187 (*net position*). Of this amount, \$14,538,105 (unrestricted net position) may be utilized to meet the City's ongoing obligations to citizens and creditors.
- During fiscal year 2013, the City's total net position increased by \$1,218,264 (or 0.98%).
- At the close of the fiscal year 2013, the City's governmental funds reported combined ending fund balances of \$22,506,047, a decrease of \$3,037,431 in comparison with the prior year. Approximately 14% or \$3,109,895 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 \$6,774,871, or approximately 17% of total governmental funds expenditures.
- The City's total debt decreased by \$2,539,076 during the current fiscal year.

Overview of the Financial Statements

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

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

Government-wide financial statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements, Continued

Government-wide financial statements, continued

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, and parks and recreation. 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 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, General Obligation Bonds Debt Service Fund, and the Downtown Improvement Construction Capital Project Fund, all of which are considered to be major funds. Data from the other twenty-four 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, Special Revenue, Debt Service and Enterprise Funds except for the State Pension Contributions Special Revenue Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget and are presented as required supplementary information.

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-72 of this report.

Required supplementary information (RSI). RSI can be found on pages 73-76 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 77-101 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$125,792,187 (*net position*) as of the close of the most recent fiscal year.

Over half (\$102,786,729 or 82%) 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.

\$8,467,353 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* (\$14,538,105 or 12%) 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 | |
|---|-------------------------|---------------|--------------------------|---------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Current and other assets | \$ 26,702,094 | \$ 30,151,859 | \$ 14,036,740 | \$ 14,018,494 | \$ 40,738,834 | \$ 44,170,353 |
| Capital assets | 88,690,841 | 85,355,186 | 83,317,418 | 84,940,901 | 172,008,259 | 170,296,087 |
| Total assets | 115,392,935 | 115,507,045 | 97,354,158 | 98,959,395 | 212,747,093 | 214,466,440 |
| Total deferred outflows of resources | 55,156 | 62,050 | - | - | 55,156 | 62,050 |
| Current liabilities | 3,370,345 | 3,760,905 | 1,413,592 | 1,585,008 | 4,783,937 | 5,345,913 |
| Long term liabilities | 27,013,130 | 28,489,937 | 55,212,995 | 56,118,717 | 82,226,125 | 84,608,654 |
| Total liabilities | 30,383,475 | 32,250,842 | 56,626,587 | 57,703,725 | 87,010,062 | 89,954,567 |
| Net position | | | | | | |
| Net investment in capital assets | 71,920,771 | 67,504,757 | 30,865,958 | 32,980,177 | 102,786,729 | 100,484,934 |
| Restricted for: | | | | | | |
| Debt service | 11,973 | 107,683 | - | - | 11,973 | 107,683 |
| Public safety | 494,282 | 405,686 | - | - | 494,282 | 405,686 |
| Capital improvements | 7,961,098 | 11,530,413 | - | - | 7,961,098 | 11,530,413 |
| Unrestricted | 4,676,492 | 3,769,714 | 9,861,613 | 8,275,493 | 14,538,105 | 12,045,207 |
| Total net position | \$ 85,064,616 | \$ 83,318,253 | \$ 40,727,571 | \$ 41,255,670 | \$ 125,792,187 | \$ 124,573,923 |

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis, Continued

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

Note that the City's net position increased by \$1,218,264 or 0.98% in fiscal year 2013. The previous fiscal year, 2012, net position decreased by \$1,685,035 or -1.4%.

Governmental activities increased net position by \$1,746,363 in fiscal year 2013 compared to a decrease of \$1,392,682 in 2012. The increase in net position is due both to an increase in revenues and a reduction in expenses in 2013.

Business-type activities decreased net position by \$528,099 or -1.3% in fiscal year 2013 compared to a decrease of \$292,353 or -0.7% in 2012.

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.

Note that the first graph depicts governmental program-specific revenues and expenses. For this graph the revenue does not include property taxes, franchise and utility taxes, communication services tax, intergovernmental revenue, investment earnings or miscellaneous revenue. This chart is intended to show the amount of program expenses funded by *specific* program revenues.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis, Continued

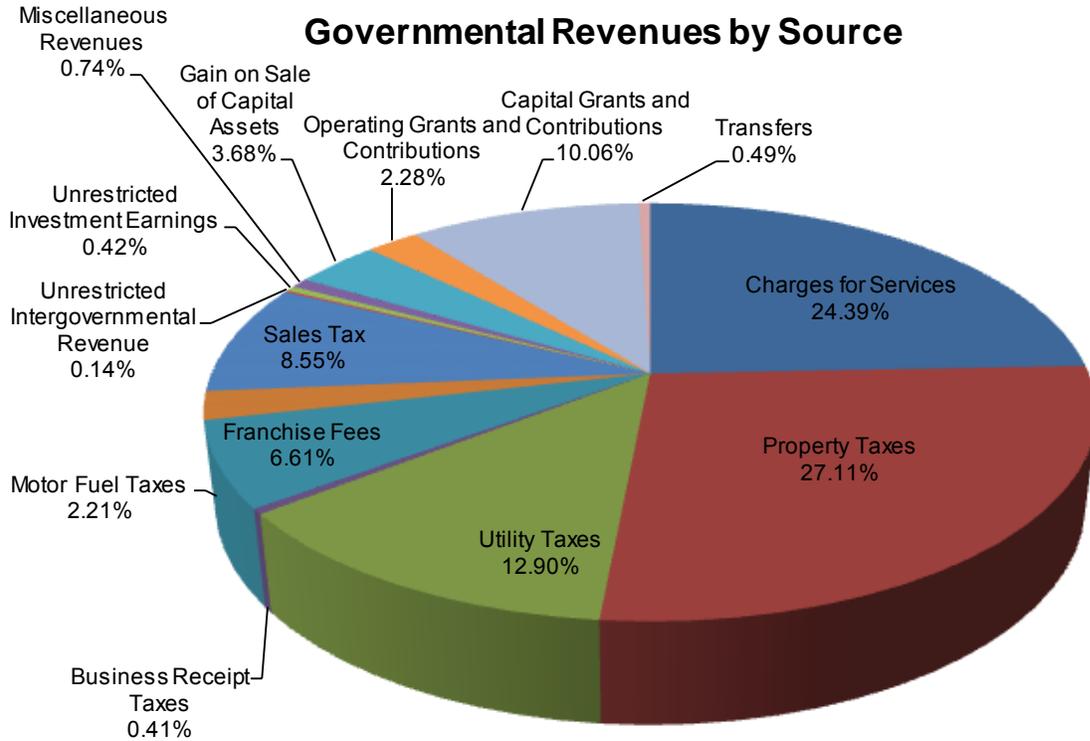
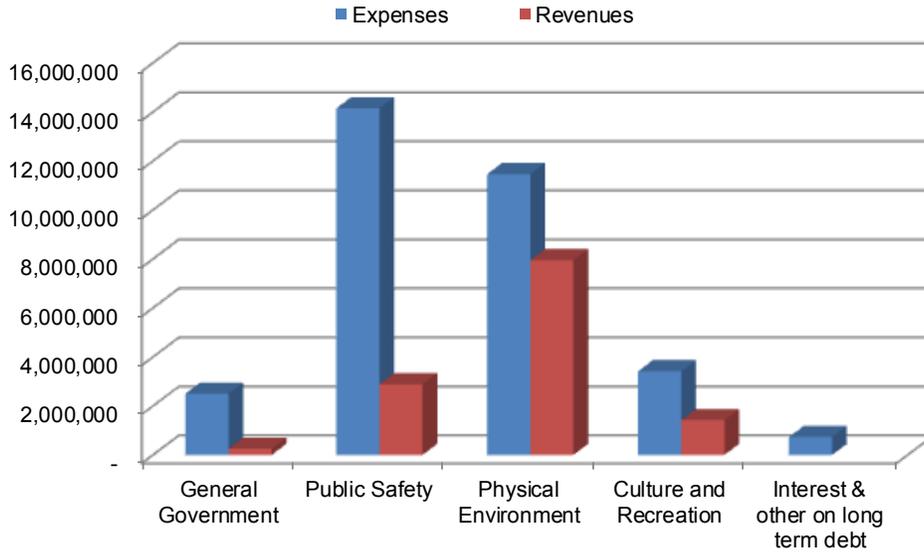
Changes in Net Position
For the Years Ended September 30,

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 8,293,869 | \$ 7,939,962 | \$ 11,811,327 | \$ 11,750,283 | \$ 20,105,196 | \$ 19,690,245 |
| Operating grants and contributions | 776,576 | 1,032,190 | - | - | 776,576 | 1,032,190 |
| Capital grants and contributions | 3,420,575 | 1,032,899 | 1,306,047 | 921,103 | 4,726,622 | 1,954,002 |
| General revenues: | | | | | | |
| Property taxes | 9,217,229 | 9,124,777 | - | - | 9,217,229 | 9,124,777 |
| Other taxes | 10,474,817 | 10,587,388 | - | - | 10,474,817 | 10,587,388 |
| Other revenue | <u>1,645,225</u> | <u>558,127</u> | <u>50,373</u> | <u>143,116</u> | <u>1,695,598</u> | <u>701,243</u> |
| Total revenues | <u>33,828,291</u> | <u>30,275,343</u> | <u>13,167,747</u> | <u>12,814,502</u> | <u>46,996,038</u> | <u>43,089,845</u> |
| Expenses: | | | | | | |
| General government | 2,497,474 | 2,455,326 | - | - | 2,497,474 | 2,455,326 |
| Public safety | 14,143,702 | 13,931,688 | - | - | 14,143,702 | 13,931,688 |
| Physical environment | 11,463,337 | 10,590,618 | - | - | 11,463,337 | 10,590,618 |
| Culture and recreation | 3,413,089 | 3,731,775 | - | - | 3,413,089 | 3,731,775 |
| Interest & other on long-term debt | 731,473 | 1,148,439 | - | - | 731,473 | 1,148,439 |
| Water and sewer | - | - | <u>13,528,699</u> | <u>12,917,034</u> | <u>13,528,699</u> | <u>12,917,034</u> |
| Total expenses | <u>32,249,075</u> | <u>31,857,846</u> | <u>13,528,699</u> | <u>12,917,034</u> | <u>45,777,774</u> | <u>44,774,880</u> |
| Increase (decrease) in net position before transfers | 1,579,216 | (1,582,503) | (360,952) | (102,532) | 1,218,264 | (1,685,035) |
| Transfers | <u>167,147</u> | <u>189,821</u> | <u>(167,147)</u> | <u>(189,821)</u> | - | - |
| Increase (decrease) in net position | 1,746,363 | (1,392,682) | (528,099) | (292,353) | 1,218,264 | (1,685,035) |
| Net position - October 1 | 83,318,253 | 80,566,852 | 41,255,670 | 42,269,138 | 124,573,923 | 122,835,990 |
| Prior period adjustment | - | <u>4,144,083</u> | - | <u>(721,115)</u> | - | <u>3,422,968</u> |
| Net position - September 30 | <u>\$ 85,064,616</u> | <u>\$ 83,318,253</u> | <u>\$ 40,727,571</u> | <u>\$ 41,255,670</u> | <u>\$ 125,792,187</u> | <u>\$ 124,573,923</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis, Continued

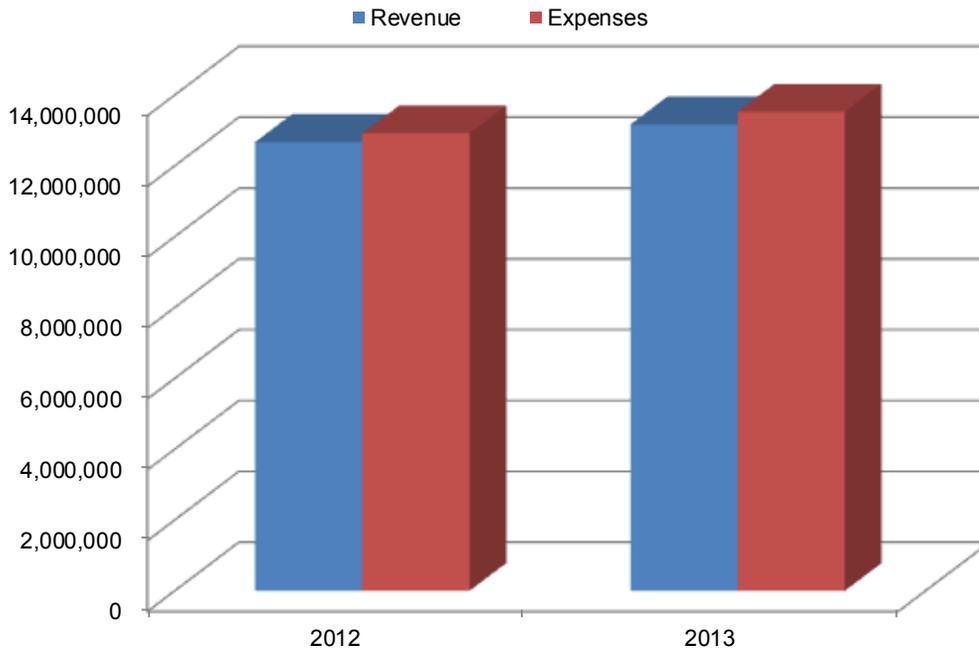
Governmental Program Specific Revenues and Expenses



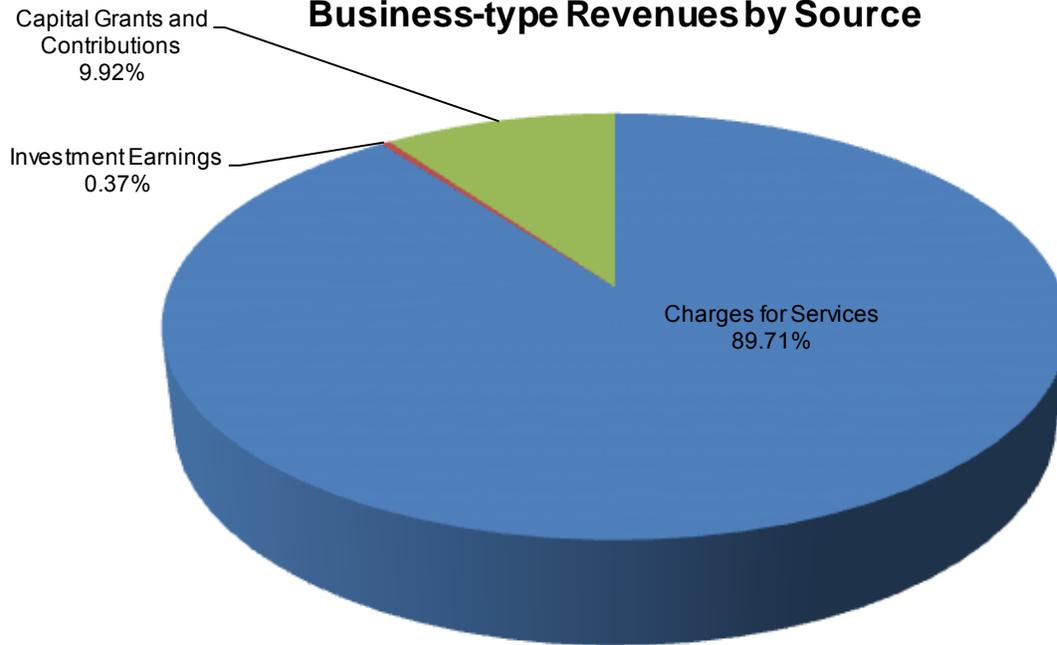
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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, 2013, the City's governmental funds reported combined ending fund balances of \$22,506,047, a decrease of \$3,037,431 in comparison with the prior year. Approximately 14% of this total amount, \$3,109,895, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance, \$19,396,152, 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, 2013, the unassigned fund balance of the General Fund was \$3,172,787, while the total fund balance was \$3,414,535. 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 16% of total General Fund expenditures, while total fund balance represents 17% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund increased by \$397,538, due both to an increase in revenues and a decrease in expenses.

The General Obligation Bonds Fund increased its fund balance by \$2,382 in 2013, primarily due to excess bond proceeds.

The Downtown Improvement Construction Fund has a total fund balance of \$5,874,155, all of which is restricted for capital projects. The net decrease in fund balance during the current year of \$2,244,880 was due to an increase in capital outlay.

The total fund balance of all the nonmajor governmental funds is \$13,205,384, a net decrease of \$1,192,471 when compared with the prior year. Capital outlay for all nonmajor governmental funds increased by \$1,072,044 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, 2013 amounted to \$10,179,017. There was a decrease in net position of the Water and Sewer Utility Fund of \$479,957 in 2013 compared to a decrease of \$245,580 in 2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget (\$160,000 increase in revenues of which \$24,421 increase in appropriations) can be briefly summarized as follows:

Revenues:

- Increase in charges for services of \$19,000
- Increase in miscellaneous income of \$91,000
- Increase in transfers from OSC Ext Landfill of \$50,000

Expenditures:

- Adjustments within the various general fund departments resulted in an increase in expenditures of \$24,421. The increase was primarily attributable to an increase in personnel services.
- A conscious decision was made during the year and presented to council to increase the general fund unappropriated fund balance. As per the general fund financial policy, the City is to maintain an unappropriated fund balance reserve equal to 15% of annual general fund budgeted expenditures. Due to anticipated increases in expenditures for fiscal year 2014, and increase of \$135,579 was made to expenditure reserves.

Increases in expenditures were offset by increases in revenues.

Differences between the final amended budget and the actual (\$122,369 increase in revenues and \$139,590 decrease in expenditures) can be briefly summarized as follows:

Revenues:

- Actual year end revenues were over budget by \$122,369 or 0.55%. This variance was attributed primarily to increases in charges for services, intergovernmental revenues and the sale of capital assets. The increases were offset by decreases in utility taxes and licenses and permits.

Expenditures:

- Actual year end expenditures were under budget by \$139,590 or 0.63%. The variance was primarily attributable to a decrease in expenditures in general government of \$136,884, and culture and recreation of \$77,387. These decreases were offset by an increase in expenditures in physical environment of \$96,138.

Overall:

- The net increase in fund balances was \$397,538.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Asset and Debt Administration

Capital assets. The City's total capital assets for its governmental and business-type activities as of September 30, 2013, amounts to \$172,008,259 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, and vehicles and equipment. The total increase in the City's total capital assets for the current fiscal year was \$1,712,172 (a 1.01% increase in total assets).

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

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Land | \$ 14,181,740 | \$ 11,862,008 | \$ 2,095,446 | \$ 2,041,630 | \$ 16,277,186 | \$ 13,903,638 |
| Buildings | 9,872,763 | 10,170,294 | 934,777 | 975,490 | 10,807,540 | 11,145,784 |
| Infrastructure and improvements | 49,019,204 | 48,906,099 | 76,392,745 | 79,013,598 | 125,411,949 | 127,919,697 |
| Machinery and equipment | 2,236,043 | 2,639,462 | 506,812 | 647,068 | 2,742,855 | 3,286,530 |
| Intangibles | 111,966 | 136,991 | 1,472,028 | 1,503,292 | 1,583,994 | 1,640,283 |
| Construction in progress | 13,269,125 | 11,640,332 | 1,915,610 | 759,823 | 15,184,735 | 12,400,155 |
| Total capital assets, net | <u>\$ 88,690,841</u> | <u>\$ 85,355,186</u> | <u>\$ 83,317,418</u> | <u>\$ 84,940,901</u> | <u>\$ 172,008,259</u> | <u>\$ 170,296,087</u> |

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

Long-term debt. At September 30, 2013, the City had \$72,400,000 in bonded debt outstanding. Of this amount, \$1,230,000 related to General Obligation Bonds, \$5,900,000 related to General Obligation Notes, \$8,001,000 related to Public Improvement Revenue Notes, \$7,707,000 related to Capital Improvement Revenue Notes and \$49,562,000 related to Utility Revenue Bonds/Notes. In addition, the City had \$3,325,025 related to the State Revolving Fund Loan, \$210,939 related to the City's Landfill and \$3,052,122 related to capital leases on equipment.

The City's general obligation refunding note totaling \$5,900,000 refinanced previously outstanding general obligation bonds reported in governmental activities. This refinancing was done to take advantage of favorable interest rates. The result is expected to be a decrease in future debt service payments approximating \$1 million over the terms of the new issuance.

There was a reduction in principal outstanding of \$2,460,000 in annual principal payments for the fourteen outstanding bond and note issues, \$580,964 in principal payments for the capital leases, and principal payments totaling \$164,060 on the state revolving loan.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Asset and Debt Administration, Continued

Long-term debt, continued

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 | |
|----------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| General obligation bond | | | | | | |
| 2003 | \$ 1,230,000 | \$ 7,275,000 | \$ - | \$ - | \$ 1,230,000 | \$ 7,275,000 |
| General obligation note | 5,900,000 | - | - | - | 5,900,000 | - |
| Public improvement | | | | | | |
| refunding revenue bonds | 7,950,000 | 8,896,000 | - | - | 7,950,000 | 8,896,000 |
| Capital improvement | | | | | | |
| refunding revenue bonds | 7,707,000 | 7,990,000 | - | - | 7,707,000 | 7,990,000 |
| Public improvement | | | | | | |
| revenue bonds | 51,000 | - | - | - | 51,000 | - |
| Utility revenue bonds | - | - | 49,562,000 | 50,648,000 | 49,562,000 | 50,648,000 |
| State revolving loan | - | - | 3,325,025 | 2,859,289 | 3,325,025 | 2,859,289 |
| Landfill post-closure care | 210,939 | 225,832 | - | - | 210,939 | 225,832 |
| Capital leases | <u>1,062,070</u> | <u>1,332,806</u> | <u>1,990,052</u> | <u>2,300,235</u> | <u>3,052,122</u> | <u>3,633,041</u> |
| Total | <u>\$ 24,111,009</u> | <u>\$ 25,719,638</u> | <u>\$ 54,877,077</u> | <u>\$ 55,807,524</u> | <u>\$ 78,988,086</u> | <u>\$ 81,527,162</u> |

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

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when adopting the fiscal year end 2013 budget. The adopted budget reflects the culmination of the City's efforts to balance the General Fund budget while maintaining service levels for core City services. The General Fund property tax rate for the fiscal year 2013 remains at 4.8626, the same tax rate since fiscal year 2009. The tax rate for the General Obligation Bond of .3071 mills debt service remains unchanged from the previous year. The combined tax rate for fiscal year 2012/2013 is 5.1697.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Economic Factors and Next Year's Budgets and Rates, Continued

The General Fund budget of \$23,669,766 is \$410,089 greater than the adopted fiscal year 2012/2013 budget. The 2014 General Fund Budget was adopted without any use of fund balance, leaving unassigned fund balance in the General Fund of \$3,172,787. This unassigned fund balance is 16% of General Fund expenditures for 2013 and the City continues to meet its Fund Balance Reserve Policy. With the exception of modest increases projected for State Half Cent Sales Tax, State Revenue Sharing, Emergency Medical Transport Fees and Development Application Fees, virtually all other revenue sources are flat or declining. Meanwhile, the budget must allow for higher fixed costs such as the required contributions to the Police and Fire pensions, Fire overtime and higher costs for fuel and electricity. The total proposed budget for all City funds combined of \$51.93 million (exclusive of inter-fund transfers and internal service operations) is \$2.3 million or 4.2% less than the fiscal year 2012-2013 total adopted budget. The decrease is due mainly to lower appropriations for debt services, capital improvements, special revenue attributable to refinancing debt and reduced fund balance availability for future projects.

The City's tax base increased by \$58.9 million or 3.18% compared to last fiscal year 2012/2013 based on the Certification of Taxable Value, provided by the Seminole County Property Appraiser.

Requests for Information

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

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Basic Financial Statements

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CITY OF OVIEDO, FLORIDA
Statement of Net Position
September 30, 2013

| | Primary Government | | |
|--|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 10,532,229 | \$ 6,125,446 | \$ 16,657,675 |
| Investments | 10,962,547 | 3,770,686 | 14,733,233 |
| Accounts receivable, net | 1,313,947 | 611,282 | 1,925,229 |
| Unbilled revenues | - | 657,660 | 657,660 |
| Due from other governments | 790,246 | - | 790,246 |
| Internal balances | 317,404 | (317,404) | - |
| Inventories | 38,316 | 64,336 | 102,652 |
| Prepaid expenses | 2,585,461 | 7,879 | 2,593,340 |
| Restricted assets: | | | |
| Cash and cash equivalents | 161,944 | - | 161,944 |
| Investments | - | 3,116,855 | 3,116,855 |
| Capital assets: | | | |
| Non depreciable | 27,450,865 | 4,011,056 | 31,461,921 |
| Depreciable, net | 61,239,976 | 79,306,362 | 140,546,338 |
| Total capital assets | <u>88,690,841</u> | <u>83,317,418</u> | <u>172,008,259</u> |
| Total assets | <u>115,392,935</u> | <u>97,354,158</u> | <u>212,747,093</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charge on refunding | <u>55,156</u> | - | <u>55,156</u> |
| Total deferred outflows of resources | <u>55,156</u> | - | <u>55,156</u> |
| LIABILITIES | | | |
| Accounts payable | 2,472,396 | 607,544 | 3,079,940 |
| Accrued liabilities | 583,449 | 81,136 | 664,585 |
| Retainage payable | 43,618 | 106,738 | 150,356 |
| Unearned revenues | 182,456 | - | 182,456 |
| Due to other governments | 1,248 | - | 1,248 |
| Liabilities payable from restricted assets | 87,178 | 618,174 | 705,352 |
| Long-term liabilities: | | | |
| Due within one year: | | | |
| Accrued interest | 56,152 | 28,597 | 84,749 |
| Landfill closure liability | 67,882 | - | 67,882 |
| Capital lease payable | 267,252 | 321,040 | 588,292 |
| Bonds payable | 230,000 | 1,117,000 | 1,347,000 |
| Loans payable | 1,560,000 | 276,379 | 1,836,379 |
| Compensated absences | 209,702 | 18,531 | 228,233 |
| Due in more than one year: | | | |
| Landfill closure liability | 143,057 | - | 143,057 |
| Capital lease payable | 794,818 | 1,669,012 | 2,463,830 |
| Bonds payable | 991,930 | 48,474,733 | 49,466,663 |
| Loans payable | 20,048,000 | 3,048,646 | 23,096,646 |
| Compensated absences | 1,887,316 | 166,778 | 2,054,094 |
| Other post employment benefits | <u>757,021</u> | <u>92,279</u> | <u>849,300</u> |
| Total liabilities | <u>30,383,475</u> | <u>56,626,587</u> | <u>87,010,062</u> |
| NET POSITION | | | |
| Net investment in capital assets | 71,920,771 | 30,865,958 | 102,786,729 |
| Restricted for: | | | |
| Debt service | 11,973 | - | 11,973 |
| Public safety | 494,282 | - | 494,282 |
| Capital improvements | 7,961,098 | - | 7,961,098 |
| Unrestricted | <u>4,676,492</u> | <u>9,861,613</u> | <u>14,538,105</u> |
| Total net position | <u>\$ 85,064,616</u> | <u>\$ 40,727,571</u> | <u>\$ 125,792,187</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, 2013

| <u>Functions/programs</u> | Program Revenue | | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|----------------------|-------------------------------------|---|---|---|-------------------------------------|-----------------------|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | Primary Government | | |
| | | | | | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
| Primary government | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 2,497,474 | \$ 250,223 | \$ - | \$ - | \$ (2,247,251) | \$ - | \$ (2,247,251) |
| Public safety | 14,143,702 | 2,169,646 | 689,181 | 21,603 | (11,263,272) | - | (11,263,272) |
| Physical environment | 11,463,337 | 4,464,857 | 81,611 | 3,398,972 | (3,517,897) | - | (3,517,897) |
| Parks and recreation | 3,413,089 | 1,409,143 | 5,784 | - | (1,998,162) | - | (1,998,162) |
| Interest on long-term debt | <u>731,473</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(731,473)</u> | <u>-</u> | <u>(731,473)</u> |
| Total governmental activities | <u>32,249,075</u> | <u>8,293,869</u> | <u>776,576</u> | <u>3,420,575</u> | <u>(19,758,055)</u> | <u>-</u> | <u>(19,758,055)</u> |
| Business-type activities: | | | | | | | |
| Water and sewer | <u>13,528,699</u> | <u>11,811,327</u> | <u>-</u> | <u>1,306,047</u> | <u>-</u> | <u>(411,325)</u> | <u>(411,325)</u> |
| Total business-type activities | <u>13,528,699</u> | <u>11,811,327</u> | <u>-</u> | <u>1,306,047</u> | <u>-</u> | <u>(411,325)</u> | <u>(411,325)</u> |
| Total primary government | <u>\$ 45,777,774</u> | <u>\$ 20,105,196</u> | <u>\$ 776,576</u> | <u>\$ 4,726,622</u> | <u>(19,758,055)</u> | <u>(411,325)</u> | <u>(20,169,380)</u> |
| General revenues: | | | | | | | |
| Property taxes | | | | | 9,217,229 | - | 9,217,229 |
| Utility taxes | | | | | 4,385,344 | - | 4,385,344 |
| Business receipt taxes | | | | | 139,657 | - | 139,657 |
| Franchise fees | | | | | 2,248,181 | - | 2,248,181 |
| Motor fuel taxes | | | | | 749,789 | - | 749,789 |
| Sales tax | | | | | 2,904,945 | - | 2,904,945 |
| Unrestricted intergovernmental revenue | | | | | 46,901 | - | 46,901 |
| Unrestricted investment earnings | | | | | 141,352 | 49,073 | 190,425 |
| Miscellaneous | | | | | 251,376 | - | 251,376 |
| Gain on sale of capital assets | | | | | 1,252,497 | 1,300 | 1,253,797 |
| Transfers | | | | | <u>167,147</u> | <u>(167,147)</u> | <u>-</u> |
| Total general revenues and transfers | | | | | <u>21,504,418</u> | <u>(116,774)</u> | <u>21,387,644</u> |
| Change in net position | | | | | 1,746,363 | (528,099) | 1,218,264 |
| Net position - beginning | | | | | <u>83,318,253</u> | <u>41,255,670</u> | <u>124,573,923</u> |
| Net position - ending | | | | | <u>\$ 85,064,616</u> | <u>\$ 40,727,571</u> | <u>\$ 125,792,187</u> |

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

CITY OF OVIEDO, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2013

| | <u>General Fund</u> | <u>General Obligation Bonds</u> | <u>Downtown Improvement Construction Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---------------------------------------|---------------------|-------------------------------------|---|---|---|
| Assets: | | | | | |
| Cash and cash equivalents | \$ 1,016,763 | \$ 70,594 | \$ 3,126,489 | \$ 5,907,387 | \$ 10,121,233 |
| Investments | 1,870,659 | - | 3,120,000 | 5,551,888 | 10,542,547 |
| Restricted investments | - | - | - | - | - |
| Receivables, net | 1,092,002 | - | - | 221,439 | 1,313,441 |
| Due from other governments | 426,114 | 44 | - | 364,088 | 790,246 |
| Due from other funds | 280,810 | - | - | - | 280,810 |
| Inventories | 38,316 | - | - | - | 38,316 |
| Prepaid items | 77,770 | - | - | 2,501,566 | 2,579,336 |
| Restricted assets: | | | | | |
| Cash and cash equivalents | <u>125,662</u> | <u>-</u> | <u>-</u> | <u>36,282</u> | <u>161,944</u> |
| Total assets | <u>\$ 4,928,096</u> | <u>70,638</u> | <u>\$ 6,246,489</u> | <u>\$ 14,582,650</u> | <u>\$ 25,827,873</u> |
| Liabilities and fund balances: | | | | | |
| Accounts payable | \$ 693,211 | \$ 58,665 | \$ 372,334 | \$ 1,024,563 | \$ 2,148,773 |
| Accrued liabilities | 555,174 | - | - | 28,275 | 583,449 |
| Retainage payable | - | - | - | 43,618 | 43,618 |
| Due to other funds | - | - | - | 280,810 | 280,810 |
| Due to other governments | 1,248 | - | - | - | 1,248 |
| Unearned revenue | 182,456 | - | - | - | 182,456 |
| Payable from restricted assets | <u>81,472</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>81,472</u> |
| Total liabilities | <u>1,513,561</u> | <u>58,665</u> | <u>372,334</u> | <u>1,377,266</u> | <u>3,321,826</u> |
| Fund balances: | | | | | |
| Nonspendable | 116,086 | - | - | 2,501,566 | 2,617,652 |
| Restricted | 25,807 | 11,973 | 5,874,155 | 7,201,589 | 13,113,524 |
| Committed | - | - | - | 906,526 | 906,526 |
| Assigned | 99,855 | - | - | 2,658,595 | 2,758,450 |
| Unassigned | <u>3,172,787</u> | <u>-</u> | <u>-</u> | <u>(62,892)</u> | <u>3,109,895</u> |
| Total fund balances | <u>3,414,535</u> | <u>11,973</u> | <u>5,874,155</u> | <u>13,205,384</u> | <u>22,506,047</u> |
| Total liabilities and fund balances | <u>\$ 4,928,096</u> | <u>\$ 70,638</u> | <u>\$ 6,246,489</u> | <u>\$ 14,582,650</u> | <u>\$ 25,827,873</u> |

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

CITY OF OVIEDO, FLORIDA
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2013

Total fund balance, governmental funds \$ 22,506,047

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 | \$ 149,670,459 | |
| Less: Accumulated depreciation | <u>(61,045,604)</u> | 88,624,855 |

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

891,688

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 | \$ (22,838,000) | |
| Deferred charge on refunding | 55,156 | |
| Unamortized discount | 8,070 | |
| Lease payable | (1,062,070) | |
| Landfill closure | (210,939) | |
| Compensated absences | (2,097,018) | |
| Accrued interest payable | (56,152) | |
| Other post employment benefits | <u>(757,021)</u> | <u>(26,957,974)</u> |

Net Position of Governmental Activities in the Statement of Net Position \$ 85,064,616

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, 2013

| | <u>General Fund</u> | <u>General Obligation Bonds</u> | <u>Downtown Improvement Construction Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|-------------------------------------|---|---|---|
| Revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes | \$ 8,669,603 | \$ 547,626 | \$ - | \$ - | \$ 9,217,229 |
| Utility taxes | 4,385,344 | - | - | - | 4,385,344 |
| Business receipt | 139,657 | - | - | - | 139,657 |
| Licenses, permits and fees | 2,255,697 | - | - | 962,908 | 3,218,605 |
| Intergovernmental | 3,118,436 | - | - | 1,942,345 | 5,060,781 |
| Charges for services | 2,421,245 | - | - | 4,084,677 | 6,505,922 |
| Fines and forfeitures | 111,999 | - | - | 41,843 | 153,842 |
| Investment income | 25,537 | 803 | 28,524 | 82,763 | 137,627 |
| Service assessments | 4,057 | - | - | 751,397 | 755,454 |
| Miscellaneous | 290,036 | - | - | 18,126 | 308,162 |
| Total revenues | <u>21,421,611</u> | <u>548,429</u> | <u>28,524</u> | <u>7,884,059</u> | <u>29,882,623</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 2,101,277 | - | 174 | 94,912 | 2,196,363 |
| Public safety | 11,948,377 | - | - | 1,442,287 | 13,390,664 |
| Physical environment | 2,572,235 | - | - | 5,451,983 | 8,024,218 |
| Parks and recreation | 3,183,320 | - | - | 31,931 | 3,215,251 |
| Debt service: | | | | | |
| Principal | - | 6,045,000 | - | 1,499,781 | 7,544,781 |
| Interest and fiscal charges | - | 342,164 | - | 400,306 | 742,470 |
| Issuance costs | - | 58,883 | - | 47,402 | 106,285 |
| Capital outlay: | | | | | |
| General government | 11,624 | - | - | 48,009 | 59,633 |
| Public safety | - | - | - | 232,271 | 232,271 |
| Physical environment | 14,839 | - | - | 2,113,413 | 2,128,252 |
| Parks and recreation | - | - | 2,273,230 | 396,744 | 2,669,974 |
| Total expenditures | <u>19,831,672</u> | <u>6,446,047</u> | <u>2,273,404</u> | <u>11,759,039</u> | <u>40,310,162</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,589,939</u> | <u>(5,897,618)</u> | <u>(2,244,880)</u> | <u>(3,874,980)</u> | <u>(10,427,539)</u> |
| Other financing sources (uses): | | | | | |
| Transfers in | 713,181 | - | - | 2,370,216 | 3,083,397 |
| Transfers out | (2,009,725) | - | - | (1,349,757) | (3,359,482) |
| Note Payable | - | 5,900,000 | - | 51,000 | 5,951,000 |
| Sale of general capital assets | 104,143 | - | - | 1,611,050 | 1,715,193 |
| Total other financing sources (uses) | <u>(1,192,401)</u> | <u>5,900,000</u> | <u>-</u> | <u>2,682,509</u> | <u>7,390,108</u> |
| Net change in fund balances | 397,538 | 2,382 | (2,244,880) | (1,192,471) | (3,037,431) |
| Fund balances - beginning | <u>3,016,997</u> | <u>9,591</u> | <u>8,119,035</u> | <u>14,397,855</u> | <u>25,543,478</u> |
| Fund balances - ending | <u>\$ 3,414,535</u> | <u>\$ 11,973</u> | <u>\$ 5,874,155</u> | <u>\$ 13,205,384</u> | <u>\$ 22,506,047</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, 2013

Net change in fund balances - total governmental funds: \$ (3,037,431)

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 | \$ 5,090,130 | |
| Less: current year depreciation | <u>(4,113,133)</u> | 976,997 |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (462,696)

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

| | | |
|--|--|-------------|
| Public improvement revenue refunding bonds | | (51,000) |
| General obligation notes | | (5,900,000) |
| Landfill closure liability | | 14,893 |

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 | | 7,544,781 |
|--------------------|--|-----------|

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 (7,567)

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 | \$ (56,212) | |
| Change in other post employment benefits | (93,546) | |
| Change in accrued interest | <u>18,564</u> | (131,194) |

Contributions of capital assets are not reported as revenues in the governmental funds 2,831,505

Internal service funds are used by management to account for the cost of health insurance, long-term disability, and life insurance. The net revenue of certain activities of internal service funds is reported with governmental activities. (31,925)

Change in net position of governmental activities \$ 1,746,363

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, 2013

| | Business-type Activities | Governmental Activities |
|---|---|------------------------------------|
| | Water and Sewer Utility Fund | Internal Service Fund |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 6,125,446 | \$ 410,996 |
| Investments | 3,770,686 | 420,000 |
| Restricted investments | 3,116,855 | - |
| Receivables, net | 611,282 | - |
| Insurance receivable | - | 506 |
| Unbilled revenues | 657,660 | - |
| Prepaid expenses | 7,879 | 6,125 |
| Inventories | 64,336 | - |
| Total current assets | 14,354,144 | 837,627 |
| Non-current assets: | | |
| Capital assets: | | |
| Non depreciable | 4,011,056 | - |
| Depreciable, net | 79,306,362 | 65,986 |
| Total non-current assets | 83,317,418 | 65,986 |
| Total assets | \$ 97,671,562 | \$ 903,613 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ 607,544 | \$ 329,329 |
| Accrued liabilities | 81,136 | - |
| Retainage payable | 106,738 | - |
| Compensated absences | 18,531 | - |
| Bonds payable - current | 1,117,000 | - |
| Capital lease payable - current | 321,040 | - |
| Loans payable - current | 276,379 | - |
| Accrued interest payable | 28,597 | - |
| Payable from restricted assets | 618,174 | - |
| Total current liabilities | 3,175,139 | 329,329 |
| Non-current liabilities: | | |
| Bonds payable, net of unamortized premium | 48,474,733 | - |
| Capital leases payable | 1,669,012 | - |
| Loans payable | 3,048,646 | - |
| Compensated absences | 166,778 | - |
| Other post employment benefits | 92,279 | - |
| Total non-current liabilities | 53,451,448 | - |
| Total liabilities | 56,626,587 | 329,329 |
| NET POSITION | | |
| Net investment in capital assets | 30,865,958 | 65,986 |
| Unrestricted | 10,179,017 | 508,298 |
| Total net position | \$ 41,044,975 | \$ 574,284 |
| 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 | (317,404) | |
| Total net position per government-wide financial statements | \$ 40,727,571 | |

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, 2013

| | <u>Business-type Activities</u> | <u>Governmental Activities</u> |
|--|---|------------------------------------|
| | <u>Water and Sewer Utility Fund</u> | <u>Internal Service Fund</u> |
| Operating revenues: | | |
| User charges | \$ 11,602,847 | \$ - |
| Other revenue | 208,480 | 1,999,293 |
| Total operating revenues | <u>11,811,327</u> | <u>1,999,293</u> |
| Operating expenses: | | |
| Cost of sales/services | 4,608,147 | 2,194,643 |
| Materials and supplies | - | 321,523 |
| Administration | 2,285,914 | - |
| Depreciation and amortization | <u>4,511,298</u> | <u>10,151</u> |
| Total operating expenses | <u>11,405,359</u> | <u>2,526,317</u> |
| Operating income (loss) | <u>405,968</u> | <u>(527,024)</u> |
| Nonoperating revenues (expenses): | | |
| Investment earnings | 49,073 | 3,725 |
| Interest expense | (2,075,198) | - |
| Gain on sale of capital assets | <u>1,300</u> | <u>-</u> |
| Total nonoperating revenues (expenses) | <u>(2,024,825)</u> | <u>3,725</u> |
| Loss before contributions and transfers | (1,618,857) | (523,299) |
| Capital contributions | 1,306,047 | - |
| Transfers in | - | 500,000 |
| Transfers out | <u>(167,147)</u> | <u>(56,768)</u> |
| Change in net position | (479,957) | (80,067) |
| Net position - beginning | <u>41,524,932</u> | <u>654,351</u> |
| Net position - ending | <u>\$ 41,044,975</u> | <u>\$ 574,284</u> |
| Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund | <u>(48,142)</u> | |
| Change in Business-Type Activities Net Position per Government-Wide Financial Statements. | <u>\$ (528,099)</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, 2013

| | <u>Enterprise Fund</u> | |
|--|-------------------------------------|---|
| | <u>Water/Sewer Utility Fund</u> | <u>Governmental Activities- Internal Service Fund</u> |
| Cash flows from operating activities: | | |
| Receipts from customers | \$ 11,960,751 | \$ - |
| Receipts from internal services provided | - | 2,000,771 |
| Payments to suppliers | (5,710,930) | (2,654,335) |
| Payments to employees | <u>(1,406,715)</u> | <u>-</u> |
| Net cash provided by (used in) operating activities | <u>4,843,106</u> | <u>(653,564)</u> |
| Cash flows from non-capital financing activities: | | |
| Transfers in | - | 500,000 |
| Transfers out | <u>(167,147)</u> | <u>(56,768)</u> |
| Net cash provided by (used in) non-capital financing activities | <u>(167,147)</u> | <u>443,232</u> |
| Cash flows from capital and related financing activities: | | |
| Proceeds from sale of capital assets | 1,300 | - |
| Purchase of capital assets | (2,308,339) | - |
| Proceeds from capital debt | 629,796 | - |
| Principal paid on capital debt | (1,560,243) | - |
| Interest paid on capital debt | (2,082,193) | - |
| Capital contributions | <u>726,571</u> | <u>-</u> |
| Net cash used in capital and related financing activities | <u>(4,593,108)</u> | <u>-</u> |
| Cash flows from investing activities: | | |
| Purchase of investments | (1,386,863) | (70,000) |
| Investment income | <u>49,073</u> | <u>3,725</u> |
| Net cash provided by(used in) investing activities | <u>(1,337,790)</u> | <u>(66,275)</u> |
| Net decrease in cash and cash equivalents | (1,254,939) | (276,607) |
| Cash and cash equivalents - beginning | <u>7,380,385</u> | <u>687,603</u> |
| Cash and cash equivalents - ending | <u>\$ 6,125,446</u> | <u>\$ 410,996</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, 2013

| | Enterprise Funds | |
|---|-------------------------------------|---|
| | Water/Sewer Utility Fund | Governmental Activities- Internal Service Fund |
| Reconciliation of operating income (loss) to net cash provided by (used in) | | |
| operating activities: | | |
| Operating income (loss) | \$ 405,968 | \$ (527,024) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation | 4,511,298 | 10,151 |
| Decrease in accounts receivable | 34,210 | 1,478 |
| Decrease in due from other governments | 301,177 | - |
| Increase in inventories | (25,537) | - |
| Increase in unbilled revenues | (236,435) | - |
| Increase in prepaid expenses | (7,879) | (6,125) |
| Decrease in accounts payable | (168,608) | (132,044) |
| Increase in accrued liabilities and compensated absences | 30,756 | - |
| Increase in retainage payable | 54,042 | - |
| Decrease in due to other governments | (119,612) | - |
| Increase in payable from restricted assets | 50,472 | - |
| Increase in OPEB obligation | 13,254 | - |
| Net cash provided by (used in) operating activities | \$ 4,843,106 | \$ (653,564) |
| Noncash capital and financing activities: | | |
| Contributed capital assets | \$ 579,476 | \$ - |

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, 2013

| | Total Employee Retirement Funds |
|---|--|
| ASSETS | |
| Cash and cash equivalents | \$ 279,294 |
| Receivables: | |
| Interest receivable | 37,280 |
| Contributions receivable | 53,923 |
| Total receivables | 91,203 |
| Investments, at fair value: | |
| U.S. Treasury & Government agency | 5,371,840 |
| Real Estate Investment Trust | 658,128 |
| Corporate & foreign bonds | 1,069,177 |
| Mutual funds & common stocks | 16,558,699 |
| Total Investments | 23,657,844 |
| Total assets | 24,028,341 |
| LIABILITIES | |
| Refunds payable and others | 113,037 |
| Total liabilities | 113,037 |
| NET POSITION | |
| Net position held in trust for pension benefits | \$ 23,915,304 |

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, 2013

| | Total Employee Retirement Funds |
|---|--|
| ADDITIONS | |
| Contributions: | |
| City | \$ 1,149,049 |
| State | 528,824 |
| Employee | 413,233 |
| Total contributions | 2,091,106 |
| Investment income: | |
| Interest | 2,667,588 |
| Net increase in fair value of investments | (81,811) |
| Net investment earnings | 2,585,777 |
| Total additions | 4,676,883 |
| DEDUCTIONS | |
| Benefit payments | 685,002 |
| Administrative expenses | 238,529 |
| Total deductions | 923,531 |
| Change in net position | 3,753,352 |
| Net position - beginning | 20,161,952 |
| Net position - ending | \$ 23,915,304 |

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

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 incorporated under the Laws of Florida 10950 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 in his 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, 2013.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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.

General Obligation Bonds Debt Service Fund is used 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major enterprise fund:

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

Additionally, the City reports the following fund types:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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, 2013

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 yearend). 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 yearend). 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 and the issuance of transportation impact fee credits in which the work has not yet been completed.

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, 2013

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, 2013, expenditures exceeded appropriations in the following funds (the legal level of budgetary control): (a) state law enforcement special revenue fund by \$21,820; (b) solid waste special revenue fund by \$53,840; (c) law enforcement special revenue fund by \$20,515; (d) police donations special revenue fund by \$18,933; (e) second dollar education special revenue fund by \$8,343 and (f) lease financing debt service fund by \$33.

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 \$3,097 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 as well as amounts on deposit with the State Board of Administration (SBA). Pooled cash is classified as "Cash" in the Balance Sheet. Interest income earned as a result of pooling is distributed to the appropriate funds based on the month end equity balance in each fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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 Local Government Surplus Investment Pool (LGIP). In accordance with state law, the LGIP operates 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 qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The LGIP is subject to regulatory oversight by the State of Florida, although it is not registered with the SEC. Fund B is accounted for as a fluctuating NOVPOOL, not a 2a7-like money market fund.

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/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 is recorded as expenditures/expenses when consumed rather than when purchased.

5. Capital assets

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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 | 7 - 10 years |
| Machinery and equipment | 2 - 20 years |
| Intangibles | 2 - 50 years |
| Improvements and infrastructure | 10 - 50 years |

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

6. Deferred outflows/inflows of resources

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City does not have any item that qualifies for reporting in this category for the year ended September 30, 2013.

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, 2013

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, 2013 was 4.8626 mills.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and expenditures/expenses (continued)

2. *Property taxes (continued)*

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

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

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

3. *Compensated absences*

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund and internal service fund are charges to customers for sales and services. The City also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, depreciation on capital assets and amortization of intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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 the funding of a redevelopment trust fund for community redevelopment within the City community redevelopment area (CRA). As of September 30, 2013, there has been no activity since tax values of the property within the CRA have decreased since 2010.

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

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

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

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

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

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

In accordance with the Fund Reserve Policy, the City reserves an amount equal to 15 percent of the annual General Fund budget and a minimum of ninety (90) days of the Water and Sewer Utility Enterprise Fund operating budget less depreciation, annual debt service and capital expenditures. The City shall also maintain 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, 2013

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**A. Cash deposits with financial institutions**

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2013, the carrying amount of the City's deposits was \$5,847,701 and the bank balance was \$6,074,189. 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, 2013, the City's investment portfolio was composed of the following investments:

| Investment Type | Fair Value | Investment Maturities | | |
|--------------------------|----------------------|-----------------------|---------------------|---------------------|
| | | Less Than 1 Year | 1 to 5 Years | More than 5 Years |
| Pooled interest bearing | | | | |
| checking account | \$ 5,847,701 | \$ 5,847,701 | \$ - | \$ - |
| Florida Prime | 3,542 | 3,542 | - | - |
| Local Government | | | | |
| Investment Pool (Fund B) | 908 | - | 908 | - |
| Certificates of deposit | 11,000,000 | 6,000,000 | - | 5,000,000 |
| U.S. Agencies | 5,977,739 | - | 5,977,739 | - |
| Prime Money Market | 11,794,242 | 11,794,242 | - | - |
| | <u>\$ 34,624,132</u> | <u>\$ 23,645,485</u> | <u>\$ 5,978,647</u> | <u>\$ 5,000,000</u> |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**B. Investments (continued)**

The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. As of September 30, 2013, the carrying amount of investments includes accrued interest of \$42,478.

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; State Board of Administration Local Government Surplus Funds Trust Fund; 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:

Cash and investments - Statements of Net Position:

| | |
|-----------------------------|----------------------|
| Cash and cash equivalents | \$ 16,657,675 |
| Investments | 14,733,233 |
| Restricted assets: | |
| Cash and cash equivalents | 161,944 |
| Restricted investments | <u>3,116,855</u> |
| Total cash and investments | <u>\$ 34,669,707</u> |
| Portfolio total shown above | \$ 34,624,132 |
| Plus: cash on hand | 3,097 |
| Plus: accrued interest | <u>42,478</u> |
| Total cash and investments | <u>\$ 34,669,707</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, 2013.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

B. Investments (continued)

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

| Type of Investment | Credit Rating | Percentage of Total |
|--|---------------|---------------------|
| Prime Money Market Fund | Aaa | 67% |
| Federal Home Loan Mortgage Corporation (FHLMC) | Aaa | 11% |
| Federal National Mortgage Association (FNMA) | Aaa | 22% |

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, 2013, 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, 2013 consisted of the following:

| | <u>General Fund</u> | <u>General Obligation Bonds</u> | <u>Downtown Improvement Fund</u> | <u>Other Governmental Funds</u> | <u>Enterprise Funds</u> | <u>Internal Service Fund</u> |
|--|---------------------|---------------------------------|----------------------------------|---------------------------------|-------------------------|------------------------------|
| Interest income | \$ 44,877 | \$ 1,947 | \$ 45,400 | \$ 102,045 | \$ 79,488 | \$ 5,658 |
| Net increase (decrease) in fair value of investments | <u>(19,340)</u> | <u>(1,144)</u> | <u>(16,876)</u> | <u>(19,282)</u> | <u>(30,415)</u> | <u>(1,933)</u> |
| | <u>\$ 25,537</u> | <u>\$ 803</u> | <u>\$ 28,524</u> | <u>\$ 82,763</u> | <u>\$ 49,073</u> | <u>\$ 3,725</u> |

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

C. Receivables

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

| | <u>General Fund</u> | <u>Capital Expansion</u> | <u>Solid Waste Fund</u> | <u>Stormwater Fund</u> | <u>Transp Impact Fees</u> | <u>Water & Sewer Utility Fund</u> |
|--|---------------------|------------------------------|-----------------------------|----------------------------|-----------------------------------|---|
| Accounts receivable | \$ 1,366,422 | \$ 1,828 | \$ 239,047 | \$ 134,645 | \$ 686 | \$ 889,224 |
| Less: allowance for doubtful accounts | <u>(274,420)</u> | <u>-</u> | <u>(100,466)</u> | <u>(54,301)</u> | <u>-</u> | <u>(277,942)</u> |
| Accounts receivable, net | <u>\$ 1,092,002</u> | <u>\$ 1,828</u> | <u>\$ 138,581</u> | <u>\$ 80,344</u> | <u>\$ 686</u> | <u>\$ 611,282</u> |

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CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

D. Capital assets

Capital assets activity for the year ended September 30, 2013, was as follows:

| <u>Primary Government</u> | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|-------------------------------------|-------------------------|-------------------------|------------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 11,862,008 | \$ 2,320,534 | \$ (802) | \$ 14,181,740 |
| Construction in progress | 11,640,332 | 4,536,863 | (2,908,070) | 13,269,125 |
| Total capital assets, not being depreciated | <u>23,502,340</u> | <u>6,857,397</u> | <u>(2,908,872)</u> | <u>27,450,865</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 13,490,602 | 424,670 | (689,829) | 13,225,443 |
| Machinery and equipment | 9,579,897 | 287,277 | (159,358) | 9,707,816 |
| Intangibles | 440,447 | 11,624 | - | 452,071 |
| Infrastructure and improvements | 95,682,850 | 3,252,930 | - | 98,935,780 |
| Total capital assets, being depreciated | <u>119,193,796</u> | <u>3,976,501</u> | <u>(849,187)</u> | <u>122,321,110</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (3,320,308) | (262,941) | 230,569 | (3,352,680) |
| Machinery and equipment | (6,940,435) | (683,869) | 152,531 | (7,471,773) |
| Intangibles | (303,456) | (36,649) | - | (340,105) |
| Infrastructure and improvements | (46,776,751) | (3,139,825) | - | (49,916,576) |
| Total accumulated depreciation | <u>(57,340,950)</u> | <u>(4,123,284)</u> | <u>383,100</u> | <u>(61,081,134)</u> |
| Total capital assets, being depreciated, net | <u>61,852,846</u> | <u>(146,783)</u> | <u>(466,087)</u> | <u>61,239,976</u> |
| Governmental activities capital assets, net | <u>\$ 85,355,186</u> | <u>\$ 6,710,614</u> | <u>\$ (3,374,959)</u> | <u>\$ 88,690,841</u> |
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,041,630 | \$ 53,816 | \$ - | \$ 2,095,446 |
| Construction in progress | 759,823 | 2,174,369 | (1,018,582) | 1,915,610 |
| Total capital assets, not being depreciated | <u>2,801,453</u> | <u>2,228,185</u> | <u>(1,018,582)</u> | <u>4,011,056</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 1,938,797 | - | - | 1,938,797 |
| Machinery and equipment | 2,579,241 | 240,220 | (241,574) | 2,577,887 |
| Intangibles | 1,563,215 | - | - | 1,563,215 |
| Infrastructure and improvements | 105,842,591 | 1,843,181 | (178,983) | 107,506,789 |
| Total capital assets, being depreciated | <u>111,923,844</u> | <u>2,083,401</u> | <u>(420,557)</u> | <u>113,586,688</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (963,307) | (40,713) | - | (1,004,020) |
| Machinery and equipment | (1,932,173) | (154,270) | 15,368 | (2,071,075) |
| Intangibles | (59,923) | (31,264) | - | (91,187) |
| Infrastructure and improvements | (26,828,993) | (4,285,051) | - | (31,114,044) |
| Total accumulated depreciation | <u>(29,784,396)</u> | <u>(4,511,298)</u> | <u>15,368</u> | <u>(34,280,326)</u> |
| Total capital assets, being depreciated, net | <u>82,139,448</u> | <u>(2,427,897)</u> | <u>(405,189)</u> | <u>79,306,362</u> |
| Business-type activities capital assets, net | <u>\$ 84,940,901</u> | <u>\$ (199,712)</u> | <u>\$ (1,423,771)</u> | <u>\$ 83,317,418</u> |

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

D. Capital assets (continued)

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

| | |
|--|---------------------|
| Governmental activities: | |
| General government | \$ 97,044 |
| Public safety | 530,957 |
| Transportation, including depreciation of general infrastructure assets | 2,892,585 |
| Culture and recreation | 592,547 |
| 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>\$ 4,123,284</u> |
| Business-type activities: | |
| Water and sewer utility | \$ 4,511,298 |
| Total depreciation expense | <u>\$ 4,511,298</u> |

E. Interfund transfers

The composition of interfund transfers for the year ended September 30, 2013 is as follows:

| | Transfer in: | | | Total |
|--------------------------|-------------------|-----------------------------------|--------------------------|---------------------|
| | General Fund | Nonmajor Governmental Funds | Internal Service Fund | |
| Transfer out: | | | | |
| General fund | \$ - | \$ 1,593,676 | \$ 416,049 | \$ 2,009,725 |
| Non-major | | | | |
| governmental funds | 603,613 | 723,706 | 22,438 | 1,349,757 |
| Water/sewer utility fund | 52,800 | 52,834 | 61,513 | 167,147 |
| Internal service fund | <u>56,768</u> | <u>-</u> | <u>-</u> | <u>56,768</u> |
| Total | <u>\$ 713,181</u> | <u>\$ 2,370,216</u> | <u>\$ 500,000</u> | <u>\$ 3,583,397</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, 2013

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

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

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
|--------------------------------|------------------------------------|-------------------------------------|
| Machinery and equipment | \$ 1,608,160 | \$ 1,911,098 |
| Less: accumulated depreciation | <u>(539,456)</u> | <u>(649,685)</u> |
| Total | <u>\$ 1,068,704</u> | <u>\$ 1,261,413</u> |

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013, were as follows:

| <u>Year Ending September 30,</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
|---|------------------------------------|-------------------------------------|
| 2014 | \$ 295,779 | \$ 384,606 |
| 2015 | 250,097 | 384,605 |
| 2016 | 123,623 | 291,396 |
| 2017 | 123,623 | 291,396 |
| 2018 | 123,623 | 291,396 |
| 2019 - 2020 | <u>247,246</u> | <u>582,792</u> |
| Total minimum lease payments | 1,163,991 | 2,226,191 |
| Less: amount representing interest | <u>(101,921)</u> | <u>(236,139)</u> |
| Present value of minimum lease payments | <u>\$ 1,062,070</u> | <u>\$ 1,990,052</u> |

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

The City issues 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 \$1,384,625. For the fiscal year, principal and interest paid on this series was \$6,375,921 and total pledged revenue was \$547,626. The series 2003 bonds were partially refunded in 2013 with Series 2013 Limited Ad Valorem Revenue Note.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

G. Long-term liabilities (continued)

General obligation notes

The City issues 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 \$8,629,230. For the fiscal year, interest paid on this series was \$10,643 and total pledged revenue was \$547,626.

Current refunding

The City issued \$5,900,000 in limited ad valorem refunding revenue notes with an interest rate of 3.425%. The proceeds were used to currently refund \$5,825,000 of outstanding 2003, limited ad valorem bonds which had interest rates ranging from 4.3% - 4.75%.

The City refunded the 2003 limited ad valorem bonds to reduce its total debt service payments over ten years by approximately \$1 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and net debt) of approximately \$718,000.

General obligation bonds and notes outstanding at September 30, 2013 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 9/30/2013</u> |
|---------------------------------|------------------|---------------------------|-----------------------------------|-----------------------|------------------------------|
| Limited Ad Valorem Bonds | 2003 | \$ 9,000,000 | 2% - 4.75% | 2018 | \$ 1,230,000 |
| <u>General obligation note</u> | | | | | |
| Limited Ad Valorem Notes | 2013 | \$ 5,900,000 | 3.43% | 2033 | \$ 5,900,000 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

NOTE 4 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**G. Long-term liabilities (continued)**

Public improvement notes outstanding at September 30, 2013, 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 9/30/2013</u> |
|--|------------------|-------------------------------|---|---------------------------|----------------------------------|
| Public improvement (Refunding - Series A) | 2012 | \$ 6,526,000 | 1.94% | 2022 | \$ 5,954,000 |
| Public improvement (Refunding - Series B) | 2012 | \$ 2,370,000 | 1.46% | 2018 | \$ 1,996,000 |
| Public improvement | 2013 | \$ 51,000 | 4.00% | 2028 | \$ 51,000 |

The Public Improvement Revenue Refunding Note, Series 2012 A is secured by utility tax revenue and communication services tax revenue. The total principal and interest remaining to be paid on this series is \$6,546,263. For the fiscal year, principal and interest paid on this series was \$726,739 and total pledged revenue was \$4,385,344.

The Public Improvement Revenue Refunding Note, Series 2012 B is secured by utility tax revenue and communication services tax revenue. The total principal and interest remaining to be paid on this series is \$2,084,272. For the fiscal year, principal and interest paid on this series was \$416,291 and total pledged revenue was \$4,385,344.

The Public Improvement Revenue Note, Series 2013 is secured by utility tax revenue and communication services tax revenue. The Notes is not to exceed \$3,900,000. During 2013, the City drew \$51,000 on this note and a balance of \$3,849,000 is anticipated to be drawn in 2014 and 2015 for various projects. The total principal and interest remaining to be paid on this series is \$71,104. For the fiscal year, total pledged revenue was \$4,385,344.

Capital improvement notes outstanding at September 30, 2013, is 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 9/30/2013</u> |
|---|------------------|-------------------------------|---|---------------------------|----------------------------------|
| Capital improvement (Refunding - Series A) | 2012 | \$ 1,422,000 | 1.68% | 2020 | \$ 1,259,000 |
| Capital improvement (Refunding - Series B) | 2012 | \$ 4,779,000 | 2.31% | 2027 | \$ 4,779,000 |
| Capital improvement (Refunding - Series C) | 2012 | \$ 595,000 | 2.11% | 2023 | \$ 549,000 |
| Capital improvement (Refunding - Series D) | 2012 | \$ 1,194,000 | 2.36% | 2025 | \$ 1,120,000 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

G. Long-term liabilities (continued)

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 \$1,345,016. For the fiscal year, principal and interest paid on this series was \$192,198 and total pledged revenue was \$4,050,361.

The Capital Improvement Revenue Refunding Note, Series 2012B is secured by half-cent sales tax and electric franchise fee revenues. The total principal and interest remaining to be paid on this series is \$5,657,894. For the fiscal year, principal and interest paid on this series was \$79,730 and total pledged revenue was \$4,050,361.

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 \$614,705. For the fiscal year, principal and interest paid on this series was \$61,344 and total pledged revenue was \$4,050,361.

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 \$1,299,006. For the fiscal year, principal and interest paid on this series was \$108,440 and total pledged revenue was \$4,050,361.

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, 2013, is as follows:

Business-type activities:

| <u>Utility revenue bonds</u> | <u>Sale Date</u> | <u>Original Borrowing</u> | <u>Interest Rates to Maturity</u> | <u>Final Maturity</u> | <u>Outstanding 9/30/2013</u> |
|--|------------------|---------------------------|-----------------------------------|-----------------------|------------------------------|
| Utility revenue | 2003 | \$ 9,500,000 | 2.5% to 5.0% | 2032 | \$ 8,040,000 |
| Utility revenue (Refunding - Series 2004) | 2004 | \$ 5,360,000 | 3% to 4.4% | 2025 | \$ 3,745,000 |
| Utility revenue | 2007 | \$ 3,752,000 | 3.86% | 2027 | \$ 2,927,000 |
| Utility revenue (Series A) | 2010 | \$ 5,080,000 | 2% to 3% | 2020 | \$ 4,030,000 |
| Utility revenue (Series B) | 2010 | \$ 30,820,000 | 5.03% to 5.96% | 2020 | \$ 30,820,000 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

G. Long-term liabilities (continued)

Self-supporting revenue bonds/notes (continued)

The Utility Revenue Bonds, Series 2003 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 \$12,638,743. For the fiscal year, principal and interest paid on this series was \$506,669 and total pledged revenue was \$6,872,895.

The Utility Revenue Refunding Revenue Bonds, Series 2004 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 \$4,835,160. For the fiscal year, principal and interest paid on this series was \$403,773 and total pledged revenue was \$6,872,895.

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 \$3,843,286. For the fiscal year, principal and interest paid on this series was \$275,004 and total pledged revenue was \$6,872,895.

The Utility Revenue Bonds, Series 2010A are secured by the net revenues of the water and sewer system. The total principal and interest remaining to be paid on this series is \$4,459,178. For the fiscal year, principal and interest paid on this series was \$638,413 and total pledged revenue was \$6,872,895.

The Utility Revenue Bonds, Series 2010B are secured by the net revenues of the water and sewer system. The total principal and interest remaining to be paid on this series is \$67,738,005. For the fiscal year, principal and interest paid on this series was \$1,784,470 and total pledged revenue was \$6,872,895.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

NOTE 4 - 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, 2013, is 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 9/30/2013</u> |
|--|------------------|-------------------------------|---|---------------------------|----------------------------------|
| State of Florida State Revolving Fund (SRF) Loan | 2006 | \$ 3,732,834 | 2.71% | 2026 | \$ 2,588,163 |
| State of Florida State Revolving Fund (SRF) Loan | 2012 | \$ 736,862 | 3.15% | 2032 | \$ 736,862 |

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 \$3,088,096 and \$762,340, respectively. For the fiscal year, principal and interest paid on these series was \$236,550 and total pledged revenue was \$3,028,016.

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

G. Long-term liabilities (continued)

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> |
|----------------------------------|-------------------------------|----------------------|-----------------------|---|
| 2014 | \$ 239,000 | \$ 1,551,000 | \$ 576,928 | \$ 2,366,928 |
| 2015 | 256,000 | 1,604,000 | 526,372 | 2,386,372 |
| 2016 | 267,000 | 1,637,053 | 484,695 | 2,388,748 |
| 2017 | 278,000 | 1,667,177 | 444,803 | 2,389,980 |
| 2018 | 289,000 | 1,700,307 | 401,882 | 2,391,189 |
| 2019 - 2023 | 1,622,000 | 5,530,670 | 1,416,563 | 8,569,233 |
| 2024 - 2028 | 1,916,000 | 2,017,793 | 705,013 | 4,638,806 |
| 2029 - 2033 | 2,263,000 | - | 237,859 | 2,500,859 |
| | <u>7,130,000</u> | <u>\$ 15,708,000</u> | <u>\$ 4,794,115</u> | <u>\$ 27,632,115</u> |
| Less amount representing: | | | | |
| Unamortized discount | <u>(8,070)</u> | | | |
| Net debt | <u>\$ 7,121,930</u> | | | |

Business-type activities:

| <u>Year Ending September 30,</u> | <u>SRF Loans</u> | <u>Revenue bonds</u> | <u>Total Interest</u> | <u>Total Principal & Interest</u> |
|----------------------------------|---------------------|----------------------|-----------------------|---|
| 2014 | \$ 276,379 | \$ 1,117,000 | \$ 2,569,242 | \$ 3,962,621 |
| 2015 | 398,047 | 1,153,000 | 2,531,849 | 4,082,896 |
| 2016 | 406,326 | 1,184,000 | 2,489,635 | 4,079,961 |
| 2017 | 358,370 | 1,221,000 | 2,445,003 | 4,024,373 |
| 2018 | 187,701 | 1,258,000 | 2,399,120 | 3,844,821 |
| 2019 - 2023 | 1,018,177 | 6,990,000 | 11,194,502 | 19,202,679 |
| 2024 - 2028 | 680,025 | 8,424,000 | 9,351,522 | 18,455,547 |
| 2029 - 2033 | - | 10,210,000 | 7,046,609 | 17,256,609 |
| 2034 - 2038 | - | 12,365,000 | 3,942,552 | 16,307,552 |
| 2039 - 2040 | - | 5,640,000 | 507,749 | 6,147,749 |
| | <u>\$ 3,325,025</u> | <u>49,562,000</u> | <u>\$ 44,477,783</u> | <u>\$ 97,364,808</u> |
| Less amount representing: | | | | |
| Unamortized premium | | <u>29,733</u> | | |
| Net debt | | <u>\$ 49,591,733</u> | | |

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

G. Long-term liabilities (continued)

Changes in long-term liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2013 are as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due within one year |
|--|----------------------|---------------------|-----------------------|----------------------|------------------------|
| Governmental activities: | | | | | |
| General obligation bonds | \$ 7,275,000 | \$ - | \$ (6,045,000) | \$ 1,230,000 | \$ 230,000 |
| Unamortized discount | (8,743) | - | 673 | (8,070) | - |
| General obligation notes | - | 5,900,000 | - | 5,900,000 | 9,000 |
| Public improvement revenue notes | - | 51,000 | - | 51,000 | - |
| Public improvement refunding | | | | | |
| revenue notes | 8,896,000 | - | (946,000) | 7,950,000 | 1,000,000 |
| Capital improvement refunding | | | | | |
| revenue notes | 7,990,000 | - | (283,000) | 7,707,000 | 551,000 |
| Landfill post-closure care | 225,832 | - | (14,893) | 210,939 | 67,882 |
| Capital lease | 1,332,851 | - | (270,781) | 1,062,070 | 267,252 |
| Compensated absences | 2,040,806 | 319,425 | (263,213) | 2,097,018 | 209,702 |
| Other post employment benefits | 663,475 | 93,546 | - | 757,021 | - |
| Governmental activity long-term liabilities | <u>\$ 28,415,221</u> | <u>\$ 6,363,971</u> | <u>\$ (7,822,214)</u> | <u>\$ 26,956,978</u> | <u>\$ 2,334,836</u> |
| Business-type activities: | | | | | |
| Utility revenue bonds | \$ 50,648,000 | \$ - | \$ (1,086,000) | \$ 49,562,000 | \$ 1,117,000 |
| Unamortized (discount) premium | 34,049 | - | (4,316) | 29,733 | - |
| Capital lease | 2,300,235 | - | (310,183) | 1,990,052 | 321,040 |
| SRF loan | 2,859,289 | 629,796 | (164,060) | 3,325,025 | 276,379 |
| Compensated absences | 166,843 | 35,711 | (17,245) | 185,309 | 18,531 |
| Other post employment benefits | 79,025 | 13,254 | - | 92,279 | - |
| Business-type activity long-term liabilities | <u>\$ 56,087,441</u> | <u>\$ 678,761</u> | <u>\$ (1,581,804)</u> | <u>\$ 55,184,398</u> | <u>\$ 1,732,950</u> |

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

H. Risk management

1. Public Risk Management of Florida

On October 1, 1998, the City became a member of Public Risk Management of Florida (the pool), a local government liability risk pool. The pool has 49 local government agency members. The pool administers insurance activities relating to property, general liability, police professional, automobile liability, public officials liability, workers' compensation, and boiler and machinery. The pool absorbs losses up to a specified amount for each pool year and purchases excess and other specific coverage from third-party carriers. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenditures/expenses. If total member assessments do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pool's ability to assess its members would revert back to the member that incurred the loss. There were no additional assessments levied against the City for the fiscal year ended September 30, 2013. The cost of the insurance is allocated among the appropriate departments settlements in excess of insurance coverage in any of the prior three years.

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 \$113,196 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 | \$ | 92,195 |
| 20% margin | | 18,439 |
| Estimated unpaid prescription drugs | | 2,562 |
| | \$ | <u>113,196</u> |

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

| | <u>2013</u> | <u>2012</u> |
|--------------------------------------|--------------------|--------------------|
| Claims liability - beginning of year | \$ 148,129 | \$ 280,000 |
| Incurred claims | 1,566,135 | 1,499,924 |
| Payments on claims | <u>(1,601,068)</u> | <u>(1,631,795)</u> |
| Claims liability - end of year | <u>\$ 113,196</u> | <u>\$ 148,129</u> |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

I. Commitments and contingencies

1. Litigation

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

2. Commitments Under Construction Contracts

At September 30, 2013, the City had ongoing construction commitments of \$6,861,952 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 \$160,939 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 2013.

| | | |
|---|-----------|---------------|
| Balance - October 1, 2012 | \$ | 70,744 |
| Required deposit | | 10,902 |
| Return of excess deposits to general fund | | (50,000) |
| Investment income | | 292 |
| Balance - September 30, 2013 | <u>\$</u> | <u>31,938</u> |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

I. Commitments and contingencies (continued)

4. Grants

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

J. Defined contribution plan

The City established a single employer, defined contribution money purchase plan (the Plan) in June 1995 administered by ICMA Retirement Corporation, that covers all full-time employees other than those covered by the Police Officers' Retirement Trust Fund and Firefighters' Pension Trust Fund (see below). In July 2005, the City amended the Plan to allow the City Manager, Assistant City Manager, and Department Directors the option of contributing 0% to 10% and vesting immediately. Plan members are required to contribute 1% - 10% (employee choice upon hire). Effective October 1, 2009, the City amended its plan to provide for a dollar per dollar match up to a maximum of 5% of the employee's salary as compared to the 8% contribution in the previous fiscal year. At September 30, 2013 there were 249 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, 2013, both the City and participating employees contributed \$572,104 to the Plan, which represents a significant percentage of the covered payroll of participating employees.

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

| <u>Years of service completed</u> | <u>Specified percent vesting</u> |
|---------------------------------------|--------------------------------------|
| 1 | 20% |
| 2 | 40% |
| 3 | 60% |
| 4 | 80% |
| 5 | 100% |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

K. Deferred compensation plan

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

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

Plan description

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

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

Plan description (continued)

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

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

Membership in both plans consisted of the following at October 1, 2012 for Police Officers and Firefighters:

| Current Fund Participation | Police Officers' Retirement Trust | Firefighters' Pension Trust |
|---|--|--|
| Active members | 60 | 52 |
| Retirees and beneficiaries receiving benefits | 13 | 1 |
| Terminated employees not yet receiving benefits | 3 | - |
| Disability retirees | 5 | 1 |
| Number of participants | 81 | 54 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

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

Funding policy

The contribution requirements of plan members and the City are established and may be amended by City ordinance. Firefighters' Plan members are required to contribute 7% of annual covered payroll. Police Officers' Plan members are required to contribute 6% of annual covered payroll. The annual State insurance premium tax is required to be contributed to the Plan and varies in amount each year. For fiscal year 2013, the State contribution was \$255,538 for police officers and \$273,286 for firefighters. These contributions were recognized in the State Pension Contributions Special Revenue Fund as revenue and as an equal expenditure. The City is required to contribute the remaining amounts necessary to fund the Plans. The Police Officers' Plan uses the Entry Age actuarial cost method. The Firefighters' Plan uses the frozen entry age actuarial cost method. For the Police Officers' Retirement Trust, the City's contribution cannot be less than 10% of covered payroll.

Annual pension cost and contributions made

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

| | Police Officers' Retirement Trust | Firefighters' Pension Trust |
|---------------------|--|--|
| Annual pension cost | <u>\$ 950,652</u> | <u>\$ 741,267</u> |
| Contributions made: | | |
| Employer | \$ 736,060 | \$ 412,989 |
| Employee | 204,004 | 209,229 |
| State | <u>255,538</u> | <u>273,286</u> |
| | <u>\$ 1,195,602</u> | <u>\$ 895,504</u> |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

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

Annual pension cost and contributions made (continued)

The annual pension cost, net pension obligation and required contribution for September 30, 2013 were determined as part of the actuarial valuation of each plan as of October 1, 2012. For governmental activities, the net pension obligation is typically liquidated by the General Fund. The City's annual pension cost and net pension obligation (NPO) were as follows:

| | Police Officers' Retirement Trust | Firefighters' Pension Trust |
|--|--|--|
| Annual required contribution (ARC) | \$ 950,652 | \$ 741,267 |
| Interest on net pension obligation (NPO) | - | - |
| Adjustment to ARC | - | - |
| Annual pension cost | 950,652 | 741,267 |
| Contributions made | (950,652) | (741,267) |
| Increase (decrease) in NPO | - | - |
| NPO at beginning of year | - | - |
| NPO end of year | <u>\$ -</u> | <u>\$ -</u> |

The Police Officers' Retirement Trust Fund did not have a net pension obligation as of the October 1, 2012, actuarial valuation. The annual required contribution for the current year was determined as part of the October 1, 2013 actuarial valuation using the frozen entry age actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return (net of administrative expenses), (b) projected salary increases of 6% per year and (c) inflation at 3% for both police officers and firefighters. The actuarial value of assets was determined by using the four year smoothing method for the Police Officers' Retirement Trust Fund and the market value for the Firefighters' Pension Trust Fund, respectively. The actuarial amortization method used was level percent of pay, closed, and the remaining amortization period is 28 years for police officers and 29 years for firefighters.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

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

Three-year trend information

| <u>Police Officers' Retirement Trust Fund</u> | | | |
|--|----------------------------------|--------------------------------------|---------------------------------------|
| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation (Asset)</u> |
| 9/30/2013 | \$ 950,652 | 100% | \$ - |
| 9/30/2012 | 760,993 | 100% | - |
| 9/30/2011 | 722,509 | 100% | - |

| <u>Firefighters' Pension Trust Fund</u> | | | |
|--|----------------------------------|--------------------------------------|---------------------------------------|
| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation (Asset)</u> |
| 9/30/2013 | \$ 741,267 | 100% | \$ - |
| 9/30/2012 | 752,182 | 100% | - |
| 9/30/2011 | 717,738 | 100% | - |

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

The following are the financial statements for the Police Officers' Retirement Trust Fund and Firefighters' Pension Trust Fund as of September 30, 2013:

**Combining Statement of Net Position
Fiduciary Funds**

| | <u>Police Officers' Retirement Trust Fund</u> | <u>Firefighters' Pension Trust Fund</u> | <u>Total Employee Retirement Funds</u> |
|---|---|---|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 160,842 | \$ 118,452 | \$ 279,294 |
| Receivables: | | | |
| Interest receivable | 24,730 | 12,550 | 37,280 |
| Contributions receivable | <u>53,923</u> | <u>-</u> | <u>53,923</u> |
| Total receivables | <u>78,653</u> | <u>12,550</u> | <u>91,203</u> |
| Investments, at fair value: | | | |
| U.S. Treasury & Government agency | 5,371,840 | - | 5,371,840 |
| Real Estate Investment Trust | 658,128 | - | 658,128 |
| Corporate & foreign bonds | 1,069,177 | - | 1,069,177 |
| Mutual funds & common stocks | <u>7,998,906</u> | <u>8,559,793</u> | <u>16,558,699</u> |
| Total Investments | <u>15,098,051</u> | <u>8,559,793</u> | <u>23,657,844</u> |
| Total assets | <u>15,337,546</u> | <u>8,690,795</u> | <u>24,028,341</u> |
| LIABILITIES | | | |
| Refunds payable and others | <u>-</u> | <u>113,037</u> | <u>113,037</u> |
| Total liabilities | <u>-</u> | <u>113,037</u> | <u>113,037</u> |
| NET POSITION | | | |
| Net position held in trust for pension benefits | <u>\$ 15,337,546</u> | <u>\$ 8,577,758</u> | <u>\$ 23,915,304</u> |

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

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

**Combining Statement of Changes in Net Position
Fiduciary Funds**

| | Police Officers' Retirement Trust Fund | Firefighters' Pension Trust Fund | Total Employee Retirement Funds |
|---|---|---|--|
| ADDITIONS | | | |
| Contributions: | | | |
| City | \$ 736,060 | \$ 412,989 | \$ 1,149,049 |
| State | 255,538 | 273,286 | 528,824 |
| Employee | <u>204,004</u> | <u>209,229</u> | <u>413,233</u> |
| Total contributions | <u>1,195,602</u> | <u>895,504</u> | <u>2,091,106</u> |
| Investment income: | | | |
| Interest | 1,766,219 | 901,369 | 2,667,588 |
| Net increase (decrease) in fair value of investments | <u>(90,333)</u> | <u>8,522</u> | <u>(81,811)</u> |
| Net investment earnings | <u>1,675,886</u> | <u>909,891</u> | <u>2,585,777</u> |
| Total additions | <u>2,871,488</u> | <u>1,805,395</u> | <u>4,676,883</u> |
| DEDUCTIONS | | | |
| Benefit payments | 650,178 | 34,824 | 685,002 |
| Administrative expenses | <u>136,278</u> | <u>102,251</u> | <u>238,529</u> |
| Total deductions | <u>786,456</u> | <u>137,075</u> | <u>923,531</u> |
| Change in net position | 2,085,032 | 1,668,320 | 3,753,352 |
| Net position - beginning | <u>13,252,514</u> | <u>6,909,438</u> | <u>20,161,952</u> |
| Net position - ending | <u>\$ 15,337,546</u> | <u>\$ 8,577,758</u> | <u>\$ 23,915,304</u> |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

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

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

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

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Frozen Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|--|---------------------------|--------------------|---------------------|---|
| 10/1/2013 | \$ 14,364,058 | \$ 16,456,521 | \$ 2,092,463 | 87.28% | \$ 3,576,890 | 58.50% |

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

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Frozen Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|--|---------------------------|--------------------|---------------------|---|
| 10/1/2013 | \$ 8,577,758 | \$ 12,207,188 | \$ 3,629,430 | 70.27% | \$ 3,169,607 | 114.51% |

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

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, 2013

NOTE 4 - 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, 2012. At that point in time, the unfunded actuarial accrued liability (UAAL) for benefits was \$1,097,800 and funded ratio was 0%. The covered payroll was \$11,384,600 and the ratio of UAAL to covered payroll was 9.6%.

Annual OPEB cost and Net OPEB obligation

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2013 is as follows:

| | | |
|--|----|-----------------|
| Annual required contribution | \$ | 131,500 |
| Interest on net OPEB obligation | | 29,700 |
| Adjustment to annual required contribution | | <u>(30,900)</u> |
| Annual OPEB cost | | 130,300 |
| Employer contributions | | <u>(23,500)</u> |
| Increase in Net OPEB obligation | | 106,800 |
| Net OPEB obligation (beginning of year) | | <u>742,500</u> |
| Net OPEB obligation (end of year) | \$ | <u>849,300</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 |
|-----------------------------|---------------------|--|------------------------|
| 2013 | \$ 130,300 | 18.0% | \$ 849,300 |
| 2012 | 155,900 | 24.7% | 742,500 |
| 2011 | 148,900 | 21.9% | 625,100 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

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

Actuarial methods and assumptions

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

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

Actuarial methods and assumptions (continued)

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

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

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

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

Decrements-

Investment return- 4% per annum.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

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

Actuarial methods and assumptions (continued)

Decrements (continued)-

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

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

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

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

General Employees

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

Firefighters

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

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

Actuarial methods and assumptions (continued)

Decrements (continued)-

Police Officers

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

Disability- None assumed.

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

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

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

| <u>Age</u> | <u>Participation</u> |
|------------|----------------------|
| 45 - 49 | 10% |
| 50 - 54 | 15% |
| 55 - 59 | 30% |
| 60+ | 65% |

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

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

Actuarial methods and assumptions (continued)

Summary of benefits-

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

Eligible individuals-

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

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

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

Coverage and employee cost sharing-

| <u>Type of Coverage</u> | <u>Employee</u> | <u>Spouse</u> |
|---|---|---|
| <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, 2013

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

N. Fund balances

In accordance with of 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 Building Services Special Revenue Fund has a deficit fund balance of \$1,572; the Public Improvement Revenue Bonds has deficit fund balance of \$746; the Landfill Closure Capital Projects Fund has a deficit fund balance of \$7,268; and the Recreational Facility Improvement Capital Projects Fund has a deficit fund balance of \$53,306 at September 30, 2013.

CITY OF OVIEDO, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2013

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

N. Fund balances (continued)

At September 30, 2013, the City's governmental fund balances were classified as follows:

| | <u>General Fund</u> | <u>General Obligation Bonds</u> | <u>Downtown Improvement Construction Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|----------------------|---------------------|-------------------------------------|---|---|---|
| Fund balances | | | | | |
| Nonspendable: | | | | | |
| Inventories | \$ 38,316 | \$ - | \$ - | \$ - | \$ 38,316 |
| Prepaid items | 77,770 | - | - | 2,501,556 | 2,579,326 |
| Restricted for: | | | | | |
| General government | 25,807 | - | - | - | 25,807 |
| Public safety | - | - | - | 494,282 | 494,282 |
| Physical environment | - | - | 5,874,155 | 6,707,307 | 12,581,462 |
| Debt service | - | 11,973 | - | - | 11,973 |
| Committed to: | | | | | |
| Physical environment | - | - | - | 906,526 | 906,526 |
| Assigned to: | | | | | |
| General government | - | - | - | 26,115 | 26,115 |
| Public safety | - | - | - | 2,259,445 | 2,259,445 |
| Physical environment | 99,855 | - | - | 373,035 | 472,890 |
| Unassigned | <u>3,172,787</u> | <u>-</u> | <u>-</u> | <u>(62,892)</u> | <u>3,109,895</u> |
| Total fund balance | <u>\$ 3,414,535</u> | <u>\$ 11,973</u> | <u>\$ 5,874,155</u> | <u>\$ 13,205,374</u> | <u>\$ 22,506,037</u> |

Required Supplementary Information

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CITY OF OVIEDO, FLORIDA

General Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2013**

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes: | | | | |
| Property Taxes | \$ 8,685,044 | \$ 8,685,044 | \$ 8,669,603 | \$ (15,441) |
| Utility taxes | 4,505,439 | 4,505,439 | 4,385,344 | (120,095) |
| Business receipts | 145,616 | 145,616 | 139,657 | (5,959) |
| Licenses and permits | 2,429,086 | 2,429,086 | 2,255,697 | (173,389) |
| Intergovernmental | 2,988,326 | 2,988,326 | 3,118,436 | 130,110 |
| Charges for services | 2,142,017 | 2,161,017 | 2,421,245 | 260,228 |
| Fines and forfeitures | 96,675 | 96,675 | 111,999 | 15,324 |
| Investment income | 105,200 | 105,200 | 25,537 | (79,663) |
| Service assessments | 1,000 | 1,000 | 4,057 | 3,057 |
| Miscellaneous | 158,369 | 249,369 | 290,036 | 40,667 |
| Total revenues | <u>21,256,772</u> | <u>21,366,772</u> | <u>21,421,611</u> | <u>54,839</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 2,426,679 | 2,238,161 | 2,101,277 | 136,884 |
| Public safety | 11,720,171 | 11,952,731 | 11,948,377 | 4,354 |
| Physical environment | 2,457,597 | 2,476,097 | 2,572,235 | (96,138) |
| Culture and recreation | 3,346,540 | 3,260,707 | 3,183,320 | 77,387 |
| Capital outlay: | | | | |
| General government | - | 11,624 | 11,624 | - |
| Physical environment | 12,500 | 15,339 | 14,839 | 500 |
| Culture and recreation | 10,000 | 22,358 | - | 22,358 |
| Total expenditures | <u>19,973,487</u> | <u>19,977,017</u> | <u>19,831,672</u> | <u>145,345</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,283,285</u> | <u>1,389,755</u> | <u>1,589,939</u> | <u>200,184</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 663,181 | 713,181 | 713,181 | - |
| Transfers out | (1,983,079) | (2,003,970) | (2,009,725) | (5,755) |
| Sale of capital assets | <u>36,613</u> | <u>36,613</u> | <u>104,143</u> | <u>67,530</u> |
| Total other financing sources (uses) | <u>(1,283,285)</u> | <u>(1,254,176)</u> | <u>(1,192,401)</u> | <u>61,775</u> |
| Net change in fund balances | - | 135,579 | 397,538 | 261,959 |
| Fund balances - beginning | <u>3,016,997</u> | <u>3,016,997</u> | <u>3,016,997</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 3,016,997</u> | <u>\$ 3,152,576</u> | <u>\$ 3,414,535</u> | <u>\$ 261,959</u> |

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

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, 2013

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|-----------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 547,245 | \$ 547,245 | \$ 547,626 | \$ 381 |
| Investment income | 4,500 | 4,500 | 803 | (3,697) |
| Total revenues | <u>551,745</u> | <u>551,745</u> | <u>548,429</u> | <u>(3,316)</u> |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal | 220,000 | 220,000 | 6,045,000 | (5,825,000) |
| Interest | 331,745 | 331,745 | 342,164 | (10,419) |
| Issuance costs | <u>-</u> | <u>-</u> | <u>58,883</u> | <u>(58,883)</u> |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>551,745</u> | <u>551,745</u> | <u>6,446,047</u> | <u>(5,894,302)</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(5,897,618)</u> | <u>(5,897,618)</u> |
| Other financing sources (uses): | | | | |
| Notes payable | <u>-</u> | <u>-</u> | <u>5,900,000</u> | <u>5,900,000</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>5,900,000</u> | <u>5,900,000</u> |
| Net change in fund balances | - | - | 2,382 | 2,382 |
| Fund balances - beginning | <u>9,591</u> | <u>9,591</u> | <u>9,591</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 9,591</u> | <u>\$ 9,591</u> | <u>\$ 11,973</u> | <u>\$ 2,382</u> |

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2013

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

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Frozen Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|--|---------------------------|--------------------|---------------------|---|
| 10/1/2013 | \$ 14,364,058 | \$ 16,456,521 | \$ 2,092,463 | 87.28% | \$ 3,576,890 | 58.50% |
| 10/1/2012 | 12,562,078 | 16,657,973 | 4,095,895 | 75.41% | 3,286,796 | 124.62% |
| 10/1/2011 | 11,248,544 | 15,530,983 | 4,282,439 | 72.43% | 3,199,428 | 133.85% |
| 10/1/2010 | 10,941,988 | 14,396,176 | 3,454,188 | 76.01% | 3,183,628 | 108.50% |
| 10/1/2009 | 10,482,431 | 13,135,587 | 2,653,156 | 79.80% | 3,332,616 | 79.61% |
| 10/1/2008 | 9,722,202 | 11,002,906 | 1,280,704 | 88.36% | 2,918,455 | 43.88% |

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

| Year ended September 30, | Annual Required Contribution | City Contribution | State Contribution | Percentage Contributed |
|--------------------------|------------------------------|-------------------|--------------------|------------------------|
| 2013 | \$ 950,652 | \$ 736,060 | \$ 215,957 * | 100.14% |
| 2012 | 760,993 | 545,036 | 215,957 * | 100.00% |
| 2011 | 722,509 | 506,552 | 215,957 * | 100.00% |
| 2010 | 520,907 | 307,974 | 212,933 | 100.00% |
| 2009 | 544,308 | 328,351 | 215,957 * | 100.00% |
| 2008 | 504,651 | 322,096 | 215,957 * | 106.62% |

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

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

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Frozen Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|--|---------------------------|--------------------|---------------------|---|
| 10/1/2013 | \$ 8,577,758 | \$ 12,207,188 | \$ 3,629,430 | 70.27% | \$ 3,169,607 | 114.51% |
| 10/1/2012 | 6,854,446 | 10,596,199 | 3,741,753 | 64.69% | 2,922,755 | 128.02% |
| 10/1/2011 | 4,864,367 | 8,615,413 | 3,751,046 | 56.46% | 2,831,066 | 132.50% |
| 10/1/2010 | 4,192,656 | 7,875,280 | 3,682,624 | 53.24% | 2,859,247 | 128.80% |
| 10/1/2009 | 3,055,313 | 6,526,637 | 3,471,324 | 46.81% | 2,680,940 | 129.48% |
| 10/1/2008 | 2,328,489 | 4,992,628 | 2,664,139 | 46.64% | 2,566,256 | 103.81% |

CITY OF OVIEDO, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2013

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

| <u>Year ended September 30,</u> | <u>Annual Required Contribution</u> | <u>City Contribution</u> | <u>State Contribution</u> | <u>Percentage Contributed</u> |
|-------------------------------------|---|------------------------------|-------------------------------|-----------------------------------|
| 2013 | \$ 741,267 | \$ 412,989 | \$ 273,286 | 92.58% |
| 2012 | 752,182 | 478,590 | 273,592 | 100.00% |
| 2011 | 717,738 | 453,668 | 264,070 | 100.00% |
| 2010 | 706,858 | 502,034 | 204,826 | 100.00% |
| 2009 | 513,020 | 267,787 | 245,234 | 100.00% |
| 2008 | 343,624 | 134,028 | 209,596 | 100.00% |

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

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

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

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

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

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

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

Combined and Individual Statements

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CITY OF OVIEDO, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF OVIEDO, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Nonmajor Debt Service Funds

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

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

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.

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

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

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

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

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

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

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

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

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

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

CITY OF OVIEDO, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013

| | Special Revenue | Debt Service | Capital Projects | Total Nonmajor Governmental Funds |
|--|------------------------|---------------------|-------------------------|--|
| Assets: | | | | |
| Cash and cash equivalents | \$ 3,864,478 | \$ - | \$ 2,042,909 | \$ 5,907,387 |
| Investments | 3,379,101 | - | 2,172,787 | 5,551,888 |
| Restricted investments | - | - | - | - |
| Receivables, net | 221,439 | - | - | 221,439 |
| Due from other funds | - | - | - | - |
| Due from other governments | 89,304 | - | 274,784 | 364,088 |
| Inventories, at cost | - | - | - | - |
| Other receivables | - | - | - | - |
| Prepaid expenses | - | - | 2,501,566 | 2,501,566 |
| Special assessments receivable | - | - | - | - |
| Judgments receivable | - | - | - | - |
| Restricted assets: | | | | |
| Cash and cash equivalents | - | - | 36,282 | 36,282 |
| Total assets | \$ 7,554,322 | \$ - | \$ 7,028,328 | \$ 14,582,650 |
| Liabilities and fund balances: | | | | |
| Accounts payable | \$ 866,306 | \$ 746 | \$ 157,511 | \$ 1,024,563 |
| Accrued liabilities | 18,275 | - | 10,000 | 28,275 |
| Retainage payable | - | - | 43,618 | 43,618 |
| Due to other funds | - | - | 280,810 | 280,810 |
| Total liabilities | 884,581 | 746 | 491,939 | 1,377,266 |
| Fund balances: | | | | |
| Nonspendable | - | - | 2,501,566 | 2,501,566 |
| Restricted | 5,701,272 | - | 1,500,317 | 7,201,589 |
| Committed | 906,526 | - | - | 906,526 |
| Assigned | 63,515 | - | 2,595,080 | 2,658,595 |
| Unassigned | (1,572) | (746) | (60,574) | (62,892) |
| Total fund balances | 6,669,741 | (746) | 6,536,389 | 13,205,384 |
| Total liabilities and fund balances | \$ 7,554,322 | \$ - | \$ 7,028,328 | \$ 14,582,650 |

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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, 2013

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|------------------------|---------------------|-------------------------|--|
| Revenues: | | | | |
| Licenses and permits | \$ 962,908 | \$ - | \$ - | \$ 962,908 |
| Intergovernmental | 1,607,721 | - | 334,624 | 1,942,345 |
| Charges for services | 4,068,427 | - | 16,250 | 4,084,677 |
| Fines and forfeitures | 41,843 | - | - | 41,843 |
| Investment income | 28,601 | - | 54,162 | 82,763 |
| Service assessments | 751,397 | - | - | 751,397 |
| Miscellaneous | 17,410 | - | 716 | 18,126 |
| Total revenues | <u>7,478,307</u> | <u>-</u> | <u>405,752</u> | <u>7,884,059</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 49,555 | - | 45,357 | 94,912 |
| Public safety | 1,421,138 | - | 21,149 | 1,442,287 |
| Physical environment | 3,870,313 | - | 1,581,670 | 5,451,983 |
| Parks and recreation | 10,878 | - | 21,053 | 31,931 |
| Debt service: | | | | |
| Principal | - | 1,499,781 | - | 1,499,781 |
| Interest and fiscal charges | - | 400,306 | - | 400,306 |
| Issuance costs | - | 47,402 | - | 47,402 |
| Capital outlay: | | | | |
| General government | - | - | 48,009 | 48,009 |
| Public safety | 73,054 | - | 159,217 | 232,271 |
| Physical environment | 1,747,175 | - | 366,238 | 2,113,413 |
| Parks and recreation | - | - | 396,744 | 396,744 |
| Total expenditures | <u>7,172,113</u> | <u>1,947,489</u> | <u>2,639,437</u> | <u>11,759,039</u> |
| Excess (deficiency) of revenues over expenditures | <u>306,194</u> | <u>(1,947,489)</u> | <u>(2,233,685)</u> | <u>(3,874,980)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 67,635 | 1,848,651 | 453,930 | 2,370,216 |
| Transfers out | (1,102,358) | - | (247,399) | (1,349,757) |
| Note Payable | - | - | 51,000 | 51,000 |
| Sale of general capital assets | - | - | 1,611,050 | 1,611,050 |
| Total other financing sources (uses) | <u>(1,034,723)</u> | <u>1,848,651</u> | <u>1,868,581</u> | <u>2,682,509</u> |
| Net change in fund balances | (728,529) | (98,838) | (365,104) | (1,192,471) |
| Fund balances - beginning | <u>7,398,270</u> | <u>98,092</u> | <u>6,901,493</u> | <u>14,397,855</u> |
| Fund balances - ending | <u>\$ 6,669,741</u> | <u>\$ (746)</u> | <u>\$ 6,536,389</u> | <u>\$ 13,205,384</u> |

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2013

| | <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 | \$ 643,214 | \$ 587,506 | \$ 8,102 | \$ 209,423 | \$ 76,694 |
| Investments | 849,101 | - | 10,000 | 200,000 | 70,000 |
| Receivables, net | 1,828 | - | - | - | 138,581 |
| Due from other governments | <u>-</u> | <u>81,310</u> | <u>-</u> | <u>-</u> | <u>7,381</u> |
| Total assets | <u>\$ 1,494,143</u> | <u>\$ 668,816</u> | <u>\$ 18,102</u> | <u>\$ 409,423</u> | <u>\$ 292,656</u> |
| Liabilities and fund balances: | | | | | |
| Accounts payable | \$ 5,922 | \$ 420,012 | \$ 555 | \$ 588 | \$ 229,141 |
| Accrued liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>5,922</u> | <u>420,012</u> | <u>555</u> | <u>588</u> | <u>229,141</u> |
| Fund balances: | | | | | |
| Restricted | 1,488,221 | 248,804 | 17,547 | 408,835 | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | 63,515 |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances | <u>1,488,221</u> | <u>248,804</u> | <u>17,547</u> | <u>408,835</u> | <u>63,515</u> |
| Total liabilities and fund balances | <u>\$ 1,494,143</u> | <u>\$ 668,816</u> | <u>\$ 18,102</u> | <u>\$ 409,423</u> | <u>\$ 292,656</u> |

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet, Continued
Nonmajor Special Revenue Funds
September 30, 2013

| Building Services | Stormwater | Transportation Impact Fees | Law Enforcement | Police Donations | Second Dollar Education | Total |
|------------------------------|---------------------|---------------------------------------|----------------------------|-----------------------------|------------------------------------|---------------------|
| \$ 15,498 | \$ 506,705 | \$ 1,747,249 | \$ 25,127 | \$ 15,334 | \$ 29,626 | \$ 3,864,478 |
| - | 510,000 | 1,740,000 | - | - | - | 3,379,101 |
| - | 80,344 | 686 | - | - | - | 221,439 |
| - | - | - | - | - | 613 | 89,304 |
| <u>\$ 15,498</u> | <u>\$ 1,097,049</u> | <u>\$ 3,487,935</u> | <u>\$ 25,127</u> | <u>\$ 15,334</u> | <u>\$ 30,239</u> | <u>\$ 7,554,322</u> |
| \$ 16,883 | \$ 172,435 | \$ 17,970 | \$ 1,584 | \$ 827 | \$ 389 | \$ 866,306 |
| <u>187</u> | <u>18,088</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,275</u> |
| <u>17,070</u> | <u>190,523</u> | <u>17,970</u> | <u>1,584</u> | <u>827</u> | <u>389</u> | <u>884,581</u> |
| - | - | 3,469,965 | 23,543 | 14,507 | 29,850 | 5,701,272 |
| - | 906,526 | - | - | - | - | 906,526 |
| - | - | - | - | - | - | 63,515 |
| <u>(1,572)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,572)</u> |
| <u>(1,572)</u> | <u>906,526</u> | <u>3,469,965</u> | <u>23,543</u> | <u>14,507</u> | <u>29,850</u> | <u>6,669,741</u> |
| <u>\$ 15,498</u> | <u>\$ 1,097,049</u> | <u>\$ 3,487,935</u> | <u>\$ 25,127</u> | <u>\$ 15,334</u> | <u>\$ 30,239</u> | <u>\$ 7,554,322</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, 2013

| | <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 | - | 962,538 | - | 116,359 | 528,824 |
| Charges for services | - | - | - | - | - |
| Fines and forfeitures | - | - | 11,197 | - | - |
| Investment income | 5,459 | 1,394 | 108 | 1,416 | - |
| Service assessments | 542,360 | - | - | - | - |
| Miscellaneous | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>547,819</u> | <u>963,932</u> | <u>11,305</u> | <u>117,775</u> | <u>528,824</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 49,555 | - | - | - | - |
| Public safety | 32,471 | - | 38,820 | 6,869 | 528,824 |
| Physical environment | - | 429,835 | - | - | - |
| Parks and recreation | 10,878 | - | - | - | - |
| Capital outlay: | | | | | |
| Public safety | 56,839 | - | - | 16,215 | - |
| Physical environment | <u>-</u> | <u>215,635</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>149,743</u> | <u>645,470</u> | <u>38,820</u> | <u>23,084</u> | <u>528,824</u> |
| Excess (deficiency) of revenues over expenditures | <u>398,076</u> | <u>318,462</u> | <u>(27,515)</u> | <u>94,691</u> | <u>-</u> |
| Other financing sources (uses): | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | <u>(307,818)</u> | <u>(236,300)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(307,818)</u> | <u>(236,300)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 90,258 | 82,162 | (27,515) | 94,691 | - |
| Fund balances - beginning | <u>1,397,963</u> | <u>166,642</u> | <u>45,062</u> | <u>314,144</u> | <u>-</u> |
| Fund balances (deficit) - ending | <u>\$ 1,488,221</u> | <u>\$ 248,804</u> | <u>\$ 17,547</u> | <u>\$ 408,835</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, 2013

| <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> |
|--------------------|--------------------------|-------------------|-----------------------------------|------------------------|-------------------------|--------------------------------|---------------------|
| \$ - | \$ 962,908 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 962,908 |
| - | - | - | - | - | - | - | 1,607,721 |
| 2,552,536 | - | 1,515,891 | - | - | - | - | 4,068,427 |
| - | - | - | - | 23,625 | - | 7,021 | 41,843 |
| 721 | 35 | 4,874 | 14,594 | - | - | - | 28,601 |
| - | - | - | 209,037 | - | - | - | 751,397 |
| - | - | - | - | - | 17,410 | - | 17,410 |
| <u>2,553,257</u> | <u>962,943</u> | <u>1,520,765</u> | <u>223,631</u> | <u>23,625</u> | <u>17,410</u> | <u>7,021</u> | <u>7,478,307</u> |
| - | - | - | - | - | - | - | 49,555 |
| - | 766,363 | - | - | 20,515 | 18,933 | 8,343 | 1,421,138 |
| 2,466,890 | - | 961,008 | 12,580 | - | - | - | 3,870,313 |
| - | - | - | - | - | - | - | 10,878 |
| - | - | - | - | - | - | - | 73,054 |
| - | - | 1,012,085 | 519,455 | - | - | - | 1,747,175 |
| <u>2,466,890</u> | <u>766,363</u> | <u>1,973,093</u> | <u>532,035</u> | <u>20,515</u> | <u>18,933</u> | <u>8,343</u> | <u>7,172,113</u> |
| <u>86,367</u> | <u>196,580</u> | <u>(452,328)</u> | <u>(308,404)</u> | <u>3,110</u> | <u>(1,523)</u> | <u>(1,322)</u> | <u>306,194</u> |
| - | - | - | - | 20,433 | 16,030 | 31,172 | 67,635 |
| <u>(161,900)</u> | <u>(177,313)</u> | <u>(114,759)</u> | <u>(104,268)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,102,358)</u> |
| <u>(161,900)</u> | <u>(177,313)</u> | <u>(114,759)</u> | <u>(104,268)</u> | <u>20,433</u> | <u>16,030</u> | <u>31,172</u> | <u>(1,034,723)</u> |
| (75,533) | 19,267 | (567,087) | (412,672) | 23,543 | 14,507 | 29,850 | (728,529) |
| <u>139,048</u> | <u>(20,839)</u> | <u>1,473,613</u> | <u>3,882,637</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,398,270</u> |
| <u>\$ 63,515</u> | <u>\$ (1,572)</u> | <u>\$ 906,526</u> | <u>\$ 3,469,965</u> | <u>\$ 23,543</u> | <u>\$ 14,507</u> | <u>\$ 29,850</u> | <u>\$ 6,669,741</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, 2013

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|-------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Investment income | \$ 15,000 | \$ 15,000 | \$ 5,459 | \$ (9,541) |
| Service assessments | <u>373,849</u> | <u>373,849</u> | <u>542,360</u> | <u>168,511</u> |
| Total revenues | <u>388,849</u> | <u>388,849</u> | <u>547,819</u> | <u>158,970</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | 47,166 | 49,555 | (2,389) |
| Public safety | - | 42,549 | 32,471 | 10,078 |
| Parks and recreation | - | 20,365 | 10,878 | 9,487 |
| Capital outlay | | | | |
| Public safety | 100,000 | 100,000 | 56,839 | 43,161 |
| Parks and recreation | <u>150,000</u> | <u>210,000</u> | <u>-</u> | <u>210,000</u> |
| Total expenditures | <u>250,000</u> | <u>420,080</u> | <u>149,743</u> | <u>270,337</u> |
| Excess (deficiency) of revenues over expenditures | <u>138,849</u> | <u>(31,231)</u> | <u>398,076</u> | <u>429,307</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(388,464)</u> | <u>(486,169)</u> | <u>(307,818)</u> | <u>178,351</u> |
| Total other financing sources (uses) | <u>(388,464)</u> | <u>(486,169)</u> | <u>(307,818)</u> | <u>178,351</u> |
| Net change in fund balances | (249,615) | (517,400) | 90,258 | 607,658 |
| Fund balances - beginning | <u>1,397,963</u> | <u>1,397,963</u> | <u>1,397,963</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,148,348</u> | <u>\$ 880,563</u> | <u>\$ 1,488,221</u> | <u>\$ 607,658</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, 2013

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|---------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 709,818 | \$ 709,818 | \$ 962,538 | \$ 252,720 |
| Charges for services | - | - | - | - |
| Investment income | <u>4,500</u> | <u>4,500</u> | <u>1,394</u> | <u>(3,106)</u> |
| Total revenues | <u>714,318</u> | <u>714,318</u> | <u>963,932</u> | <u>249,614</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Physical environment | 467,183 | 485,883 | 429,835 | 56,048 |
| Capital outlay: | | | | |
| Physical environment | <u>79,600</u> | <u>271,163</u> | <u>215,635</u> | <u>55,528</u> |
| Total Expenditures | <u>546,783</u> | <u>757,046</u> | <u>645,470</u> | <u>111,576</u> |
| Excess (deficiency) of revenues over expenditures | <u>167,535</u> | <u>(42,728)</u> | <u>318,462</u> | <u>361,190</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 | (68,765) | (279,028) | 82,162 | 361,190 |
| Fund balances - beginning | <u>166,642</u> | <u>166,642</u> | <u>166,642</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 97,877</u> | <u>\$ (112,386)</u> | <u>\$ 248,804</u> | <u>\$ 361,190</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, 2013

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 2,000 | \$ 2,000 | \$ 11,197 | \$ 9,197 |
| Investment income | <u>750</u> | <u>750</u> | <u>108</u> | <u>(642)</u> |
| Total revenues | <u>2,750</u> | <u>2,750</u> | <u>11,305</u> | <u>8,555</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | <u>17,000</u> | <u>17,000</u> | <u>38,820</u> | <u>(21,820)</u> |
| Total expenditures | <u>17,000</u> | <u>17,000</u> | <u>38,820</u> | <u>(21,820)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(14,250)</u> | <u>(14,250)</u> | <u>(27,515)</u> | <u>(13,265)</u> |
| Net change in fund balances | (14,250) | (14,250) | (27,515) | (13,265) |
| Fund balances - beginning | <u>45,062</u> | <u>45,062</u> | <u>45,062</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 30,812</u> | <u>\$ 30,812</u> | <u>\$ 17,547</u> | <u>\$ (13,265)</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, 2013

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 15,000 | \$ 15,000 | \$ 116,359 | \$ 101,359 |
| Investment income | 4,000 | 4,000 | 1,416 | (2,584) |
| Total revenues | <u>19,000</u> | <u>19,000</u> | <u>117,775</u> | <u>98,775</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 7,225 | 45,725 | 6,869 | 38,856 |
| Capital outlay | <u>131,850</u> | <u>114,350</u> | <u>16,215</u> | <u>98,135</u> |
| Total expenditures | <u>139,075</u> | <u>160,075</u> | <u>23,084</u> | <u>136,991</u> |
| Excess (deficiency) of revenues over expenditures | <u>(120,075)</u> | <u>(141,075)</u> | <u>94,691</u> | <u>235,766</u> |
| Net change in fund balances | (120,075) | (141,075) | 94,691 | 235,766 |
| Fund balances - beginning | 314,144 | 314,144 | 314,144 | - |
| Fund balances - ending | <u>\$ 194,069</u> | <u>\$ 173,069</u> | <u>\$ 408,835</u> | <u>\$ 235,766</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, 2013

| | <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 | \$ 2,555,000 | \$ 2,555,000 | \$ 2,552,536 | \$ (2,464) |
| Investment income | 3,000 | 3,000 | 721 | (2,279) |
| Miscellaneous | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>2,558,000</u> | <u>2,558,000</u> | <u>2,553,257</u> | <u>(4,743)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Physical environment | <u>2,413,050</u> | <u>2,413,050</u> | <u>2,466,890</u> | <u>(53,840)</u> |
| Total expenditures | <u>2,413,050</u> | <u>2,413,050</u> | <u>2,466,890</u> | <u>(53,840)</u> |
| Excess (deficiency) of revenues over expenditures | <u>144,950</u> | <u>144,950</u> | <u>86,367</u> | <u>(58,583)</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(161,900)</u> | <u>(161,900)</u> | <u>(161,900)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(161,900)</u> | <u>(161,900)</u> | <u>(161,900)</u> | <u>-</u> |
| Net change in fund balances | (16,950) | (16,950) | (75,533) | (58,583) |
| Fund balances - beginning | <u>139,048</u> | <u>139,048</u> | <u>139,048</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 122,098</u> | <u>\$ 122,098</u> | <u>\$ 63,515</u> | <u>\$ (58,583)</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, 2013

| | <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 | \$ 781,910 | \$ 943,910 | \$ 962,908 | \$ 18,998 |
| Investment income | - | - | 35 | 35 |
| Miscellaneous | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>781,910</u> | <u>943,910</u> | <u>962,943</u> | <u>19,033</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | <u>604,597</u> | <u>766,597</u> | <u>766,363</u> | <u>234</u> |
| Total expenditures | <u>604,597</u> | <u>766,597</u> | <u>766,363</u> | <u>234</u> |
| Excess (deficiency) of revenues over expenditures | <u>177,313</u> | <u>177,313</u> | <u>196,580</u> | <u>19,267</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(177,313)</u> | <u>(177,313)</u> | <u>(177,313)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(177,313)</u> | <u>(177,313)</u> | <u>(177,313)</u> | <u>-</u> |
| Net change in fund balances | - | - | 19,267 | 19,267 |
| Fund balances - beginning | <u>(20,839)</u> | <u>(20,839)</u> | <u>(20,839)</u> | <u>-</u> |
| Fund balances (deficit) - ending | <u>\$ (20,839)</u> | <u>\$ (20,839)</u> | <u>\$ (1,572)</u> | <u>\$ 19,267</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, 2013**

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|---|---------------------|-------------------|-------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 1,495,562 | \$ 1,495,562 | \$ 1,515,891 | \$ 20,329 |
| Investment income | 15,500 | 15,500 | 4,874 | (10,626) |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>1,511,062</u> | <u>1,511,062</u> | <u>1,520,765</u> | <u>9,703</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Physical environment | 1,067,205 | 1,093,798 | 961,008 | 132,790 |
| Capital outlay: | | | | |
| Physical environment | <u>67,500</u> | <u>928,259</u> | <u>1,012,085</u> | <u>(83,826)</u> |
| Total expenditures | <u>1,134,705</u> | <u>2,022,057</u> | <u>1,973,093</u> | <u>48,964</u> |
| Excess (deficiency) of revenue over expenditures | <u>376,357</u> | <u>(510,995)</u> | <u>(452,328)</u> | <u>58,667</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 35,350 | 35,350 | - | (35,350) |
| Transfers out | <u>(114,759)</u> | <u>(114,759)</u> | <u>(114,759)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(79,409)</u> | <u>(79,409)</u> | <u>(114,759)</u> | <u>(35,350)</u> |
| Net change in fund balances | 296,948 | (590,404) | (567,087) | 23,317 |
| Fund balances - beginning | <u>1,473,613</u> | <u>1,473,613</u> | <u>1,473,613</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,770,561</u> | <u>\$ 883,209</u> | <u>\$ 906,526</u> | <u>\$ 23,317</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, 2013

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ 45,000 | \$ 45,000 | \$ 14,594 | \$ (30,406) |
| Service assessments | <u>270,000</u> | <u>270,000</u> | <u>209,037</u> | <u>(60,963)</u> |
| Total revenues | <u>315,000</u> | <u>315,000</u> | <u>223,631</u> | <u>(91,369)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Physical environment | 506,000 | 138,466 | 12,580 | 125,886 |
| Capital outlay: | | | | |
| Physical environment | <u>80,000</u> | <u>1,768,496</u> | <u>519,455</u> | <u>1,249,041</u> |
| Total expenditures | <u>586,000</u> | <u>1,906,962</u> | <u>532,035</u> | <u>1,374,927</u> |
| Excess (deficiency) of revenue over expenditures | <u>(271,000)</u> | <u>(1,591,962)</u> | <u>(308,404)</u> | <u>1,283,558</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(100,290)</u> | <u>(106,612)</u> | <u>(104,268)</u> | <u>2,344</u> |
| Total other financing sources (uses) | <u>(100,290)</u> | <u>(106,612)</u> | <u>(104,268)</u> | <u>2,344</u> |
| Net change in fund balances | (371,290) | (1,698,574) | (412,672) | 1,285,902 |
| Fund balances - beginning | 3,882,637 | 3,882,637 | 3,882,637 | - |
| Fund balances - ending | <u>\$ 3,511,347</u> | <u>\$ 2,184,063</u> | <u>\$ 3,469,965</u> | <u>\$ 1,285,902</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, 2013

| | <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 | \$ - | \$ - | \$ 23,625 | \$ 23,625 |
| Total revenues | <u>-</u> | <u>-</u> | <u>23,625</u> | <u>23,625</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | <u>-</u> | <u>-</u> | <u>20,515</u> | <u>(20,515)</u> |
| Total expenditures | <u>-</u> | <u>-</u> | <u>20,515</u> | <u>(20,515)</u> |
| Excess (deficiency) of revenue over expenditures | <u>-</u> | <u>-</u> | <u>3,110</u> | <u>3,110</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>-</u> | <u>-</u> | <u>20,433</u> | <u>20,433</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>20,433</u> | <u>20,433</u> |
| Net change in fund balances | - | - | 23,543 | 23,543 |
| Fund balances - beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23,543</u> | <u>\$ 23,543</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, 2013

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Miscellaneous | \$ - | \$ - | \$ 17,410 | \$ 17,410 |
| Total revenues | - | - | 17,410 | 17,410 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | - | - | 18,933 | (18,933) |
| Total expenditures | - | - | 18,933 | (18,933) |
| Excess (deficiency) of revenue over expenditures | - | - | (1,523) | (1,523) |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 16,030 | 16,030 |
| Total other financing sources (uses) | - | - | 16,030 | 16,030 |
| Net change in fund balances | - | - | 14,507 | 14,507 |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | \$ - | \$ - | \$ 14,507 | \$ 14,507 |

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, 2013

| | <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 | \$ - | \$ - | \$ 7,021 | \$ 7,021 |
| Total revenues | <u>-</u> | <u>-</u> | <u>7,021</u> | <u>7,021</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | <u>-</u> | <u>-</u> | <u>8,343</u> | <u>(8,343)</u> |
| Total expenditures | <u>-</u> | <u>-</u> | <u>8,343</u> | <u>(8,343)</u> |
| Excess (deficiency) of revenue over expenditures | <u>-</u> | <u>-</u> | <u>(1,322)</u> | <u>(1,322)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>-</u> | <u>-</u> | <u>31,172</u> | <u>31,172</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>31,172</u> | <u>31,172</u> |
| Net change in fund balances | - | - | 29,850 | 29,850 |
| Fund balances - beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 29,850</u> | <u>\$ 29,850</u> |

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2013

| | Public Improvement Revenue Bonds | Lease Financing Debt Service | Total |
|---------------------------------------|---|---|--------------|
| Assets: | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - |
| Total assets | \$ - | \$ - | \$ - |
| Liabilities and fund balances: | | | |
| Accounts payable | \$ 746 | \$ - | \$ 746 |
| Total liabilities | 746 | - | 746 |
| Fund balances: | | | |
| Unassigned | (746) | - | (746) |
| Total fund balances | (746) | - | (746) |
| Total liabilities and fund balances | \$ - | \$ - | \$ - |

CITY OF OVIEDO, FLORIDA
Subcombining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended September 30, 2013

| | Public Improvement Revenue Bonds | Lease Financing Debt Service | Total |
|--|---|---|--------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | |
| Debt service: | | | |
| Principal | 1,229,000 | 270,781 | 1,499,781 |
| Interest and fiscal charges | 365,078 | 35,228 | 400,306 |
| Issuance costs | <u>47,402</u> | <u>-</u> | <u>47,402</u> |
| Total expenditures | <u>1,641,480</u> | <u>306,009</u> | <u>1,947,489</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,641,480)</u> | <u>(306,009)</u> | <u>(1,947,489)</u> |
| Other financing sources (uses): | | | |
| Transfers in | <u>1,542,642</u> | <u>306,009</u> | <u>1,848,651</u> |
| Total other financing sources (uses) | <u>1,542,642</u> | <u>306,009</u> | <u>1,848,651</u> |
| Net change in fund balances | (98,838) | - | (98,838) |
| Fund balances - beginning | <u>98,092</u> | <u>-</u> | <u>98,092</u> |
| Fund balances - ending | <u>\$ (746)</u> | <u>\$ -</u> | <u>\$ (746)</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, 2013

| | <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 | \$ 1,477,000 | \$ 1,477,000 | \$ 1,229,000 | \$ 248,000 |
| Interest | 168,111 | 410,940 | 365,078 | 45,862 |
| Issuance costs | <u>600</u> | <u>-</u> | <u>47,402</u> | <u>(47,402)</u> |
| Total expenditures | <u>1,645,711</u> | <u>1,887,940</u> | <u>1,641,480</u> | <u>246,460</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,645,711)</u> | <u>(1,887,940)</u> | <u>(1,641,480)</u> | <u>246,460</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>1,645,711</u> | <u>1,887,940</u> | <u>1,542,642</u> | <u>345,298</u> |
| Total other financing sources (uses) | <u>1,645,711</u> | <u>1,887,940</u> | <u>1,542,642</u> | <u>345,298</u> |
| Net change in fund balances | - | - | (98,838) | 591,758 |
| Fund balances - beginning | <u>98,092</u> | <u>98,092</u> | <u>98,092</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 98,092</u> | <u>\$ 98,092</u> | <u>\$ (746)</u> | <u>\$ 591,758</u> |

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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, 2013

| | <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 | \$ 269,243 | \$ 269,243 | \$ 270,781 | \$ (1,538) |
| Interest | <u>36,733</u> | <u>36,733</u> | <u>35,228</u> | <u>1,505</u> |
| Total expenditures | <u>305,976</u> | <u>305,976</u> | <u>306,009</u> | <u>(33)</u> |
| Excess (deficiency) of revenue over expenditures | <u>(305,976)</u> | <u>(305,976)</u> | <u>(306,009)</u> | <u>(33)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>305,976</u> | <u>305,976</u> | <u>306,009</u> | <u>33</u> |
| Total other financing sources (uses) | <u>305,976</u> | <u>305,976</u> | <u>306,009</u> | <u>33</u> |
| Net change in fund balances | - | - | - | - |
| Fund balances - beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2013

| | <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 | \$ 750,317 | \$ 379,510 | \$ 2,732 | \$ 15,399 | \$ 88,670 |
| Investments | 750,000 | 380,000 | - | 10,000 | 242,787 |
| Due from other governments | - | - | - | - | - |
| Prepaid expenses | 2,501,566 | - | - | - | - |
| Restricted assets: | | | | | |
| Cash and cash equivalents | - | - | - | - | 4,344 |
| Total assets | <u>\$ 4,001,883</u> | <u>\$ 759,510</u> | <u>\$ 2,732</u> | <u>\$ 25,399</u> | <u>\$ 335,801</u> |
| Liabilities and fund balances: | | | | | |
| Accounts payable | \$ - | \$ 82,365 | \$ - | \$ - | \$ 27,866 |
| Accrued liabilities | - | - | 10,000 | - | - |
| Retainage payable | - | - | - | - | 43,618 |
| Due to other funds | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>82,365</u> | <u>10,000</u> | <u>-</u> | <u>71,484</u> |
| Fund balances: | | | | | |
| Nonspendable | 2,501,566 | - | - | - | - |
| Restricted | 1,500,317 | - | - | - | - |
| Assigned | - | 677,145 | - | 25,399 | 264,317 |
| Unassigned | - | - | (7,268) | - | - |
| Total fund balances | <u>4,001,883</u> | <u>677,145</u> | <u>(7,268)</u> | <u>25,399</u> | <u>264,317</u> |
| Total liabilities and fund balances | <u>\$ 4,001,883</u> | <u>\$ 759,510</u> | <u>\$ 2,732</u> | <u>\$ 25,399</u> | <u>\$ 335,801</u> |

CITY OF OVIEDO, FLORIDA
Subcombining Balance Sheet, Continued
Nonmajor Capital Projects Funds
September 30, 2013

| Recreational Facility Improvement | OSC Extension Landfill | 2008 Revenue Bond Construction Fund | Fire Station Construction | Veterans Memorial | Total |
|---|---------------------------|--|------------------------------|----------------------|---------------------|
| \$ - | \$ 1,000 | \$ 12,265 | \$ 792,300 | \$ 716 | \$ 2,042,909 |
| - | - | - | 790,000 | - | 2,172,787 |
| 274,784 | - | - | - | - | 274,784 |
| - | - | - | - | - | 2,501,566 |
| - | - | - | - | - | - |
| - | 31,938 | - | - | - | 36,282 |
| <u>\$ 274,784</u> | <u>\$ 32,938</u> | <u>\$ 12,265</u> | <u>\$ 1,582,300</u> | <u>\$ 716</u> | <u>\$ 7,028,328</u> |
| \$ 47,280 | \$ - | \$ - | \$ - | \$ - | \$ 157,511 |
| - | - | - | - | - | 10,000 |
| - | - | - | - | - | 43,618 |
| 280,810 | - | - | - | - | 280,810 |
| <u>328,090</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>491,939</u> |
| - | - | - | - | - | 2,501,566 |
| - | - | - | - | - | 1,500,317 |
| - | 32,938 | 12,265 | 1,582,300 | 716 | 2,595,080 |
| (53,306) | - | - | - | - | (60,574) |
| <u>(53,306)</u> | <u>32,938</u> | <u>12,265</u> | <u>1,582,300</u> | <u>716</u> | <u>6,536,389</u> |
| <u>\$ 274,784</u> | <u>\$ 32,938</u> | <u>\$ 12,265</u> | <u>\$ 1,582,300</u> | <u>\$ 716</u> | <u>\$ 7,028,328</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, 2013

| | <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 | \$ (4,095) | \$ 766 | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - | - |
| Investment income | 53,211 | - | 19 | - | 29 |
| Miscellaneous | - | - | - | - | - |
| Total revenues | <u>49,116</u> | <u>766</u> | <u>19</u> | <u>-</u> | <u>29</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | - | - | - | 45,357 | - |
| Public safety | - | 21,149 | - | - | - |
| Physical environment | 1,488,097 | - | 15,519 | - | 63,154 |
| Parks and recreation | - | - | - | - | - |
| Capital outlay: | | | | | |
| General government | - | - | - | 48,009 | - |
| Public safety | - | 130,467 | - | - | - |
| Physical environment | 3,841 | - | - | - | 86,212 |
| Parks and recreation | - | 17,123 | - | - | - |
| Total expenditures | <u>1,491,938</u> | <u>168,739</u> | <u>15,519</u> | <u>93,366</u> | <u>149,366</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,442,822)</u> | <u>(167,973)</u> | <u>(15,500)</u> | <u>(93,366)</u> | <u>(149,337)</u> |
| Other financing sources (uses): | | | | | |
| Transfers in | - | 336,681 | 7,000 | 95,349 | - |
| Transfers out | - | (150,743) | - | - | (46,656) |
| Note Payable | - | - | - | - | 51,000 |
| Sale of general capital assets | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>185,938</u> | <u>7,000</u> | <u>95,349</u> | <u>4,344</u> |
| Net change in fund balances | (1,442,822) | 17,965 | (8,500) | 1,983 | (144,993) |
| Fund balances - beginning | <u>5,444,705</u> | <u>659,180</u> | <u>1,232</u> | <u>23,416</u> | <u>409,310</u> |
| Fund balances - ending | <u>\$ 4,001,883</u> | <u>\$ 677,145</u> | <u>\$ (7,268)</u> | <u>\$ 25,399</u> | <u>\$ 264,317</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, 2013

| <u>Recreational Facility Improvement</u> | <u>OSC Extension Landfill</u> | <u>2008 Revenue Bond Construction Fund</u> | <u>Fire Station Construction</u> | <u>Veterans Memorial</u> | <u>Total</u> |
|--|-----------------------------------|--|--------------------------------------|------------------------------|---------------------|
| \$ 337,953 | \$ - | \$ - | \$ - | \$ - | \$ 334,624 |
| - | 16,250 | - | - | - | 16,250 |
| - | 292 | 611 | - | - | 54,162 |
| - | - | - | - | 716 | 716 |
| <u>337,953</u> | <u>16,542</u> | <u>611</u> | <u>-</u> | <u>716</u> | <u>405,752</u> |
| - | - | - | - | - | 45,357 |
| - | - | - | - | - | 21,149 |
| - | 14,900 | - | - | - | 1,581,670 |
| 21,053 | - | - | - | - | 21,053 |
| - | - | - | - | - | 48,009 |
| - | - | - | 28,750 | - | 159,217 |
| - | - | 276,185 | - | - | 366,238 |
| <u>379,621</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>396,744</u> |
| <u>400,674</u> | <u>14,900</u> | <u>276,185</u> | <u>28,750</u> | <u>-</u> | <u>2,639,437</u> |
| <u>(62,721)</u> | <u>1,642</u> | <u>(275,574)</u> | <u>(28,750)</u> | <u>716</u> | <u>(2,233,685)</u> |
| - | 14,900 | - | - | - | 453,930 |
| - | (50,000) | - | - | - | (247,399) |
| - | - | - | - | - | 51,000 |
| - | - | - | 1,611,050 | - | 1,611,050 |
| - | (35,100) | - | 1,611,050 | - | 1,868,581 |
| (62,721) | (33,458) | (275,574) | 1,582,300 | 716 | (365,104) |
| <u>9,415</u> | <u>66,396</u> | <u>287,839</u> | <u>-</u> | <u>-</u> | <u>6,901,493</u> |
| <u>\$ (53,306)</u> | <u>\$ 32,938</u> | <u>\$ 12,265</u> | <u>\$ 1,582,300</u> | <u>\$ 716</u> | <u>\$ 6,536,389</u> |

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Statistical Section

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CITY OF OVIEDO, FLORIDA

STATISTICAL SECTION

September 30, 2013

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 | 102 |
| 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 | 109 |
| 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 | 113 |
| 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 | 118 |
| 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 | 120 |
| 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)

Table 1

| | Fiscal Year | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 37,049 | \$ 33,439 | \$ 41,987 | \$ 42,758 | \$ 56,841 | \$ 70,052 | \$ 69,958 | \$ 67,766 | \$ 67,505 | \$ 71,921 |
| Restricted | 13,350 | 15,031 | 9,070 | 15,667 | 6,060 | 12,668 | 13,338 | 7,956 | 12,044 | 8,467 |
| Unrestricted | 3,757 | 12,487 | 10,172 | 11,083 | 6,050 | 3,280 | 3,016 | 4,845 | 3,769 | 4,676 |
| Total governmental activities net position | <u>54,156</u> | <u>60,957</u> | <u>61,229</u> | <u>69,508</u> | <u>68,951</u> | <u>86,000</u> | <u>86,312</u> | <u>80,567</u> | <u>83,318</u> | <u>85,064</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | 33,697 | 36,269 | 39,541 | 48,465 | 45,184 | 37,677 | 36,505 | 35,700 | 32,980 | 30,866 |
| Restricted | 11,466 | 183 | 180 | 324 | 299 | 180 | 182 | 333 | - | - |
| Unrestricted | 2,359 | 12,939 | 9,432 | 7,659 | 10,765 | 5,611 | 5,827 | 6,236 | 8,276 | 9,862 |
| Total business-type activities net position | <u>47,522</u> | <u>49,391</u> | <u>49,153</u> | <u>56,448</u> | <u>56,248</u> | <u>43,468</u> | <u>42,514</u> | <u>42,269</u> | <u>41,256</u> | <u>40,728</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | 70,746 | 69,708 | 81,528 | 91,223 | 102,025 | 107,729 | 106,463 | 103,466 | 100,485 | 102,787 |
| Restricted | 24,816 | 15,214 | 9,250 | 15,991 | 6,359 | 12,848 | 13,520 | 8,289 | 12,044 | 8,467 |
| Unrestricted | 6,116 | 25,426 | 19,604 | 18,742 | 16,815 | 8,891 | 8,843 | 11,081 | 12,045 | 14,538 |
| Total primary government net position | <u>\$ 101,678</u> | <u>\$ 110,348</u> | <u>\$ 110,382</u> | <u>\$ 125,956</u> | <u>\$ 125,199</u> | <u>\$ 129,468</u> | <u>\$ 128,826</u> | <u>\$ 122,836</u> | <u>\$ 124,574</u> | <u>\$ 125,792</u> |

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

Table 2

| Expenses | Fiscal Year | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 2,670 | \$ 3,378 | \$ 3,730 | \$ 3,721 | \$ 3,994 | \$ 3,790 | \$ 3,477 | \$ 2,686 | \$ 2,455 | \$ 2,497 |
| Public safety | 13,622 | 12,065 | 11,168 | 12,359 | 13,189 | 13,550 | 13,853 | 14,054 | 13,932 | 14,144 |
| Highways and Streets | 4,844 | 5,736 | 8,285 | 8,386 | 10,433 | 10,997 | 10,764 | 14,222 | 10,590 | 11,463 |
| Parks and recreation | 3,016 | 3,233 | 4,032 | 4,143 | 4,335 | 4,259 | 3,808 | 3,992 | 3,732 | 3,413 |
| Interest & other fiscal charges on long-term debt | 1,083 | 1,090 | 1,062 | 1,087 | 1,268 | 1,222 | 1,219 | 1,209 | 1,149 | 731 |
| Total governmental activities expenses | 25,235 | 25,502 | 28,277 | 29,696 | 33,219 | 33,818 | 33,121 | 36,163 | 31,858 | 32,248 |
| Business-type activities: | | | | | | | | | | |
| Water & Sewer | 3,788 | 4,564 | 6,324 | 7,240 | 7,756 | 7,785 | 8,463 | 12,815 | 12,917 | 13,529 |
| Stormwater | 1,306 | 1,316 | 1,285 | 1,593 | 2,020 | - | - | - | - | - |
| Total business-type activities expenses | 5,094 | 5,880 | 7,609 | 8,833 | 9,776 | 7,785 | 8,463 | 12,815 | 12,917 | 13,529 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 297 | \$ 357 | \$ 406 | \$ 665 | \$ 691 | \$ 92 | \$ 193 | \$ 154 | \$ 222 | \$ 250 |
| Public safety | 1,700 | 3,510 | 3,455 | 2,562 | 2,319 | 1,670 | 1,687 | 1,954 | 1,746 | 2,170 |
| Highways and Streets | 980 | 745 | 578 | 2,719 | 2,437 | 4,164 | 4,330 | 4,385 | 4,591 | 4,465 |
| Parks and recreation | 912 | 1,129 | 1,105 | 1,493 | 1,334 | 1,221 | 1,371 | 1,398 | 1,382 | 1,409 |
| Operating grants and contributions | 4,409 | 3,156 | 767 | 871 | 864 | 704 | 662 | 669 | 1,032 | 777 |
| Capital grants and contributions | 1,732 | 3,117 | 12 | 4,405 | 384 | 1,833 | 1,611 | 563 | 1,033 | 3,421 |
| Total governmental activities program revenues | 10,030 | 12,014 | 6,323 | 12,715 | 8,029 | 9,684 | 9,854 | 9,123 | 10,006 | 12,492 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water & Sewer | 4,490 | 4,537 | 5,070 | 5,291 | 5,553 | 6,386 | 6,046 | 11,781 | 11,751 | 11,811 |
| Stormwater | 717 | 729 | 934 | 1,129 | 1,362 | - | - | - | - | - |
| Operating grants and contributions | 93 | - | - | - | 662 | - | - | - | - | - |
| Capital grants and contributions | 3,294 | 3,064 | 937 | 9,247 | 1,567 | 1,803 | 1,198 | 840 | 921 | 1,306 |
| Total business-type activities program revenues | 8,594 | 8,330 | 6,941 | 15,667 | 9,144 | 8,189 | 7,244 | 12,621 | 12,672 | 13,117 |
| Total government program revenues | 18,624 | 20,344 | 13,264 | 28,382 | 17,173 | 17,873 | 17,098 | 21,744 | 22,678 | 25,609 |

Table 2 (continued)

| | Fiscal Year | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | \$ (15,205) | \$ (13,488) | \$ (21,954) | \$ (16,981) | \$ (25,190) | \$ (24,134) | \$ (23,267) | \$ (27,040) | \$ (21,853) | \$ (19,756) |
| Business-type activities | 3,500 | 2,450 | (668) | 6,834 | (632) | 404 | (1,219) | (194) | (245) | (412) |
| Total government net expense | <u>\$ (11,705)</u> | <u>\$ (11,038)</u> | <u>\$ (22,622)</u> | <u>\$ (10,147)</u> | <u>\$ (25,822)</u> | <u>\$ (23,730)</u> | <u>\$ (24,486)</u> | <u>\$ (27,234)</u> | <u>\$ (22,098)</u> | <u>\$ (20,168)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ 7,492 | \$ 8,154 | \$ 9,308 | \$ 11,612 | \$ 11,502 | \$ 11,236 | \$ 10,251 | \$ 9,580 | \$ 9,125 | \$ 9,217 |
| Franchise and utility taxes | 5,053 | 5,624 | 6,310 | 6,564 | 6,979 | 7,229 | 7,689 | 7,031 | 6,609 | 6,773 |
| Unrestricted intergovernmental revenues | 6,201 | 5,240 | 5,334 | 5,442 | 4,916 | 4,480 | 4,554 | 4,619 | 3,978 | 3,702 |
| Unrestricted investment earnings | 387 | 589 | 980 | 1,464 | 1,182 | 1,132 | 711 | 365 | 385 | 141 |
| Miscellaneous revenues | 22 | 9 | 120 | 9 | 26 | 173 | 187 | 174 | 145 | 251 |
| Gain on sale of capital assets | - | 47 | 75 | 45 | 15 | - | - | - | 28 | 1,252 |
| Transfers | 415 | 575 | 100 | 124 | 12 | 13,526 | 187 | 206 | 190 | 167 |
| Total governmental activities | <u>19,570</u> | <u>20,238</u> | <u>22,227</u> | <u>25,260</u> | <u>24,632</u> | <u>37,776</u> | <u>23,579</u> | <u>21,975</u> | <u>20,460</u> | <u>21,503</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 151 | 213 | 459 | 506 | 343 | 336 | 450 | 130 | 140 | 49 |
| Miscellaneous revenues | 53 | 66 | 70 | 79 | 102 | 5 | 1 | - | - | - |
| Gain on sale of capital assets | - | - | - | - | - | - | - | 26 | 3 | 1 |
| Transfers | (415) | (575) | (100) | (124) | (12) | (13,526) | (187) | (206) | (190) | (167) |
| Total business-type activities | <u>(211)</u> | <u>(296)</u> | <u>429</u> | <u>461</u> | <u>433</u> | <u>(13,185)</u> | <u>264</u> | <u>(50)</u> | <u>(47)</u> | <u>(117)</u> |
| Total government | <u>\$ 19,359</u> | <u>\$ 19,942</u> | <u>\$ 22,656</u> | <u>\$ 25,721</u> | <u>\$ 25,065</u> | <u>\$ 24,591</u> | <u>\$ 23,843</u> | <u>\$ 21,925</u> | <u>\$ 20,413</u> | <u>\$ 21,386</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 4,365 | \$ 6,750 | \$ 273 | \$ 8,279 | \$ (558) | \$ 13,642 | \$ 312 | \$ (5,065) | \$ (1,393) | \$ 1,747 |
| Business-type activities | 3,289 | 2,154 | (239) | 7,295 | (199) | (12,781) | (955) | (244) | (292) | (529) |
| Total government | <u>\$ 7,654</u> | <u>\$ 8,904</u> | <u>\$ 34</u> | <u>\$ 15,574</u> | <u>\$ (757)</u> | <u>\$ 861</u> | <u>\$ (643)</u> | <u>\$ (5,309)</u> | <u>\$ (1,685)</u> | <u>\$ 1,218</u> |

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

Table 3

| | Fiscal Year | | | | | | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Property Tax | \$ 7,492 | \$ 8,154 | \$ 9,308 | \$ 11,612 | \$ 11,502 | \$ 11,236 | \$ 10,251 | \$ 9,580 | \$ 9,125 | \$ 9,217 |
| Utility Tax | | | | | | | | | | |
| Electricity | 1,304 | 1,702 | 2,020 | 2,073 | 2,115 | 2,223 | 2,558 | 2,383 | 2,232 | 2,379 |
| Water | 315 | 314 | 367 | 399 | 412 | 435 | 436 | 530 | 519 | 492 |
| Gas | 33 | 40 | 50 | 58 | 60 | 51 | 51 | 50 | 59 | 42 |
| Telecommunications | 1,650 | 1,577 | 1,507 | 1,558 | 1,777 | 1,648 | 1,654 | 1,538 | 1,490 | 1,473 |
| Total | <u>3,302</u> | <u>3,633</u> | <u>3,944</u> | <u>4,088</u> | <u>4,364</u> | <u>4,357</u> | <u>4,699</u> | <u>4,501</u> | <u>4,300</u> | <u>4,386</u> |
| Franchise Fees | 1,751 | 1,991 | 2,366 | 2,476 | * | * | * | * | * | * |
| Total Tax Revenue by Source | <u>\$ 12,545</u> | <u>\$ 13,778</u> | <u>\$ 15,618</u> | <u>\$ 18,176</u> | <u>\$ 15,866</u> | <u>\$ 15,593</u> | <u>\$ 14,950</u> | <u>\$ 14,081</u> | <u>\$ 13,425</u> | <u>\$ 13,603</u> |

**Taxes included in Unrestricted
Intergovernmental Revenues**

| | | | | | | | | | | |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sales Tax | \$ 4,993 | \$ 3,731 | \$ 3,765 | \$ 3,798 | \$ 3,473 | \$ 2,970 | \$ 2,917 | \$ 2,932 | \$ 2,241 | \$ 2,033 |
| State Revenue Sharing | 648 | 854 | 976 | 1,115 | 966 | 720 | 710 | 746 | 779 | 864 |
| Other | 17 | 12 | 13 | 87 | 17 | 23 | 19 | 23 | 20 | 8 |
| Total | <u>\$ 5,658</u> | <u>\$ 4,597</u> | <u>\$ 4,754</u> | <u>\$ 5,000</u> | <u>\$ 4,456</u> | <u>\$ 3,713</u> | <u>\$ 3,646</u> | <u>\$ 3,701</u> | <u>\$ 3,040</u> | <u>\$ 2,905</u> |

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

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

Table 4

| | Fiscal Year | | | | | | | | | |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------|-------------|-------------|
| | 2004 (1) | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 * | 2012 * | 2013* |
| General fund | | | | | | | | | | |
| Reserved | \$ 435 | \$ 751 | \$ 219 | \$ 591 | \$ 155 | \$ 168 | \$ 241 | \$ - | \$ - | \$ - |
| Unreserved | 1,448 | 3,058 | 4,122 | 3,562 | 3,897 | 3,831 | 3,614 | - | - | - |
| Total general fund | <u>\$ 1,883</u> | <u>\$ 3,809</u> | <u>\$ 4,341</u> | <u>\$ 4,153</u> | <u>\$ 4,052</u> | <u>\$ 3,999</u> | <u>\$ 3,855</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| All other governmental funds | | | | | | | | | | |
| Reserved | \$ 16,081 | \$ 19,049 | \$ 11,432 | \$ 19,048 | \$ 11,154 | \$ 8,309 | \$ 9,360 | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 2,458 | 2,867 | 2,145 | 1,747 | 2,980 | 8,084 | 7,844 | - | - | - |
| Debt service funds | - | - | - | - | - | - | - | - | - | - |
| Capital projects funds | 2,570 | 851 | 2,704 | 2,772 | 3,641 | 4,536 | 5,278 | - | - | - |
| Total all other governmental | <u>\$ 21,109</u> | <u>\$ 22,767</u> | <u>\$ 16,281</u> | <u>\$ 23,567</u> | <u>\$ 17,775</u> | <u>\$ 20,929</u> | <u>\$ 22,482</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

* Implementation of GASB Statement No. 54

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

(1) The City transferred \$6,761,511 of General Fund Unreserved fund balance to the Local Option Gas Tax Fund and various Capital Project Funds during 2004. The remainder of the reduction of General Fund Unreserved fund balance was caused by 2004 Hurricanes Charley, Frances & Jeanne expenditures.

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

Table 5

| | Fiscal Year | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property | \$ 7,492 | \$ 8,154 | \$ 9,308 | \$ 11,612 | \$ 11,502 | \$ 11,236 | \$ 10,251 | \$ 9,580 | \$ 9,125 | \$ 9,217 |
| Franchise and utility taxes | 5,053 | 5,624 | 6,310 | 6,564 | 4,364 | 4,357 | 4,699 | 4,501 | 4,300 | 4,385 |
| Business receipt | - | - | - | - | 136 | 140 | 152 | 155 | 134 | 140 |
| Licenses and Permits | 771 | 1,098 | 952 | 1,372 | 3,658 | 3,260 | 3,616 | 3,191 | 3,011 | 3,219 |
| Intergovernmental | 6,928 | 12,723 | 8,125 | 7,268 | 6,049 | 5,163 | 6,724 | 5,524 | 5,515 | 5,061 |
| Charges for services | 1,516 | 3,003 | 3,342 | 4,072 | 4,024 | 6,061 | 5,889 | 6,207 | 6,259 | 6,506 |
| Fines and forfeitures | 142 | 115 | 129 | 179 | 173 | 200 | 144 | 146 | 169 | 154 |
| Investment income | 443 | 1,368 | 1,201 | 1,748 | 1,142 | 1,086 | 678 | 350 | 373 | 138 |
| Service assessments | 1,349 | 646 | 924 | 1,488 | 1,150 | 485 | 727 | 747 | 804 | 755 |
| Miscellaneous | 109 | 124 | 233 | 130 | 157 | 219 | 279 | 248 | 391 | 308 |
| Total revenues | <u>23,803</u> | <u>32,855</u> | <u>30,524</u> | <u>34,433</u> | <u>32,355</u> | <u>32,207</u> | <u>33,159</u> | <u>30,649</u> | <u>30,081</u> | <u>29,883</u> |
| Expenditures | | | | | | | | | | |
| General government | 2,674 | 3,258 | 3,626 | 3,552 | 3,777 | 3,488 | 3,327 | 2,458 | 2,210 | 2,196 |
| Public safety | 13,032 * | 11,411 | 10,523 | 11,727 | 12,508 | 12,492 | 12,735 | 12,771 | 12,978 | 13,391 |
| Physical environment | 3,137 | 3,989 | 6,450 | 6,547 | 8,557 | 7,883 | 7,515 | 11,202 | 7,737 | 8,024 |
| Parks and recreation | 2,642 | 2,832 | 3,587 | 3,690 | 3,827 | 3,559 | 3,355 | 3,255 | 3,305 | 3,215 |
| Debt service | | | | | | | | | | |
| Principal | 938 | 1,023 | 1,056 | 1,132 | 1,397 | 1,462 | 1,537 | 1,726 | 1,086 | 7,545 |
| Interest | 1,313 | 1,090 | 1,062 | 1,085 | 1,315 | 1,260 | 1,219 | 1,210 | 1,143 | 742 |
| Issuance costs | - | - | - | - | - | - | - | 38 | 162 | 106 |
| Capital Outlay | 4,031 | 6,302 | 10,380 | 5,481 | 6,581 | 4,791 | 3,075 | 2,718 | 2,153 | 5,090 |
| Total expenditures | <u>27,767</u> | <u>29,905</u> | <u>36,684</u> | <u>33,214</u> | <u>37,962</u> | <u>34,935</u> | <u>32,763</u> | <u>35,378</u> | <u>30,774</u> | <u>40,309</u> |
| Excess of revenues over (under) expenditures | (3,964) | 2,950 | (6,160) | 1,219 | (5,607) | (2,728) | 396 | (4,729) | (693) | (10,426) |

Table 5 (continued)

| | Fiscal Year | | | | | | | | | |
|---|-----------------|-----------------|-------------------|-----------------|-------------------|-----------------|-----------------|-------------------|-------------------|-------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | 9,278 | 4,441 | 9,722 | 5,741 | 3,743 | 5,322 | 3,553 | 3,664 | 3,360 | 3,083 |
| Transfers out | (8,862) | (3,866) | (9,622) | (6,175) | (4,230) | (3,627) | (3,815) | (4,018) | (3,614) | (3,359) |
| Proceeds of refunding debt | 9,000 | - | - | 5,710 | - | 688 | - | 1,300 | 16,886 | 5,951 |
| Payment to refunded bond escrow agent | - | - | - | - | - | - | - | - | (17,132) | - |
| Capital leases | 331 | - | 20 | 559 | 186 | - | 1,255 | 491 | - | - |
| Sale of general capital assets | - | 60 | 85 | 45 | 15 | 38 | 20 | 52 | 31 | 1,715 |
| Total other financing sources (uses) | <u>9,747</u> | <u>635</u> | <u>205</u> | <u>5,880</u> | <u>(286)</u> | <u>2,421</u> | <u>1,013</u> | <u>1,489</u> | <u>(469)</u> | <u>7,390</u> |
| Net change in fund balances | <u>\$ 5,783</u> | <u>\$ 3,585</u> | <u>\$ (5,955)</u> | <u>\$ 7,099</u> | <u>\$ (5,893)</u> | <u>\$ (307)</u> | <u>\$ 1,409</u> | <u>\$ (3,240)</u> | <u>\$ (1,162)</u> | <u>\$ (3,036)</u> |
| Debt service as a percentage of noncapital expenditures | 10.48% | 9.83% | 8.76% | 8.69% | 9.46% | * 9.93% | * 9.28% | 8.99% | 7.79% | 23.53% |

* Fiscal years 2008 & 2009 Debt Service Percentages were restated

* Increase from prior period was caused by 2004 Hurricanes Charley, Frances & Jeanne, and accrued FEMA reimbursement.

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 | |
| 2004 | 1,676,587 | 1,716,056 | 92,514 | 94,692 | 429,103 | 5.8150 (1) | 1,339,998 | 1,810,748 | 74.00% |
| 2005 | 1,858,834 | 1,879,509 | 103,692 | 104,845 | 478,900 | 5.6973 (1) | 1,483,626 | 1,984,354 | 74.77% |
| 2006 | 2,196,507 | 2,259,781 | 110,379 | 113,559 | 601,551 | 5.6525 (1) | 1,705,335 | 2,373,340 | 71.85% |
| 2007 | 3,103,705 | 3,082,130 | 121,206 | 120,363 | 1,080,996 | 5.5893 (1) | 2,143,915 | 3,202,493 | 66.95% |
| 2008 | 3,487,805 | 3,618,055 | 126,775 | 131,509 | 1,173,490 | 4.8714 (1) | 2,441,090 | 3,749,564 | 65.10% |
| 2009 | 3,249,378 | 3,346,424 | 130,011 | 133,894 | 1,099,806 | 5.0942 (1) | 2,279,583 | 3,480,318 | 65.50% |
| 2010 | 2,762,173 | 2,804,237 | 139,120 | 141,239 | 830,209 | 5.1358 (1) | 2,071,084 | 2,945,476 | 70.31% |
| 2011 | 2,366,645 | 2,402,685 | 137,700 | 139,797 | 566,085 | 5.1536 (1) | 1,938,260 | 2,542,482 | 76.23% |
| 2012 | 2,278,882 | 2,313,586 | 107,910 | 109,553 | 555,145 | 5.1697 (1) | 1,831,647 | 2,423,139 | 75.59% |
| 2013 | 2,292,404 | 2,327,314 | 106,378 | 107,998 | 547,729 | 5.1697 | 1,851,053 | 2,435,312 | 76.01% |

(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

Table 7

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 | | |
| 2004 | 5.3350 | 0.4800 | 5.8150 | 4.9989 | 0.1910 | 5.1899 | 8.2410 | 0.4950 | 8.7360 | 0.4620 | 20.2029 |
| 2005 | 5.3350 | 0.3623 | 5.6973 | 4.9989 | 0.1721 | 5.1710 | 8.1270 | 0.3850 | 8.5120 | 0.4620 | 19.8423 |
| 2006 | 5.3350 | 0.3175 | 5.6525 | 4.9989 | 0.2041 | 5.2030 | 7.9650 | 0.0000 | 7.9650 | 0.4620 | 19.2825 |
| 2007 | 5.3350 | 0.2543 | 5.5893 | 4.9989 | 0.1451 | 5.1440 | 7.7530 | 0.0000 | 7.7530 | 0.4620 | 18.9483 |
| 2008 | 4.6545 | 0.2169 | 4.8714 | 4.3578 | 0.1451 | 4.5029 | 7.4130 | 0.0000 | 7.4130 | 0.4158 | 17.2031 |
| 2009 | 4.8626 | 0.2316 | 5.0942 | 4.5153 | 0.1451 | 4.6604 | 7.5430 | 0.0000 | 7.5430 | 0.4158 | 17.7134 |
| 2010 (3) | 4.8626 | 0.2732 | 5.1358 | 4.9000 | 0.1451 | 5.0451 | 7.7230 | 0.0000 | 7.7230 | 0.4158 | 18.3197 |
| 2011 (3) | 4.8626 | 0.2910 | 5.1536 | 4.8751 | 0.1700 | 5.0451 | 7.8010 | 0.0000 | 7.8010 | 0.4158 | 18.4155 |
| 2012 | 4.8626 | 0.3071 | 5.1697 | 4.8751 | 0.1700 | 5.0451 | 7.7220 | 0.0000 | 7.7220 | 0.3313 | 18.2681 |
| 2013 | 4.8626 | 0.3071 | 5.1697 | 4.8751 | 0.1700 | 5.0451 | 7.5530 | 0.0000 | 7.5530 | 0.3313 | 18.0991 |

(1) Property tax rates for the fiscal year are based on the prior years millage rates.

(2) Represents amounts assessed by St. Johns River Water Management District.

(3) Fiscal years 2010 and 2011 have been restated.

Source: Seminole County Property Appraiser

Table 8

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

| Taxpayer | 2013 | | | 2004 | | |
|------------------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Oviedo Grove Apartments LP | \$ 18,047 | 1 | 0.97% | \$ 12,579 | 3 | 1.01% |
| Progress Energy Florida | 16,209 | 2 | 0.88% | 10,934 | 7 | 0.87% |
| WRI - TC Alafaya Square, LLC | 15,526 | 3 | 0.84% | | | |
| 1700 Oviedo Marketplace Blvd. | 14,355 | 4 | 0.78% | | | |
| United Dominion Realty Trust, Inc. | 13,060 | 5 | 0.71% | 12,559 | 4 | 1.00% |
| Oviedo Town Center, LLC | 9,611 | 6 | 0.52% | | | |
| BellSouth Telecommunications | 7,613 | 7 | 0.41% | 11,017 | 6 | 0.88% |
| Riverside Landings Inv, LLC | 7,002 | 8 | 0.38% | | | |
| AEJ Oviedo LLC | 6,884 | 9 | 0.37% | | | |
| Gemini Town Center | 6,843 | 10 | 0.37% | | | |
| The Rouse-Orlando Inc. | | | | 58,796 | 1 | 4.70% |
| Alafaya Utilities, Inc. | | | | 13,248 | 2 | 1.06% |
| Woolbright Alafaya Ltd | | | | 12,334 | 5 | 0.99% |
| Dillards | | | | 10,447 | 8 | 0.84% |
| Burdines, Inc. | | | | 10,236 | 9 | 0.82% |
| The Sanctuary-Oviedo LP | | | | | | |
| Tuscawilla Bend | | | | 8,072 | 10 | 0.65% |
| Total | \$ 115,150 | | 6.22% | \$ 160,222 | | 12.82% |

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 |
| 2004 | \$ 7,792,088 | \$ 7,459,842 | 95.74% | \$ 32,642 | \$ 7,492,484 | 96.16% |
| 2005 | 8,452,662 | 8,115,402 | 96.01% | 38,330 | 8,153,732 | 96.46% |
| 2006 | 9,639,409 | 9,260,580 | 96.07% | 46,994 | 9,307,574 | 96.56% |
| 2007 (1) | 11,982,983 | 11,596,114 | 96.77% | 15,589 | 11,611,703 | 96.90% |
| 2008 | 11,891,771 | 11,427,337 | 96.09% | 74,651 | 11,501,988 | 96.72% |
| 2009 | 11,630,433 | 11,213,040 | 96.41% | 24,591 | 11,237,631 | 96.62% |
| 2010 | 10,636,640 | 10,228,721 | 96.16% | 24,014 | 10,252,735 | 96.39% |
| 2011 | 9,988,987 | 9,596,798 | 96.07% | 45,477 | 9,642,275 | 96.53% |
| 2012 | 9,469,036 | 9,116,787 | 96.28% | 8,094 | 9,124,881 | 96.37% |
| 2013 | 9,573,137 | 9,209,778 | 96.20% | 7,452 | 9,217,229 | 96.28% |

| Fiscal Year Ended September 30, | Taxes Levied for the Fiscal Year | Outstanding Delinquent Taxes (3) | % of Delinquent Taxes to Total Levy |
|--|--|--|--|
| 2004 | \$ 7,792,088 | \$ 1,182,258 | 15.17% |
| 2005 | 8,452,662 | 1,290,345 | 15.27% |
| 2006 | 9,639,409 | 1,420,834 | 14.74% |
| 2007 | 11,982,983 | 1,552,539 | 12.96% |
| 2008 | 11,891,771 | 1,691,188 | 14.22% |
| 2009 | 11,630,433 | 1,784,630 | 15.34% |
| 2010 | 10,636,640 | 1,869,605 | 17.58% |
| 2011 | 9,988,987 | 1,884,482 | 18.87% |
| 2012 (2) | 9,469,036 | 1,857,357 | 19.62% |
| 2013 | 9,573,137 | 1,823,482 | 19.05% |

(1) Fiscal year 2012 has been restated.

(2) Fiscal year 2012 has been restated.

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

Source: Seminole County Tax Collector and City of Oviedo Finance

Table 10

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 | | | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|------------------------------------|-------------------------------------|-----------------------------|-------------------|--------------------------|-------------------|----------|-----------------------------|----------------------------------|------------|
| | Public Improvement Revenue Bonds | General Obligation Bonds | Capital Leases | Utility Revenue Bonds | Capital Leases | SRF Loan | | | |
| 2004 | 16,680 | 8,835 | 314 | 15,010 | - | 273 | 41,112 | 3.85% | 1,374 |
| 2005 | 15,900 | 8,655 | 251 | 14,700 | 769 | 2,152 | 42,427 | 4.09% | 1,378 |
| 2006 | 15,095 | 8,470 | 206 | 14,370 | 705 | 2,255 | 41,101 | 3.60% | 1,287 |
| 2007 | 19,980 | 8,280 | 648 | 14,030 | 785 | 2,765 | 46,488 | 3.64% | 1,415 |
| 2008 | 18,976 | 8,090 | 630 | 17,330 | 687 | 3,374 | 49,087 | 3.59% | 1,468 |
| 2009 | 18,626 | 7,895 | 521 | 16,836 | 496 | 3,219 | 47,593 | 3.50% | 1,419 |
| 2010 | 17,513 | 7,695 | 1,553 | 52,227 | 2,885 | 3,067 | 84,940 | 6.00% | 2,550 |
| 2011 | 17,610 | 7,490 | 1,725 | 51,708 | 2,600 | 2,912 | 84,045 | 5.84% | 2,474 |
| 2012 | 16,886 | 7,275 | 1,332 | 50,648 | 2,300 | 2,859 | 81,300 | 5.75% | 2,352 |
| 2013 | 15,708 | 7,130 | 1,062 | 49,562 | 1,990 | 3,325 | 78,777 | 5.34% | 2,253 |

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements.
See Demographic and Economic Statistics for personal income and population data.

* Restated in Fiscal Year 2009

Table 11

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 |
|-------------|-----------------------------|-------|---|------------|
| 2004 | 8,835 | 8,835 | 0.49% | 295 |
| 2005 | 8,655 | 8,655 | 0.44% | 281 |
| 2006 | 8,470 | 8,470 | 0.36% | 265 |
| 2007 | 8,280 | 8,280 | 0.26% | * 252 |
| 2008 | 8,090 | 8,090 | 0.22% | * 242 |
| 2009 | 7,895 | 7,895 | 0.23% | * 235 |
| 2010 | 7,695 | 7,695 | 0.26% | * 231 |
| 2011 | 7,490 | 7,490 | 0.29% | 220 |
| 2012 | 7,275 | 7,275 | 0.30% | 210 |
| 2013 | 7,130 | 7,130 | 0.29% | 204 |

* Restated in fiscal year 2011

CITY OF OVIEDO, FLORIDA
Computation of Direct and Overlapping Bonded Debt
September 30, 2013

| Jurisdiction | Long-Term Debt Outstanding | Percentage Applicable to City of Oviedo | Amount Applicable to City of Oviedo |
|---|----------------------------------|--|--|
| Direct: | | | |
| (1) City of Oviedo | \$ 23,900,000 | 100.00% | \$ 23,900,000 |
| Overlapping: | | | |
| (2) Seminole County | 0 | 7.85% | 0 |
| Seminole County School Board | - | 7.85% | - |
| Total overlapping general obligation bonded debt | 0 | | 0 |
| Total | \$ 23,900,000 | | \$ 23,900,000 |

Sources:

- (1) City of Oviedo Finance Department
- (2) Seminole County Finance Department. The percentage of overlapping debt applicable to the City of Oviedo is estimated using the population of the City of Oviedo to Seminole County.

CITY OF OVIEDO, FLORIDA
Computation of Legal Debt Margin*
September 30, 2013

| | | |
|--|---------------------|--------------------------------|
| Assessed valuations: | | |
| Assessed value | | \$ 1,851,053,000 |
| Add back exempt real property | | <u>547,729,000</u> |
| Total assessed value | | <u><u>\$ 2,398,782,000</u></u> |
| Legal debt margin: | | |
| Debt limitation - 3% of assessed value | | <u>\$ 71,963,460</u> |
| Debt applicable to limitation: | | |
| Total bonded debt | \$ 22,838,000 | |
| Less: Public Improvement Revenue Bonds | <u>(15,708,000)</u> | |
| Total debt applicable to limitation | | <u><u>\$ 7,130,000</u></u> |

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

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

| General Government | | | | | | | | |
|---|-----------------------|-----------------------------|--------------------------------|---|---|-----------------------------|------------------------------|--|
| Public Improvement Revenue Bonds | | | | Capital Improvement Revenue Bonds/Notes | | | | |
| Fiscal Year | Utility Service Taxes | Maximum Annual Debt Service | Coverage | Fiscal Year | Electric Franchise Fees & Half-Cent Sales Tax | Maximum Annual Debt Service | Coverage | |
| 2004 | \$ 3,302,203 | \$ 1,266,280 | 2.61 | 2004 | \$ 1,966,552 | \$ 224,430 | 8.76 | |
| 2005 | 3,632,363 | 1,266,280 | 2.87 | 2005 | 2,225,266 | 224,430 | 9.92 | |
| 2006 | 3,944,366 | 1,266,280 | 3.11 | 2006 | 2,446,729 | 224,430 | 10.90 | |
| 2007 | 4,088,785 | 1,261,330 | 3.24 | 2007 | 2,249,601 | 657,039 | 3.42 | |
| 2008 | 4,364,425 | 1,233,770 | 3.54 | 2008 | 2,104,240 | 657,039 | 3.20 | |
| 2009 | 4,356,852 | 1,233,770 | 3.53 | 2009 | 1,843,028 | 657,039 | 2.81 | |
| 2010 | 4,698,721 | 1,233,770 | 3.81 | 2010 | 1,797,094 | 657,039 | 2.74 | |
| 2011 | 4,501,078 | 1,232,760 | 3.65 | 2011 | 1,831,939 | 657,039 | 2.79 | |
| 2012 | (5) 4,299,870 | 1,144,649 | 3.76 | 2012 | (6) 4,027,444 (9) | 745,006 | 5.41 | |
| 2013 | 4,385,344 | 1,144,649 | 3.83 | 2013 | 4,050,361 | 746,097 | 5.43 | |
| Capital Improvement Revenue Note, Series 2009 | | | | | | | | |
| Debt Service | | | | | | | | |
| | | | | Fiscal Year | Electric Franchise Fees | Maximum Annual Debt Service | 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) - | - | - | |
| Utility Revenue Bonds | | | | | | | | |
| 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 | |
| 2004 | \$ 5,504,030 | \$ 2,764,728 | \$ 432,379 | \$ 3,171,681 | \$ 517,819 | 5.29 | 6.13 | |
| 2005 | 6,634,507 | 3,351,990 | 644,213 | 3,926,730 | 771,513 | 4.25 | 5.09 | |
| 2006 | (4) 6,364,004 | 4,188,480 | 370,599 | 2,546,122 | 916,384 | 2.37 | 2.78 | |
| 2007 | (4) 6,761,643 | 4,663,997 | 515,607 | 2,613,253 | 914,429 | 2.29 | 2.86 | |
| 2008 | (4) 7,470,336 | 5,441,240 | 457,851 | 2,486,947 | 1,130,377 | 1.80 | 2.20 | |
| 2009 | (4) 7,592,121 | 5,073,832 | 391,821 | 2,872,614 | 1,190,044 | 2.12 | 2.41 | |
| 2010 | 7,851,710 | 4,882,903 | 182,467 (8) | 3,141,526 | 1,268,697 | 2.34 | 2.48 | |
| 2011 | (7) 13,949,977 | 6,449,660 | 96,294 (8) | 7,596,611 | 3,092,305 | 2.43 | 2.46 | |
| 2012 | 13,966,585 | 6,474,093 | 300,931 (8) | 7,793,423 | 3,610,808 | 2.08 | 2.16 | |
| 2013 | 13,984,595 | 6,397,423 | 83,243 | 7,670,415 | 3,608,329 | 2.10 | 2.13 | |

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 (1) | School Enrollment (2) | Unemployment Rate |
|----------------|----------------|---|----------------------------------|-------------------|--------------------------|----------------------|
| 2004 | 29,928 | 1,068,370 | 35,698 (4) | 32.8 | 9,362 | 3.6% (3) |
| 2005 | 30,800 | 1,037,221 | 33,676 (4) | 32.8 | 9,212 | 3.3% (3) |
| 2006 | 31,946 | 1,140,983 | 35,716 (4) | 32.8 | 9,030 | 2.9% (3) |
| 2007 | 32,855 | 1,276,022 | 38,838 (4) | 32.8 | 8,673 | 3.7% (3) |
| 2008 | 33,431 | 1,368,866 | 40,946 (5) | 34.7 | 8,198 | 4.9% (3) |
| 2009 | 33,529 | 1,415,695 | 42,223 (5) | 36.3 | 7,924 | 8.3% (3) |
| 2010 | 33,316 | 1,447,214 | 43,439 (5) | 35.6 | 7,836 | 8.7% (3) |
| 2011 | 33,969 | 1,438,247 | 42,340 (5) | 36.3 | 7,795 | 7.9% (3) |
| 2012 | 34,573 | 1,414,520 | 40,914 (5) | 35.3 | 7,743 | 8.9% (3) |
| 2013 | 34,965 | 1,475,208 | 42,191 (5) | 36.4 | 7,739 | 5.7% (6) |

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

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

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

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

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

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

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

| Employer | 2013 | | | 2004 | | |
|-------------------------------|------------------|------|--|-----------|------|--|
| | Employees (1) | Rank | Percentage of Total City Employment (2) | Employees | Rank | Percentage of Total City Employment |
| Seminole County School System | 894 | 1 | 10.33% | * | * | * |
| Publix Super Markets | 510 | 2 | 5.89% | * | * | * |
| City of Oviedo | 279 | 3 | 3.22% | * | * | * |
| Macy's | 150 | 4 | 1.73% | * | * | * |
| First Baptist Church | 133 | 5 | 1.54% | * | * | * |
| Winn Dixie Stores, Inc. | 120 | 6 | 1.39% | * | * | * |
| Swell Construction | 110 | 7 | 1.27% | * | * | * |
| Ale House | 100 | 8 | 1.16% | * | * | * |
| Seminole Masonry, Inc. | 100 | 8 | 1.16% | * | * | * |
| Amerisys | 99 | 9 | 1.14% | * | * | * |
| Centra Care Walk-In Clinic | 99 | 9 | 1.14% | * | * | * |
| A Duda & Sons, Inc | 98 | 10 | 1.13% | * | * | * |
| | <u>2,692</u> | | <u>31.10%</u> | | | |

(1) Based on Littlejohn Engineering Associates, Inc. survey of major local businesses.

(2) Based on Workplace Daytime Population provided by Metro Orlando Economic Development Commission

* Data not available

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

| Function | Full-time Equivalent Employees as of September 30, | | | | | | | | | |
|---------------------------|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Government | 71 | 81 | 94 | 103 | 101 | 100 | 74 | 59 | 56 | 61 |
| Public Safety: | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 57 | 58 | 60 | 63 | 64 | 63 | 63 | 62 | 62 | 63 |
| Civilians | 18 | 19 | 20 | 20 | 19 | 19 | 17 | 17 | 11 | 9 |
| Fire | | | | | | | | | | |
| Firefighters and officers | 50 | 50 | 50 | 50 | 50 | 50 | 51 | 50 | 52 | 52 |
| Civilians | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Building | 1 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Public Works | 36 | 37 | 37 | 39 | 38 | 37 | 34 | 37 | 38 | 36 |
| Parks and Recreation (1) | 62 | 72 | 71 | 70 | 67 | 59 | 57 | 56 | 56 | 54 |
| Total (2) | <u>296</u> | <u>320</u> | <u>336</u> | <u>350</u> | <u>344</u> | <u>333</u> | <u>301</u> | <u>286</u> | <u>280</u> | <u>279</u> |

Notes:

Source: Annual budget books - Position Authorization Summaries

(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.

Table 18

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

| Function | Fiscal Year | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|----------|---------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Police | | | | | | | | | | |
| Traffic and parking violations | 15,689 | 9,555 | 3,618 | 5,187 | 4,735 | 4,669 | 3,618 | 4,616 | 3,367 | 5,127 |
| Physical arrests | 649 | 774 | 1,051 | 1,144 | 881 | 977 | 1,051 | 937 | 676 | 640 |
| Complaints | 30,762 | 30,239 | 32,486 | 39,872 | 42,424 | 52,554 | 32,486 | 46,883 | 44,431 | 45,519 |
| Fire | | | | | | | | | | |
| Construction inspections | 484 | 936 | 1,258 | 1,323 | 955 | 1,249 | 1,652 | 1,198 | 367 | 385 |
| Hydrant inspections | 1,878 | 2,000 | 516 | 1,000 | 1,300 | 800 | 1,128 | 1,140 | 1,140 | 1,140 |
| Number of emergency calls answered | 3,989 | 3,973 | 4,032 | 3,993 | 3,971 | 4,228 | 3,919 | 3,894 | 4,076 | 4,113 |
| Medical Transports | 1,036 | 1,152 | 1,215 | 1,302 | 1,575 | 1,427 | 1,418 | 1,443 | 1,493 | 1,541 |
| Highways and streets | | | | | | | | | | |
| Streets paved (miles) | 0.1 | - | - | 0.3 | - | 6.2 | 6.2*** | 6.11 | 6.54 | 3.80 |
| Streets resurfaced (tons/asphalt) | * | * | 4,100 | 12,000 | 7,547 | 4,782 | 6,150 | 4,926 | 5,223.50 | 3,754 |
| Sidewalks/bike paths built or repaired (square feet) | * | * | 56,450 | - | 72,171 | 54,585 | 131,395 | 75,330 | 22,275 | 75,130 |
| Parks and recreation | | | | | | | | | | |
| Sports Complex ball games | 2,580 | 2,560 | 2,560 | 2,610 | 2,422 | 2,395 | 2,346 | 2,359 | 1,985 | 1,838 |
| Field Rentals | - | 10 | 31 | 39 | 45 | 31 | 59 | 57 | 89 | 40 |
| Swimming Pool Passes | 371 | 303 | 312 | 382 | 376 | 393 | 393 | 379 | 298 | 269 |
| Water | | | | | | | | | | |
| New connections | 673 | 407 | 190 | 292 | 172 | 99 | 317 | 32 | 206 | 21 |
| Number of customers | 10,819 | 11,226 | 11,416 | 11,708 | 11,880 | 11,979 | 12,296 | 12,328 | 12,534 | 12,555 |
| Water main breaks | * | * | 3 | 1 | 1 | 1 | 2.00 | 1.00 | - | 2 |
| Average daily consumption (millions of gallons) | 4.00 | 3.72 | 4.16 | 3.86 | 4.04 | 3.71 | 3.55 | 4.00 | 3.80 | 3.45 |
| Average daily production (millions of gallons) | 4.09 | 4.05 | 4.66 | 4.59 | 4.47 | 4.00 | 3.68 | 4.17 | 3.80 | 3.95 |
| Meter reads | 129,828 | 134,712 | 136,992 | 140,496 | 142,560 | 143,747 | 149,052 | 150,628 | 153,190 | 150,658 |
| General Government | | | | | | | | | | |
| Employment applications received | * | 1,486 | 1,177 | 1,165 | 1,660 | 664 | 851 | 1,328 | 938 | 1,172 |
| Personnel Action Forms processed | * | * | 607 | 635 | 555 | 422 | 394 | 281 | 417 | 406 |
| Legal Notices published | 24 | 35 | 56 | 62 | 75 | 74 | 67 | 61 | 51 | 66 |
| Business Tax Receipts issued | 2,070 | 4,270 | 4,400 | 4,291 | 4,200 | 4,081 | 4,119 | 4,310 | 3,947 | 4,098 |
| Insurance Claims Submitted | 35 | 54 | 33 | 21 | 43 | 49** | 47 | 30 | 20 | 34 |
| Permits issued | 4,101 | 6,897 | 4,269 | 4,035 | 3,082 | 2,727 | 2,952 | 3,071 | 2,726 | 3,098 |
| Number of general ledger transactions posted | 132,746 | 163,954 | 163,153 | 183,208 | 168,280 | 177,685 | 186,569 | 176,335 | 210,509 | 146,654 |
| A/P Checks issued | 9,754 | 7,602 | 9,585 | 10,103 | 6,388 | 5,583 | 5,385 | 5,252 | 5,073 | 6,035 |
| Purchase orders/FPO's processed | 4,016 | 4,393 | 6,775 | 6,857 | 4,255 | 3,142 | 3,322 | 3,011 | 2,908 | 2,497 |

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

Table 19

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

| Function | Fiscal Year | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Public safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicle patrol units | 41 | 41 | 41 | 42 | 42 | 49 | 42 | 41 | 39 | 38 |
| Motorcycle patrol units | 16 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Bicycle patrol units | 2 | 13 | 15 | 18 | 18 | 19 | 18 | 21 | 14 | 14 |
| Fire stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Highways and streets | | | | | | | | | | |
| Streets maintained - paved (miles) | 112.27 | 113.12 | 114.98 | 130.00 | 115.28 | 115.28 | 116.78 | 117.00 | 117.30 | 117.90 |
| Streets maintained - unpaved (miles) | 7.89 | 7.89 | 7.89 | 8.00 | 7.89 | 7.89 | 7.39 | 7.19 | 6.90 | 6.90 |
| Traffic Signals | 19 | 19 | 20 | 20 | 20 | 20 | 23 | 23 | 25 | 26 |
| Culture and recreation | | | | | | | | | | |
| Park acreage | 330 | 330 | 353 | 353 | 387 | 482 | 482 | 482 | 482 | 482 |
| Parks | 11 | 11 | 11 | 11 | 12 | 12 | 12 | 12 | 12 | 12 |
| Tennis courts | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Community centers | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 |
| Swimming Pools | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Water | | | | | | | | | | |
| Water plants | 2 | 2 | 3 | 2 | 2 | 2 | 1 | 1 | 1 | 1 |
| Water mains (miles) | 131 | 133 | 133 | 137 | 175 | 160 | 175 | 175 | 176 | 176 |
| Fire hydrants | * | * | 1,000 | 1,124 | 1,125 | 1,124 | 1,124 | 1,124 | 1,126 | 1,126 |
| Maximum daily capacity (millions of gallons) | 10.48 | 10.48 | 20.48 | 17.24 | 17.24 | 17.24 | 10.00 | 10.00 | 10.00 | 10.00 |
| Sewer | | | | | | | | | | |
| Wastewater plants | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Sanitary sewers (miles) | 29.12 | 29.12 | 29.33 | 31.20 | 32.30 | 32.30 | 106.00 | 108.00 | 110.00 | 110.00 |
| Sanitary lift stations | * | * | * | * | * | * | 64 | 65 | 66 | 66 |
| Reclaim | | | | | | | | | | |
| Reclaim lines (miles) | * | * | * | 16.52 | 26.00 | 26.00 | 53.30 | 53.30 | 57.80 | 57.80 |

Notes

* Information not available

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Other Supplemental Schedules

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CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
Summary of Capital Improvement Funding Plan (\$000s)
September 30, 2013

| | Fiscal Year Ending September 30, | | | | | | Total |
|---|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | 2013 [1] | 2014 [2] | 2015 [2] | 2016 [2] | 2017 [2] | 2018 [2] | |
| Capital Projects: | | | | | | | |
| Water System | \$ 873,250 | \$ 808,800 | \$ 215,500 | \$ 246,281 | \$ 181,145 | \$ 339,096 | \$ 2,664,072 |
| Sewer System [3] | - | - | - | - | - | - | - |
| Reclaim System | 1,090,000 | - | 570,000 | 2,483,359 | 1,620,905 | 2,608,842 | 8,373,106 |
| Alafaya System | 1,336,200 | 1,131,219 | 781,000 | 701,600 | 3,958,200 | 2,859,350 | 10,767,569 |
| Stormwater System | 67,500 | 650,000 | 300,000 | 115,213 | 697,188 | - | 1,829,901 |
| Total Utility System Capital Projects | <u>\$ 3,366,950</u> | <u>\$ 2,590,019</u> | <u>\$ 1,866,500</u> | <u>\$ 3,546,453</u> | <u>\$ 6,457,438</u> | <u>\$ 5,807,288</u> | <u>\$ 23,634,648</u> |
| Funding Sources: | | | | | | | |
| System Development Charges | \$ 447,700 | \$ 885,969 | \$ - | \$ - | \$ - | \$ 69,000 | \$ 1,402,669 |
| Fund Equity (Available Reserves or Unfunded) | - | 650,000 | 870,000 | 3,018,372 | 6,241,293 | 5,433,192 | 16,212,857 |
| Renewal and Replacement Fund | 1,087,750 | 628,300 | 210,500 | 213,281 | 216,145 | 219,096 | 2,575,072 |
| Series 2010 Bonds | 103,500 | 400,250 | 746,000 | 207,000 | - | - | 1,456,750 |
| SRF Loan WW59020 - Additional Debt | 1,090,000 | - | - | - | - | - | 1,090,000 |
| Developer Contribution | 638,000 | - | - | - | - | - | 638,000 |
| SJRWMD Cost Share | - | - | - | 39,800 | - | - | 39,800 |
| Vehicle Replacement Fund | - | 25,500 | 40,000 | 68,000 | - | 86,000 | 219,500 |
| Total Funding Sources | <u>\$ 3,366,950</u> | <u>\$ 2,590,019</u> | <u>\$ 1,866,500</u> | <u>\$ 3,546,453</u> | <u>\$ 6,457,438</u> | <u>\$ 5,807,288</u> | <u>\$ 23,634,648</u> |

Notes:

[1] Source: City of Oviedo; FY 2012/13 Adopted Budget Book

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

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

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Existing Water System Rates [1]
 September 30, 2013

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

Note:

[1] Amounts shown are inside-City Rates. For customers located outside City limits, a 25% surcharge is added to the inside-City Rates. As of September 2013, the City reports that 0.7% of water customers are located outside the City limits (82 customers).

Source: City of Oviedo Finance Department

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Existing Water System Rates [1]
 September 30, 2013

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

Note:

[1] Amounts shown are inside-City Rates. For customers located outside City limits, a 25% surcharge is added to the inside-City Rates. As of September 2013, the City reports that 0.7% of water customers are located outside the City limits (82 customers).

Source: City of Oviedo Finance Department

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Existing Sewer System Rates [1]
 September 30, 2013

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

Note:

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

Source: City of Oviedo Finance Department

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
Water and Sewer Rate Comparison
September 30, 2013

| Description | Service Area | | |
|---|---|-----------|-----------|
| | Water | Sewer | Total |
| | (assuming 8,000 gal of utility service) | | |
| City of Oviedo | | | |
| Current Rates -Existing City Utility System | \$ 22.35 | \$ 52.48 | \$ 74.83 |
| Current Rates -Alafaya System | \$ 22.35 | \$ 56.31 | \$ 78.66 |
| Other Florida Utilities | | | |
| City of Altamonte Springs | \$ 20.10 | \$ 37.40 | \$ 57.50 |
| City of Casselberry [1] | \$ 21.94 | \$ 58.90 | \$ 80.84 |
| City of Cocoa | \$ 40.38 | \$ 61.46 | \$ 101.84 |
| City of Deland | \$ 27.23 | \$ 56.49 | \$ 83.72 |
| City of Deltona [1] | \$ 26.12 | \$ 127.37 | \$ 153.49 |
| City of Maitland | \$ 15.97 | \$ 46.04 | \$ 62.01 |
| City of Melbourne [1] | \$ 42.22 | \$ 63.13 | \$ 105.35 |
| City of Orlando/O.U.C. | \$ 15.30 | \$ 52.32 | \$ 67.62 |
| City of Sanford [1] | \$ 47.71 | \$ 54.54 | \$ 102.25 |
| City of St. Cloud | \$ 25.38 | \$ 49.69 | \$ 75.07 |
| City of Titusville | \$ 35.63 | \$ 66.64 | \$ 102.27 |
| City of Winter Park [1] | \$ 19.26 | \$ 47.71 | \$ 66.97 |
| City of Winter Springs | \$ 16.09 | \$ 45.49 | \$ 61.58 |
| Orange County | \$ 16.79 | \$ 43.01 | \$ 59.80 |
| Seminole County [1] | \$ 19.80 | \$ 52.83 | \$ 72.63 |
| Volusia County -Softened | \$ 42.92 | \$ 51.31 | \$ 94.23 |
| Other Neighboring Utilities Average | \$ 27.05 | \$ 57.15 | \$ 84.20 |

Note:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect September 2013 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.

Source: Willdan Financial Services

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

| Line No. | Comparable Utility | Usage | | | | | |
|---------------------------------|--|-------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| 5/8" Meter Residential | | | | | | | |
| | | 3,000 Gallons | 5,000 Gallons | 8,000 Gallons | 10,000 Gallons | 15,000 Gallons | 20,000 Gallons |
| 1 | City of Oviedo, Existing City Utility | \$ 12.85 | \$ 16.65 | \$ 22.35 | \$ 26.15 | \$ 44.05 | \$ 69.50 |
| 2 | City of Oviedo, Alafaya System | 12.85 | 16.65 | 22.35 | 26.15 | 44.05 | 69.50 |
| Other Florida Utilities: | | | | | | | |
| 3 | City of Altamonte Springs | 7.29 | 12.17 | 20.10 | 26.20 | 41.45 | 56.70 |
| 4 | City of Casselberry | 11.45 | 15.10 | 21.94 | 29.68 | 49.03 | 68.38 |
| 5 | City of Cocoa | 21.54 | 27.06 | 40.38 | 50.94 | 82.14 | 116.54 |
| 6 | City of DeLand | 17.63 | 21.47 | 27.23 | 34.43 | 57.83 | 84.83 |
| 7 | City of Deltona | 14.60 | 17.48 | 26.12 | 31.88 | 57.03 | 82.18 |
| 8 | City of Maitland | 9.52 | 12.10 | 15.97 | 18.55 | 25.00 | 31.45 |
| 9 | City of Melbourne | 20.57 | 29.23 | 42.22 | 50.88 | 72.53 | 94.18 |
| 10 | City of Orlando / O.U.C. | 9.40 | 11.56 | 15.30 | 18.48 | 26.42 | 35.61 |
| 11 | City of Sanford | 18.71 | 30.31 | 47.71 | 59.32 | 88.33 | 117.33 |
| 12 | City of St. Cloud | 15.26 | 18.94 | 25.38 | 29.98 | 47.33 | 68.58 |
| 13 | City of Titusville | 17.22 | 22.88 | 35.63 | 44.13 | 72.38 | 126.13 |
| 14 | City of Winter Park | 11.83 | 14.49 | 19.26 | 23.78 | 37.39 | 55.94 |
| 15 | City of Winter Springs | 9.54 | 12.16 | 16.09 | 18.71 | 28.21 | 40.76 |
| 16 | Orange County | 9.64 | 12.50 | 16.79 | 19.65 | 33.85 | 48.05 |
| 17 | Seminole County | 14.80 | 16.80 | 19.80 | 21.80 | 30.05 | 45.00 |
| 18 | Volusia County - Softened | 22.94 | 29.96 | 42.92 | 51.56 | 73.91 | 98.56 |
| 19 | Average [2] | 14.50 | 19.01 | 27.05 | 33.12 | 51.43 | 73.14 |
| 20 | Minimum [2] | 7.29 | 11.56 | 15.30 | 18.48 | 25.00 | 31.45 |
| 21 | Maximum [2] | 22.94 | 30.31 | 47.71 | 59.32 | 88.33 | 126.13 |
| 2" Meter Commercial | | | | | | | |
| | | 50,000 Gallons | 150,000 Gallons | 200,000 Gallons | 500,000 Gallons | | |
| 22 | City of Oviedo, Existing City Utility | \$ 210.93 | \$ 467.93 | \$ 596.43 | \$ 1,367.43 | | |
| 23 | City of Oviedo, Alafaya System | 210.93 | 467.93 | 596.43 | 1,367.43 | | |
| Other Florida Utilities: | | | | | | | |
| 24 | City of Altamonte Springs | 152.91 | 467.91 | 625.41 | 1,570.41 | | |
| 25 | City of Casselberry | 132.19 | 498.52 | 787.55 | 2,647.55 | | |
| 26 | City of Cocoa | 283.67 | 680.63 | 944.63 | 3,222.11 | | |
| 27 | City of DeLand | 156.08 | 465.68 | 789.68 | 2,409.68 | | |
| 28 | City of Deltona | 250.01 | 626.01 | 814.01 | 1,942.01 | | |
| 29 | City of Maitland | 96.34 | 225.34 | 289.84 | 676.84 | | |
| 30 | City of Melbourne | 231.66 | 664.66 | 881.16 | 2,180.16 | | |
| 31 | City of Orlando / O.U.C. | 98.80 | 252.90 | 329.95 | 792.25 | | |
| 32 | City of Sanford | 196.00 | 572.98 | 761.47 | 1,892.41 | | |
| 33 | City of St. Cloud | 181.58 | 411.58 | 526.58 | 1,216.58 | | |
| 34 | City of Titusville | 259.58 | 614.58 | 792.08 | 1,857.08 | | |
| 35 | City of Winter Park | 128.28 | 415.08 | 598.08 | 1,696.08 | | |
| 36 | City of Winter Springs | 144.38 | 343.38 | 442.88 | 1,039.88 | | |
| 37 | Orange County | 101.68 | 244.68 | 316.18 | 745.18 | | |
| 38 | Seminole County | 335.50 | 1,274.50 | 1,744.00 | 4,561.00 | | |
| 39 | Volusia County - Softened | 533.41 | 1,597.41 | 2,129.41 | 5,321.41 | | |
| 40 | Average [2] | 205.13 | 584.74 | 798.31 | 2,110.66 | | |
| 41 | Minimum [2] | 96.34 | 225.34 | 289.84 | 676.84 | | |
| 42 | Maximum [2] | 533.41 | 1,597.41 | 2,129.41 | 5,321.41 | | |

Notes:

[1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during September 2013, and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.

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

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

| Line No. | Comparable Utility | Usage | | | | | |
|---------------------------------|--|-------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| 5/8" Meter Residential | | | | | | | |
| | | 3,000 Gallons | 5,000 Gallons | 8,000 Gallons | 10,000 Gallons | 15,000 Gallons | 20,000 Gallons |
| 1 | City of Oviedo, Existing City Utility | \$ 32.98 | \$ 40.78 | \$ 52.48 | \$ 60.28 | \$ 60.28 | \$ 60.28 |
| 2 | City of Oviedo, Alafaya System | 38.06 | 45.36 | 56.31 | 63.61 | 63.61 | 63.61 |
| Other Florida Utilities: | | | | | | | |
| 3 | City of Altamonte Springs | 13.95 | 23.25 | 37.40 | 47.10 | 51.95 | 51.95 |
| 4 | City of Casselberry | 27.41 | 39.22 | 58.90 | 72.02 | 104.82 | 137.62 |
| 5 | City of Cocoa | 31.06 | 43.22 | 61.46 | 73.62 | 85.78 | 85.78 |
| 6 | City of DeLand | 36.24 | 44.34 | 56.49 | 64.59 | 84.84 | 84.84 |
| 7 | City of Deltona | 52.93 | 78.17 | 127.37 | 160.17 | 160.17 | 160.17 |
| 8 | City of Maitland | 26.29 | 34.19 | 46.04 | 53.94 | 73.69 | 93.44 |
| 9 | City of Melbourne | 30.68 | 43.66 | 63.13 | 76.11 | 108.56 | 141.01 |
| 10 | City of Orlando / O.U.C. | 30.77 | 39.39 | 52.32 | 60.94 | 78.18 | 78.18 |
| 11 | City of Sanford | 20.45 | 34.09 | 54.54 | 68.18 | 102.27 | 136.35 |
| 12 | City of St. Cloud | 28.94 | 37.24 | 49.69 | 57.99 | 57.99 | 57.99 |
| 13 | City of Titusville | 32.94 | 46.42 | 66.64 | 80.12 | 113.82 | 113.82 |
| 14 | City of Winter Park | 24.26 | 33.64 | 47.71 | 57.09 | 75.85 | 75.85 |
| 15 | City of Winter Springs | 23.94 | 32.56 | 45.49 | 54.11 | 54.11 | 54.11 |
| 16 | Orange County | 25.66 | 32.60 | 43.01 | 49.95 | 63.83 | 63.83 |
| 17 | Seminole County | 31.53 | 40.05 | 52.83 | 61.35 | 82.65 | 103.95 |
| 18 | Volusia County - Softened | 31.16 | 39.22 | 51.31 | 59.37 | 79.52 | 99.67 |
| 19 | Average [2] | 29.26 | 40.08 | 57.15 | 68.54 | 86.13 | 96.16 |
| 20 | Minimum [2] | 13.95 | 23.25 | 37.40 | 47.10 | 51.95 | 51.95 |
| 21 | Maximum [2] | 52.93 | 78.17 | 127.37 | 160.17 | 160.17 | 160.17 |
| 2" Meter Commercial | | | | | | | |
| | | 50,000 Gallons | 150,000 Gallons | 200,000 Gallons | 500,000 Gallons | | |
| 22 | City of Oviedo, Existing City Utility | \$ 365.24 | \$ 755.24 | \$ 950.24 | \$ 2,120.24 | | |
| 23 | City of Oviedo, Alafaya System | 399.54 | 764.54 | 947.04 | 2,042.04 | | |
| Other Florida Utilities: | | | | | | | |
| 24 | City of Altamonte Springs | 259.28 | 766.28 | 1,019.78 | 2,540.78 | | |
| 25 | City of Casselberry | 379.32 | 1,035.32 | 1,363.32 | 3,331.32 | | |
| 26 | City of Cocoa | 424.21 | 1,032.21 | 1,336.21 | 3,160.21 | | |
| 27 | City of DeLand | 395.24 | 800.24 | 1,002.74 | 2,217.74 | | |
| 28 | City of Deltona | 780.81 | 2,141.81 | 2,822.31 | 6,905.31 | | |
| 29 | City of Maitland | 305.99 | 700.99 | 898.49 | 2,083.49 | | |
| 30 | City of Melbourne | 346.92 | 995.92 | 1,320.42 | 3,267.42 | | |
| 31 | City of Orlando / O.U.C. | 359.91 | 1,081.78 | 1,443.72 | 3,607.28 | | |
| 32 | City of Sanford | 340.89 | 1,022.66 | 1,363.54 | 3,408.85 | | |
| 33 | City of St. Cloud | 295.36 | 710.36 | 917.86 | 2,162.86 | | |
| 34 | City of Titusville | 536.67 | 1,343.67 | 1,747.17 | 4,168.17 | | |
| 35 | City of Winter Park | 329.02 | 824.02 | 1,071.52 | 2,556.52 | | |
| 36 | City of Winter Springs | 226.51 | 657.51 | 873.01 | 2,166.01 | | |
| 37 | Orange County | 275.94 | 622.94 | 796.44 | 1,837.44 | | |
| 38 | Seminole County | 363.00 | 789.00 | 1,002.00 | 2,280.00 | | |
| 39 | Volusia County - Softened | 354.27 | 757.27 | 958.77 | 2,167.77 | | |
| 40 | Average [2] | 373.33 | 955.12 | 1,246.08 | 2,991.32 | | |
| 41 | Minimum [2] | 226.51 | 622.94 | 796.44 | 1,837.44 | | |
| 42 | Maximum [2] | 780.81 | 2,141.81 | 2,822.31 | 6,905.31 | | |

Notes:

[1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during September 2013, 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, 2013

| 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] | \$ 1,036 | \$ 2,678 | \$ 3,714 |

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 | \$ 1,220 | \$ 2,076 | \$ 3,296 |
| 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 | \$ 2,421 | \$ 3,016 |
| Other Neighboring Utilities' Average | \$ 1,036 | \$ 2,678 | \$ 3,715 |

Notes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect September 2013 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] The City's existing Sewer System Development Charge includes \$2,229 remitted to Seminole County for treatment and disposal capacity and \$1,140 retained by the City.

Source: Willdan Financial Services

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Water System Customer and Sales Statistics
 September 30, 2013

| Fiscal Year Ending September 30, | Average Annual | | Billed Sales (1,000 gallons) | Average Use (Gal/Mo/ERC) |
|--|----------------|----------|---------------------------------|-----------------------------|
| | Accounts | ERCs [1] | | |
| 2009 | 12,157 | 13,779 | 1,377,379 | 8,330 |
| 2010 | 12,282 | 14,001 | 1,313,276 | 7,817 |
| 2011 | 12,564 | 14,478 | 1,396,543 | 8,038 |
| 2012 | 12,751 | 14,648 | 1,341,892 | 7,634 |
| 2013 | 12,952 | 14,764 | 1,303,064 | 7,355 |
| Average Annual Historical Growth Rate | 1.6% | 1.7% | -1.3% | -3.0% |

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 |
| 2014 | 1,390,382 | 3,809 | 4,674 | 81.5% |
| 2015 | 1,383,553 | 3,791 | 4,674 | 81.1% |
| 2016 | 1,377,340 | 3,774 | 4,674 | 80.7% |
| 2017 | 1,379,802 | 3,780 | 4,674 | 80.9% |
| 2018 | 1,363,490 | 3,736 | 4,674 | 79.9% |

Notes:

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

Source: Willdan Financial Services

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
 Utility Bond Issue Continuing Disclosure
 Water System Customer and Sales Statistics
 September 30, 2013

| Fiscal Year Ending September 30, | Average Annual | | Billed Sales (1,000 gallons) | Average Use (Gal/Mo/ERC) |
|--|----------------|----------|---------------------------------|-----------------------------|
| | Accounts | ERCs [1] | | |
| 2009 | 12,157 | 13,779 | 1,377,379 | 8,330 |
| 2010 | 12,282 | 14,001 | 1,313,276 | 7,817 |
| 2011 | 12,564 | 14,478 | 1,396,543 | 8,038 |
| 2012 | 12,751 | 14,648 | 1,341,892 | 7,634 |
| 2013 | 12,952 | 14,764 | 1,303,064 | 7,355 |
| Average Annual Historical Growth Rate | 1.6% | 1.7% | -1.3% | -3.0% |

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 |
| 2014 | 1,390,382 | 3,809 | 4,674 | 81.5% |
| 2015 | 1,383,553 | 3,791 | 4,674 | 81.1% |
| 2016 | 1,377,340 | 3,774 | 4,674 | 80.7% |
| 2017 | 1,379,802 | 3,780 | 4,674 | 80.9% |
| 2018 | 1,363,490 | 3,736 | 4,674 | 79.9% |

Notes:

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

Source: Willdan Financial Services

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
Utility Enterprise System Top Ten Utility Customers
September 30, 2013

| Rank | Account | Service Class | Type of Service | Rate Revenues | |
|--|--------------------------------|---------------|-----------------|------------------|------------------|
| | | | | Total Annual [1] | Pct of Total [2] |
| Utility Enterprise System | | | | | |
| 1 | Paradigm Properties, Inc | Multi-Family | Water/Sewer | \$ 141,353 | 1.09% |
| 2 | Seminole County - SR 426 | Government | Water | 130,050 | 1.01% |
| 3 | CPG Construction | Multi-Family | Water/Sewer | 125,514 | 0.97% |
| 4 | SLP IV | Commercial | Water/Sewer | 87,669 | 0.68% |
| 5 | Publix Supermarkets | Commercial | Water/Sewer | 78,670 | 0.61% |
| 6 | First Baptist Church of Oviedo | Commercial | Water/Sewer | 54,464 | 0.42% |
| 7 | Seminole County Public Schools | Government | Water/Sewer | 40,668 | 0.31% |
| 8 | Millers Ale House | Commercial | Water/Sewer | 21,536 | 0.17% |
| 9 | Father Flanagan's Boys Town | Commercial | Sewer | 18,095 | 0.14% |
| 10 | Alafaya Investments LLC | Commercial | Sewer | 16,193 | 0.13% |
| Total | | | | \$ 714,212 | 5.53% |
| Total Utility Enterprise System Rate Revenues | | | | \$ 12,917,643 | |

| Rank | Account | 12-Month Usage [3] | Percent of Total | Revenue Generated | Percent of Total |
|---|--------------------------------|--------------------|------------------|-------------------|------------------|
| Ten Largest Water Users | | | | | |
| 1 | Seminole County | 95,012 | 7.29% | \$ 130,050 | 2.98% |
| 2 | Paradigm Properties, Inc. | 9,832 | 0.75% | 40,755 | 0.93% |
| 3 | SLP IV | 12,677 | 0.97% | 39,868 | 0.91% |
| 4 | CPG Construction | 12,452 | 0.96% | 35,136 | 0.80% |
| 5 | First Baptist Church of Oviedo | 917 | 0.07% | 27,232 | 0.62% |
| 6 | Seminole County Public Schools | 5,132 | 0.39% | 21,964 | 0.50% |
| 7 | Publix Supermarkets | 3,171 | 0.24% | 11,058 | 0.25% |
| 8 | Millers Ale House | 3,205 | 0.25% | 8,463 | 0.19% |
| 9 | Property Management LLC | 1,921 | 0.15% | 6,863 | 0.16% |
| 10 | L.A. Fitness | 1,443 | 0.11% | 4,596 | 0.11% |
| Total | | 145,762 | 11.19% | \$ 325,985 | 7.46% |
| Total Water System Billed Usage | | 1,303,064 | | | |
| Total Water System Rate Revenues | | | | \$ 4,368,653 | |

| Rank | Account | 12-Month Usage [3] | Percent of Total | Revenue Generated | Percent of Total |
|---|--------------------------------|--------------------|------------------|-------------------|------------------|
| Ten Largest Sewer Users | | | | | |
| 1 | Paradigm Properties, Inc | 9,832 | 1.38% | \$ 100,597 | 1.67% |
| 2 | CPG Construction | 12,452 | 1.74% | 90,378 | 1.50% |
| 3 | Publix Supermarkets | 12,677 | 1.78% | 67,612 | 1.12% |
| 4 | SLP IV | 8,996 | 1.26% | 47,801 | 0.79% |
| 5 | Seminole County Public Schools | 2,162 | 0.30% | 18,704 | 0.31% |
| 6 | Father Flanagan's Boys Town | 1,928 | 0.27% | 18,095 | 0.30% |
| 7 | First Baptist Church of Oviedo | 912 | 0.13% | 18,025 | 0.30% |
| 8 | Alafaya Investments LLC | 2,531 | 0.35% | 16,193 | 0.27% |
| 9 | Millers Ale House | 3,205 | 0.45% | 13,073 | 0.22% |
| 10 | Property Management LLC | 1,920 | 0.27% | 11,485 | 0.19% |
| Total | | 56,615 | 7.93% | \$ 401,963 | 6.68% |
| Total Sewer System Billed Sales | | 713,775 | | | |
| Total Sewer System Rate Revenues | | | | \$ 6,016,063 | |

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: Willdan Financial Services

Table 20 (continued)

CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
Stormwater System
September 30, 2013

| Fiscal Year Ending September 30, | Average Annual Accounts | Average Annual ERUs [1] |
|--|----------------------------|----------------------------|
| 2009 | 11,773 | 17,189 |
| 2010 | 11,917 | 17,483 |
| 2011 | 12,198 | 17,707 |
| 2012 | 12,538 | 17,768 |
| 2013 | 12,715 | 18,019 |
| Average Annual Historical Growth Rate | 1.9% | 1.2% |

Stormwater Top Ten Customers - Fiscal Year 2013 (Based on Billed Revenues)

| | Service Class | Rate Revenues | | |
|--|---|------------------|------------------|-------|
| | | Total Annual [1] | Pct of Total [2] | |
| 1 | Seminole County Public Schools - Oviedo High | Government | \$ 28,140 | 1.86% |
| 2 | Reformed Theological Seminary | Commercial | 11,508 | 0.76% |
| 3 | Paradigm Properties, Inc | Commercial | 10,920 | 0.72% |
| 4 | Seminole County Public Schools - Lawton Elem. | Government | 10,668 | 0.70% |
| 5 | Publix Supermarkets \$493 | Commercial | 8,736 | 0.58% |
| 6 | Publix Supermarkets #329 | Commercial | 8,736 | 0.58% |
| 7 | LA Fitness | Commercial | 7,700 | 0.51% |
| 8 | MB Trax Real Estate Holdings LLC | Commercial | 8,316 | 0.55% |
| 9 | Winn Dixie | Commercial | 8,316 | 0.55% |
| 10 | Lockwood Associates, LP | Commercial | 8,064 | 0.53% |
| Total | | | \$ 111,104 | 7.33% |
| Total Stormwater System Rate Revenues | | | \$ 1,515,891 | |

Note:

[1] Per Section 54-231, City Code of Ordinances, one Equivalent Residential Unit (ERU) for stormwater service represents 2,464 square feet of impervious surface area.

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, 2013

| | Fiscal Year Ended September 30, [1] | | | | |
|---|-------------------------------------|--------------|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Total Sales Revenues [2] | | | | | |
| Potable Water | \$ 4,496,680 | \$ 4,254,821 | \$ 4,786,280 | \$ 4,600,663 | \$ 4,558,032 |
| Sewer | 1,053,287 | 1,228,984 | 5,699,996 | 5,851,989 | 6,016,063 |
| Reclaimed Water | 167,668 | 245,295 | 870,215 | 880,002 | 828,472 |
| Stormwater System | 1,437,189 | 1,430,303 | 1,397,267 | 1,497,204 | 1,515,891 |
| Revenue from Other Sources: | | | | | |
| Other Operating Revenues [3] | 273,524 | 324,503 | 1,076,932 | 1,034,935 | 1,002,892 |
| Unrestricted Interest Income [4] | 163,773 | 367,804 | 119,287 | 101,635 | 63,243 |
| Total Gross Revenues | \$ 7,592,121 | \$ 7,851,710 | \$ 13,949,977 | \$ 13,966,428 | \$ 13,984,595 |
| Cost of Operation and Maintenance [5] | | | | | |
| Water, Wastewater and Reclaimed Water Systems | \$ 4,013,010 | \$ 3,933,734 | \$ 5,454,681 | \$ 5,671,256 | 5,495,921 |
| Stormwater System | 1,060,822 | 949,169 | 994,979 | 802,837 | 901,501 |
| Total Cost of Operation and Maintenance | \$ 5,073,832 | \$ 4,882,903 | \$ 6,449,660 | \$ 6,474,093 | \$ 6,397,423 |
| Net Revenues | \$ 2,518,289 | \$ 2,968,807 | \$ 7,500,317 | \$ 7,492,335 | \$ 7,587,172 |
| Total Bond Service Requirement [6] | \$ 1,190,044 | \$ 1,268,697 | \$ 3,092,305 | \$ 3,610,808 | \$ 3,608,329 |
| Senior Lien Bond Rate Covenant Compliance: [7] | | | | | |
| Test (i) - Net Revenues: | | | | | |
| Calculated Bond Service Coverage | 2.12 | 2.34 | 2.43 | 2.07 | 2.10 |
| Minimum Requirement | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 |
| OR | | | | | |
| Test (ii) - Net Revenues: | | | | | |
| Calculated Bond Service Coverage | 2.12 | 2.34 | 2.43 | 2.07 | 2.10 |
| Minimum Requirement | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| AND | | | | | |
| Net Revenues | \$ 2,480,793 | \$ 2,968,807 | \$ 7,500,317 | \$ 7,492,335 | \$ 7,587,172 |
| System Development Charges Available for Bond Service Requirement [8] | 391,821 | 182,467 | 96,294 | 300,931 | 83,243 |
| Total Pledged Revenue | \$ 2,872,614 | \$ 3,151,274 | \$ 7,596,611 | \$ 7,793,266 | \$ 7,670,415 |
| Calculated Debt Service Coverage | 2.41 | 2.48 | 2.46 | 2.16 | 2.13 |
| Minimum Requirement | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| Subordinate Debt Service – Second Lien | | | | | |
| Adjusted Net Revenue [9] | 1,171,745 | 1,573,240 | 4,098,782 | 3,520,446 | 3,618,010 |
| Total Subordinate Lien Debt Service [10] | 237,975 | 237,545 | 217,052 | 237,032 | 236,550 |
| Calculated Debt Service Coverage | 4.92 | 6.62 | 18.88 | 14.85 | 15.29 |
| Minimum Requirement | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |
| Less Other Required Transfers [11] | - | - | - | - | - |
| Reserve Account Deposit [12] | - | - | - | - | - |
| Net Revenues after Payment of Debt Service | \$ 1,090,270 | \$ 1,462,565 | \$ 4,190,960 | \$ 3,644,495 | \$ 3,742,292 |
| Less Other Recognized Transfers [13] | | | | | |
| Vehicle and Information Technology Equipment Replacement Funds [14] | \$ 147,841 | \$ 165,705 | \$ 218,236 | \$ 288,118 | \$ 181,094 |
| Other Debt – Capital Leases [15] | 126,108 | 147,069 | 410,789 | 417,612 | 382,922 |
| Administrative Indirect Allocation | 629,705 | 698,600 | 1,100,583 | 1,303,111 | 1,346,799 |
| Total Other Recognized Transfers | \$ 903,654 | \$ 1,011,374 | \$ 1,729,608 | \$ 2,008,841 | \$ 1,910,815 |
| Excess of Net Revenues above Transfers [16] | \$ 186,616 | \$ 451,191 | \$ 2,461,352 | \$ 1,635,654 | \$ 1,831,477 |
| Total System Development Charges Collected [17] | \$ 493,354 | \$ 183,111 | \$ 96,294 | \$ 300,931 | \$ 83,243 |
| Net Amount Available for Other Utility System Purposes | \$ 679,970 | \$ 634,302 | \$ 2,557,646 | \$ 1,936,585 | \$ 1,914,720 |

Footnotes on following page.

CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
Historical Operating Results and Estimated Bond Coverage
September 30, 2013

Footnotes:

- [1] Amounts reflect the combination of Utility Enterprise System and Stormwater System financial results. Numbers may not add due to rounding.
- [2] Amounts shown reflect revenues derived from rates for monthly service for water, sewer, reclaimed water and stormwater service.
- [3] Amounts shown do not include revenues associated with proceeds from the sale or other disposition of the Utility System or any part thereof, condemnation awards or proceeds of issuance received with respect to the Utility System. Gross Revenues do not include Contributions in Aid of Construction, Water System Development Charges or Sewer System Development Charges. Amounts include, among other things, revenue from alternative water charges, meter installation charges, late penalty fees, reconnection fees, and miscellaneous charges for service. Fiscal Year 2011 includes \$624,565 in Build America Bond rebates.
- [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.
- [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.
- [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.
- [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").
- [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, | | | | |
|--|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Net Revenues | \$ 2,480,793 | \$ 2,968,807 | \$ 7,500,317 | \$ 7,492,335 | \$ 7,587,172 |
| Less Senior Lien Debt Service | 1,190,044 | 1,268,697 | 3,092,305 | 3,610,808 | 3,608,329 |
| Less Senior Lien Debt Service Coverage Requirement (10% of Debt Service) | 119,004 | 126,870 | 309,231 | 361,081 | 360,833 |
| Net Revenues Available for SRF Loan Coverage Calculation | <u>\$ 1,171,745</u> | <u>\$ 1,573,240</u> | <u>\$ 4,098,782</u> | <u>\$ 3,520,446</u> | <u>\$ 3,618,010</u> |

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

Footnotes continue on following page.

CITY OF OVIEDO, FLORIDA
Utility Bond Issue Continuing Disclosure
Historical Operating Results and Estimated Bond Coverage
September 30, 2013

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, | | | | |
|------------------------------------|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Subordinate Leases | | | | | |
| SunTrust (Generator) Lease (a) | \$ 93,210 | \$ 93,210 | \$ 93,210 | \$ 93,210 | \$ 93,210 |
| BB&T (Street Sweeper) Lease (b) | 32,898 | 32,898 | 32,898 | 33,071 | - |
| BBOA (Meter Replacement) Lease (c) | - | 20,961 | 284,681 | 291,331 | 289,713 |
| Total Subordinate Leases | <u>\$ 126,108</u> | <u>\$ 147,069</u> | <u>\$ 410,789</u> | <u>\$ 417,612</u> | <u>\$ 382,922</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, 2013, 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 14, 2014.

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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Compliance and Other Matters

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

We noted certain matters that we reported to management of City, in a separate letter dated February 14, 2014.

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 14, 2014

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

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

Compliance

We have audited the compliance of *City of Oviedo, Florida* (the City) with types of compliance requirements described in *OMB Circular A-133 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, 2013. 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

Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of the City's management.

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 of its major federal programs for the year ended September 30, 2013.

MCDIRMIT DAVIS & COMPANY, LLC

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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 14, 2014

CITY OF OVIEDO, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2013

| Award type | | | |
|--|---------------|---|-------------------|
| Grantor | CFDA/ CSFA | Agency or Pass-through Entity Grant Number | Expenditures |
| Pass-through grantor | Number | | |
| Grantor program title | | | |
| Federal ARRA Grants | | | |
| United States Department of Energy | | | |
| passed through State of Florida, Department of Agriculture and Consumer Services * | | | |
| Energy Efficiency and Conservation Block Grant | 81.128 | DE-EE0000800 | \$ 250,000 |
| Other federal awards - | | | |
| United States Department of Justice | | | |
| Bulletproof Vest Partnership Program | 16.607 | QTM-B-III A | 2,587 |
| DEA Equitable Sharing | 16.000 | | 116,359 |
| DEA Overtime | 16.000 | | 32,981 |
| CCIB Overtime | 16.000 | | 10,251 |
| passed through State of Florida, Department of Law Enforcement | | | |
| Edward Byrne Memorial Justice Assistance Grant (JAG) Program | 16.738 | 2013-JAGC-SEMI-4-D7-121 | 15,559 |
| Edward Byrne Memorial Justice Assistance Grant (JAG) Program | 16.738 | 2013-JAGD-SEMI-2-D8-043 | 3,457 |
| United States Department of Transportation | | | |
| passed through State of Florida, Department of Transportation | | | |
| Highway Planning and Construction (Federal-Aid Highway Program) * | 20.205 | SRRS-146-A / 425822-1-58-01 | 171,015 |
| Highway Planning and Construction (Federal-Aid Highway Program) * | 20.205 | 4311-020-P / 427897-1-58-01 | 23,124 |
| Highway Planning and Construction (Federal-Aid Highway Program) * | 20.205 | SRTS-172-A / 429610-1-38-01 | 35,375 |
| United States Department of Homeland Security | | | |
| Federal Emergency Management Agency | | | |
| Assistance to Firefighters Grant | 97.044 | EMW-2011-FR-00007 | <u>766</u> |
| Total federal awards | | | <u>\$ 661,474</u> |

* 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, 2013

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, 2013. The information in this Schedule is presented in accordance with the requirements of the 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, 2013, 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.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARD PROGRAMS**

Year Ended September 30, 2013

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 award programs are reported in the Independent Auditor's Report on Compliance For Each Major Program and on Internal Control over Compliance Required By 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. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133, are reported in this Schedule.
7. The programs tested as major programs included: Energy Efficiency and Conservation (CFDA 81.128), and Highway Planning and Construction (Federal-aid highway program (CFDA 20.205).
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. 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

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MANAGEMENT LETTER

Honorable Mayor and City Council
City of Oviedo, Florida

We have audited the financial statements of the *City of Oviedo, Florida (the City)*, as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated February 14, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 Program and on Internal Control over Compliance Required By OMB Circular A-133 ;, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule which are dated February 14, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local government entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations identified in the preceding annual financial report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., 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.

MCDIRMIT DAVIS & COMPANY, LLC

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

- Section 10.554(1)(i)4., 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.
- Section 10.554(1)(i)5., 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.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, 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, 2013. In connection with our audit, we determined that these two reports are in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), 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.

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, 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 14, 2014

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, 2013, and have issued our report thereon dated February 14, 2014. 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 September 10, 2013, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated February 14, 2014.

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, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

MCDIRMIT DAVIS & COMPANY, LLC

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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. There have been no initial selection of accounting policies and not changes in significant accounting policies or their application during 2013. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements are:

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

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

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

Disagreements with Management

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

Representations Requested from Management

We have requested certain representations from management that are included in the management representation letter dated February 14, 2014.

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,

McDiarmid Davis & Company, LLC

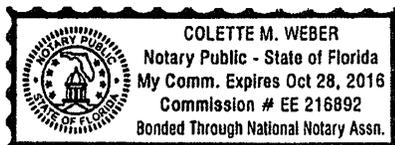
Orlando, Florida
February 14, 2014



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)