

# **CITY OF OLDSMAR, FLORIDA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended  
SEPTEMBER 30, 2014**

### CITY COUNCIL

DOUG BEVIS, Mayor

LINDA NORRIS, Vice-Mayor  
JERRY BEVERLAND, Councilmember  
GABBY MCGEE, Councilmember  
JIM RONECKER, Councilmember

BRUCE T. HADDOCK  
CITY MANAGER

PREPARED BY:  
ADMINISTRATIVE SERVICES DEPARTMENT

ALAN S. BRAITHWAITE, MPA, CGFO  
Director of Administrative Services

CYNTHIA S. NENNO  
Finance Administrator

***A COUNCIL - CITY MANAGER FORM OF GOVERNMENT***

***CITY OF OLDSMAR, FLORIDA***



## LISTING OF CITY OFFICIALS

AS OF SEPTEMBER 30, 2014

### ELECTED OFFICIALS

MAYOR

DOUG BEVIS

VICE-MAYOR

LINDA NORRIS

COUNCILMEMBER

JERRY BEVERLAND

COUNCILMEMBER

GABBY MCGEE

COUNCILMEMBER

JIM RONECKER

### APPOINTED OFFICIALS

City Manager

Bruce T. Haddock

City Clerk

Ann E. Nixon

City Attorney

Thomas J. Trask

Director of Administrative Services

Alan S. Braithwaite

Director of Public Works

Lisa R. Rhea

Planning & Redevelopment Director

Marie Dauphinais

Fire & EMS Chief

Dean O'Nale

Library Director

Roberta Weber

Leisure Services Director

Lynn Rives

***CITY OF OLDSMAR, FLORIDA***

# **INTRODUCTORY SECTION**

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**ORGANIZATION CHART**

CITY OF OLDSMAR, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2014

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# City of Oldsmar

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*To protect the community and enhance the quality of life through customer oriented public service*

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100 State Street West ~ Oldsmar, FL 34677-3655 ~ (813) 749-1100 ~ Fax (813) 891-9152

March 12, 2015

The Honorable Mayor, Council Members and Citizens  
of the City of Oldsmar, Florida

The Comprehensive Annual Financial Report of the City of Oldsmar, Florida, for the fiscal year ended September 30, 2014 is submitted herewith pursuant to Florida State Statutes Chapter 218.39 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. This Annual Financial Report was prepared by the Administrative Services Department, Finance Division and represents the official report of the City's financial position and results of operations to the citizens, City Council, City administrative personnel, investment firms, rating agencies, and other interested persons.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the data presented is accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the City on a Government-wide and a Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

## **Major Initiatives:**

The City has increased its commitment to maintenance of City roads and facilities, as required. Traditionally, the City tries to resurface a certain number of roads every year and, between the normal program and the CRA, the dollar commitment to that undertaking was larger than usual. Resurfacing projects were completed in the CRA (St Petersburg Drive), Bayside Boulevard, and City-wide, as part of the annual program. An additional feature to the program was for sidewalk and curb improvements, which were completed. The City was not without growth. Additional roadway was completed on the east end of State Street to accommodate new residential development, and it is known as Wellington Estates. In addition, planning and design work was completed in anticipation of newly constructed roadway on Burbank, which will add an additional north-south connection between Tampa and Douglas Roads. The City has also started the process of planning for the improvement of the SR580 and State Street intersection, which should be completed in the near future. Finally, drainage improvements were completed in the Pine/Marlborough area, along Douglas Rd, between Commerce and Race Track Road, and along Forest Drive. Suffice it to say that it has been a busy year for street resurfacing, drainage improvements and all that is affected by them.



Honorable Mayor, Council Members and Citizens  
March 12, 2015

In the Public Works domain, several large projects have been the focus, and most relate to the continually upgrading portions of the Water Reclamation Facility Plant, which is over thirty years old. Most prominently, the Wastewater Treatment Plant Clarifier was nearing completion at year-end. Much of the stormwater work was mentioned above, because drainage improvements go hand in hand with streets work, usually. Our biggest and most exciting utilities project for the year was the Aquifer Storage and Recovery (ASR), which was partially funded by SWFWMD and is nearing completion. This leading edge technology will allow the City to maintain a large storage facility for reclaimed water, in the ground, the benefits of which mean more stability to the supply (big help for dry season) and less possibility of having to discharge, which is great for the environment.

Economic Development continues to be one of the Council's top priorities, and design work on Market Square continues, which will totally redefine the Community Redevelopment Area (CRA) and the City's downtown, once completed. This massive project will be a joint effort between the City and a private developer, and will contain multiple businesses, additional residential options and parking expansion for the downtown area.

In the Leisure Services area, the development of the BMX Training facility got a tremendous boost in the form of a Grant from the Florida Department of Economic Opportunity (DEO), which will assist the City in upgrading the track to become one of four USABMX Supercross tracks in the United States. In fiscal 2014, the City had already upgraded some of the lighting, but the future improvements to the facility will look like a complete overhaul, and will attract some of the top riders in the world to train and compete here. As importantly, it will attract more visitors and businesses to the area, which positively impacts our community in many ways.

#### **Future Prospects:**

For Fiscal Year 2015, the Administration presented a budget that contained a 5% reduction from the prior year's revised budget. The reduction was the result of limited capital outlay, where less project work was completed than had been anticipated by year end. Personal Services expenditure rose slightly, while the City did expand the workforce by two full-time equivalents, there were several retirements and, in a few cases, full-time vacancies were replaced by part-time positions. We still analyze those needs very thoroughly each time a vacancy occurs, no matter the reason.

Ad Valorem (Property) Taxes increased for the second consecutive year, after the low in 2012/13. Overall, revenues are flat, but the City continues to complete projects and participate in new development ideas. Grant revenues continue to be an enabler, with the most promising recent award coming from the State Department of Economic Opportunity to assist us in upgrading the BMX into becoming one of four Super Cross tracks in the United States. Additional Grant funding has been received for many projects, including Law Enforcement equipment, Stormwater Master Planning, Reclaimed Water Storage, Parks, Trails and Median improvements.

Honorable Mayor, Council Members and Citizens  
March 12, 2015

Future projects planned for fiscal year 2014/15 include the completion of two new residential areas, which the City had a development partnership in (Wellington Estates, Hayes Park Village). Full completion of the trail segments is anticipated and the start to the largest individual development project the City has ever undertaken in Market Square. While only in the planning stages currently, the completion of this massive undertaking will totally re-define the look of our Community Redevelopment Area. In the Enterprise Funds, upgrades and improvements will continue at our Wastewater Treatment Facility, and there will be sewer line improvements made in the downtown area where the lines are the oldest.

#### **Economic Condition and Outlook:**

The City of Oldsmar continues to expand in its popularity in the Tampa Bay region, and in attracting outside visitors. The City has capitalized on its reputation as the perfect mid-point for anyone that has business or interests in Tampa, but wants to also be close to the beaches. Not only does the City offer excellent lodging options that continue to expand, we possess many other amenities. Being situated at the top of Tampa Bay, we actually have a public beach, a fishing pier, and some of the nicest parks you will find anywhere.

While we are perfectly situated between the amenities of the big City, we also offer a vast array of entertainment and enjoyment options right in the City, or within five miles of our border. Inside the City limits, we have approximately ten miles of walking/bike trail, a soon to be Supercross BMX track, an Ice Skating facility, Flea Market, Beach with Picnic facilities, Spray-ground and Recreation Center, Senior Center, Library, Park overlooking Tampa Bay with a Stage, Fishing Pier, Veteran's Wall and monument overlooking Tampa Bay, along with some of the finest eateries you will find anywhere. We have eleven special events during the year, with things for kids, music for adults, and fireworks for everyone.

In case that wasn't enough, there is a thoroughbred race track that borders the City limits, and is one of the National feeders to the Triple Crown races. There are two malls within 5 miles, as well as one of the most highly regarded beaches in the nation.

City Hall doubles as an Art Gallery, and we celebrate the artwork of our Elementary School kids throughout the year. We have an historical museum, offer bike and walking tours, boat ramps, canoe trails and have recently acquired two lakes that will be developed into something for our citizens in the future. While we certainly understand visitors wanting to visit big city amenities, we bet you could find almost anything you could ever want to do in Florida, right here in Oldsmar. You will not find a better place to live, work or play, and that's why it's our motto!

Honorable Mayor, Council Members and Citizens  
March 12, 2015

Our Council understands what it means to encourage and attract business, and takes that to heart. Every month, the City Manager and Elected Officials visit selected businesses around the City, to discuss what they like about us, and what they would like to see us do differently. That commitment to listening has resulted in a consistent expansion of our commercial sector, which positively contributes to the stability of our tax base.

Our economic outlook is still positive, as it has been for years. We have two residential developments under way with a third in the planning stages. The City's Gross Taxable Value increased for the second consecutive year, and by a larger margin than the previous one, indicating that prospects for sustainable growth are good. The vision for the property contiguous to City Hall is moving forward, slowly and conservatively, as we evaluate all options for what that can be. We have an understanding with a developer that will hopefully lead to a development agreement in the next fiscal year. The City is still operating at full steam ahead, with major development continuing, in hopes of attracting more business and visitors, year-round!

The City's land continues to be classified as (acreage): Preserve (47.9%), Residential (25%), Commercial/Industrial (20%), Recreational (4.6%) and Community Redevelopment (2.5%).

### **ACCOUNTING SYSTEMS AND BUDGETARY CONTROL**

The City's accounting records for general governmental operations and business type operations are maintained on a full accrual basis, with revenues recorded when available and measurable, and expenditures recorded when the services or goods are received and liabilities incurred. These statements are considered the Government-wide Statements, and are found on pages 17, 18 and 19. These statements present an organizational wide view of all City operations in one place.

In developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

*The safeguarding of assets against loss from unauthorized use or disposition; and*

*The reliability of financial records for preparing financial statements and maintaining accountability for assets.*

The concept of reasonable assurance recognizes that:

*The cost of a control should not exceed the benefits likely to be derived; and*

*The evaluation of costs and benefits requires estimates and judgments by management.*

Honorable Mayor, Council Members and Citizens  
March 12, 2015

All internal control evaluations occur within this framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the department level. All purchase requisitions are compared to available line item amounts and necessary significant budgetary adjustments are made prior to issuing purchase orders. The City Manager is authorized to transfer any unencumbered available line item balance or portion thereof between specific classifications of expenditures within a department. By resolution, the City Council may authorize the appropriation of the unencumbered reserve or the transfer of funds from one department to another.

### **THE REPORTING ENTITY**

The criteria used in determining the reporting entity are consistent with Statement Number 14 and 61 of the Governmental Accounting Standards Board regarding the definition of the reporting entity. Based on criteria found in these statements, the various funds (all funds of the City) shown in the Table of Contents are all that is necessary to be included in this report. There are no other entities that require inclusion in this report.

### **SERVICES PROVIDED**

The City provides the full range of municipal services normally associated with a municipality including fire protection, emergency medical services, street construction and maintenance, planning and redevelopment, cultural arts, recreation, parks, and library, as well as general administrative services. Police protection is provided by an annual contract with the Pinellas County Sheriff's Office. In addition, water, sewer, and reclaimed water services are provided under an enterprise fund structure with user charges set by the City Council to ensure adequate coverage of operating expenses and payment of outstanding debt. Stormwater management and Solid Waste are also accounted for as enterprise funds. The City contracts with a solid waste hauler to provide automated solid waste and single stream recycling services to residents.

### **ORGANIZATION OF THE GOVERNMENT**

The Community was founded in 1916 by Ransom E. Olds, inventor, and manufacturer of one of America's first automobiles, the "Oldsmobile". The City operates under the Council-Manager form of government.

Honorable Mayor, Council Members and Citizens  
March 12, 2015

The City Council is comprised of the Mayor and four council members and is responsible for enacting ordinances, resolutions, and regulations governing the City as well as appointing members to various statutory and advisory boards, and appointing the City Manager, City Attorney, and City Clerk.

The City Manager, as chief executive officer, is responsible for enforcement of laws and ordinances and appoints and supervises the City's department heads.

### **FINANCIAL CONDITION**

The Management Discussion and Analysis (MD&A) (starting on page 3) summarizes the Statement of Net Position and Statement of Activities and reviews the changes (from the beginning to the end of the period and current year to the prior year). The actual statements (in detail) are presented on pages 17 through 19. These Government-wide statements are intended to present the City on a more corporate-style basis and provide a view of the larger picture.

Additionally, the Fund Financial Statements (starting on page 20) are designed to address the Major (or more significant) individual funds by category (governmental and proprietary). An explanation of these complementary presentations can be found in the MD&A (starting on page 3) and in Note A of the Financial Statements.

The City's Business-type Activities are summarized in the MD&A and the Government-wide financial statements as a consolidated single column. The Major individual funds are presented in the Fund Financial Statements (See pages 20 through 27). The assets of the Firefighters Pension Trust Fund are presented as a Fiduciary Fund on pages 28 and 29).

To complement the available presentation, the following schedule reflects, in summary form for the Water and Sewer Fund, both the operating income before and after depreciation and the debt service coverage presented on a bond covenant basis. The net income before and after depreciation demonstrates cash flow generated to cover all or a portion of the asset consumption (depreciation). The Water and Sewer Fund's debt service consists of a bond issue and three loans from the Florida Department of Environmental Protection. The City has a multi-step inverted rate structure to encourage water conservation and to penalize high usage.

Honorable Mayor, Council Members and Citizens  
March 12, 2015

### **WATER AND SEWER FUND ACTIVITIES**

	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Operating Revenues	\$6,819,697	\$6,774,806	\$6,611,867
Operating Income	818,356	606,774	675,211
Add: Depreciation	1,875,694	1,843,056	969,922
Interest Income	43,709	14,429	49,266
Income Available for Debt Service	<u>2,737,759</u>	<u>2,464,259</u>	<u>1,694,399</u>
Annual Debt Service (Principal and Interest)	<u>1,238,422</u>	<u>1,136,541</u>	<u>840,459</u>
Coverage (Income available for debt service divided by annual debt service)	<u>2.21</u>	<u>2.17</u>	<u>2.016</u>

### **INDEPENDENT AUDIT**

The City Charter requires an annual audit of the books of account, financial records, and transactions of all City administrative departments by an independent certified public accountant selected by the City Council. This requirement has been fulfilled and the auditor's report from the certified public accounting firm of Wells, Houser & Schatzel, P.A., has been included in this report.

### **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Oldsmar for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

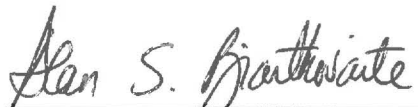
Honorable Mayor, Council Members and Citizens  
March 12, 2015

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **ACKNOWLEDGEMENTS**

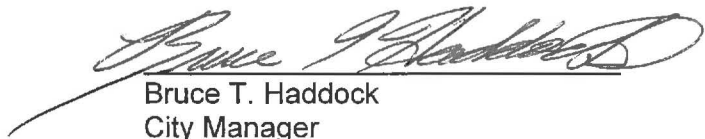
The timely preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Division. We would like to express appreciation to all members of the Division who assisted and contributed to its preparation, especially Cindy Nenno, Finance Administrator. We would like to thank Wells, Houser & Schatzel, P.A., for their continued professional assistance. We express appreciation to the Mayor and the members of the City Council for their continued interest and support in planning and conducting the City's financial operations in a responsible and progressive manner.

Respectfully submitted,



Alan S. Braithwaite, MPA, CGFO  
Director of Administrative Services

Respectfully submitted,



Bruce T. Haddock  
City Manager



Government Finance Officers Association

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

Presented to

**City of Oldsmar  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

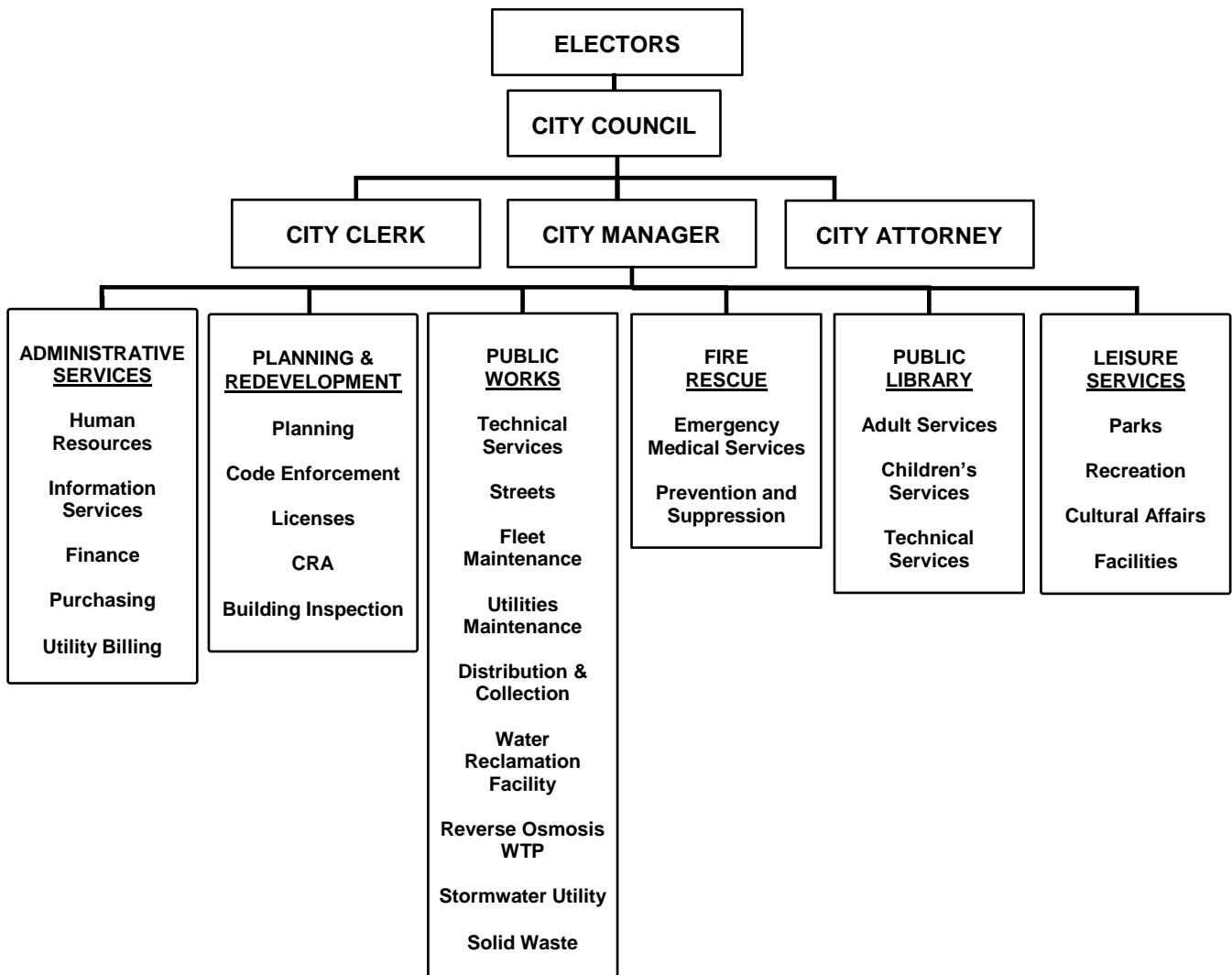
Executive Director/CEO



# ORGANIZATION CHART

*Fiscal Year-End September 30, 2014*

*City of Oldsmar, Florida*



# **FINANCIAL SECTION**

*This Section Contains the Following Subsections:*

**INDEPENDENT AUDITOR'S REPORT**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

**BASIC FINANCIAL STATEMENTS**

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A**

**COMBINING FINANCIAL STATEMENTS**

**SUPPLEMENTAL INFORMATION**

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
City Council Members  
City of Oldsmar, 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 Oldsmar, Florida, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of the Oldsmar Community Redevelopment Agency as of and for the year ended September 30, 2014, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

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

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (pages 3-16) 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 of Oldsmar, Florida's basic financial statements and the financial statements of the Oldsmar Community Redevelopment Agency. 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 basic financial statements. The required budgetary comparison schedule (pages 53-54) is not a required part of the basic financial statements but is required by accounting principles generally accepted in the United States of America. The schedule of expenditures of federal awards 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 basic financial statements.

The budgetary comparison schedule, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, budgetary comparison schedule, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 Standard***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2015, on our consideration of the City of Oldsmar, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Oldsmar, Florida's internal control over financial reporting and compliance.



Wells, Houser & Schatzel, P.A.  
St. Petersburg, FL  
February 5, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Oldsmar (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which begins on page v of this report.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$96,774,854. Of this amount, \$9,423,750 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position has increased by 17.5% from the prior year's net asset presentation, due to improved operations. The City's total net position increased by 3.6% (\$3,401,864), from the 2013 total figure.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$8,639,673, an increase of \$1,050,081 when compared to the prior year. Of this amount, \$2,716,643 is available for spending at the government's discretion (Unassigned Fund Balance).
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$3,130,890, or 24% of the total general fund expenditures.
- The City's total debt decreased by \$929,207 (6.8%) during the current fiscal year. The decrease reflects principal payments made on existing debt issues in both the Governmental and Enterprise funds, with no new borrowings during the fiscal year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This section of the MD&A provides a generic introduction to the City's financial statements, including a brief discussion on how the financial statements were prepared. This method of presentation is required by the Government Accounting Standards Board (GASB), through Statement Number 34. This section is intended to help readers understand the elements of the City's financial statements and does not present any specific financial activity related to the City of Oldsmar. The City's basic financial statements are comprised of three major components: government-wide statements, fund financial statements, and notes to the financial statements. Each is discussed below.

1. **Government-wide Financial Statements.** The Government-wide Financial Statements provide a broad overview of the City's finances, in a manner similar to that of a private-sector entity. There are two statements:

- a. **Statement of Net Position** (pg. 17). This statement presents information on all City assets and liabilities, with the difference between the two reported as net position (assets minus liabilities). The statement combines and consolidates the governmental funds' current financial resources with capital assets and long-term obligations. Increases or decreases in net position may be indicators of whether the City's financial position is improving or declining; however, increases and decreases, in and by themselves, cannot be viewed as positive or negative.

For example, changes in net position must be analyzed in relation to the City's overall objectives. If the City purchases a new capital asset for cash, the overall net position will decline because the new asset will be depreciated over its useful life. The City has traded cash, which does not depreciate, for an asset that will. However, the City's overall service objectives may be furthered by the purchase and use of the asset instead of holding the cash.

- b. **Statement of Activities** (pgs. 18-19). This statement presents information on why the City's net position changed during the fiscal year (the difference between revenues received and expenses incurred). The focus is on both the gross and net cost of various government services, revealing what portion of the city's programs require subsidy beyond what tax dollars provide. All changes in net position are reported as soon as an underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported even if cash is not received or paid.

Both financial statements described above divide the City's financial information into two types of activities: governmental activities, which are principally supported by taxes and intergovernmental revenues; and business-type activities, which are supported by user fees and charges. The City's Governmental Activities include: General Government, Law Enforcement, Fire Protection, Technical Services, Transportation, Library, Parks & Recreation, and Community Redevelopment. The City's Business-type Activities include: Water Reclamation, Reverse Osmosis Water Treatment Plant, Stormwater Utility, and Solid Waste services.

2. **Fund Financial Statements.** These are designed to provide readers with a more precise view of financial activity, unlike the government-wide statements, which focus on the City as a whole. A fund is a collection of resources, where a grouping of related accounts is used to control them. They have been segregated for a specific activity or objective. The City uses fund accounting to demonstrate compliance with legal requirements and to enhance accountability.

While the focus of the Fund Financial Statements is comparatively narrow (versus the government-wide), it is appropriate to compare fund information to its component counterpart in the governmental activities section of the government-wide financial statements. Doing so will assist the reader in understanding the long-term impact of the City's short-term decisions.

The Governmental Funds Financial Statements (pgs. 20-23) present sources and uses of spendable resources. This is the manner by which the budget is typically developed. The flow and availability of "liquid" resources is a clear and appropriate focus for any

analysis of a government. Funds are established for various purposes and the Fund Financial Statements present compliance with required Government Accounting Standards Board (GASB) rules.

While the Total column on the Business-type Fund Financial Statements (pgs. 24-27) equals the Business-type Total column on the Government-wide Financial Statements, the Governmental Funds Total column requires a reconciliation because of the difference in measurement focus which is reflected on the page following each Governmental Fund Financial Statement (pages 21 and 23). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (i.e., bonds) into the Governmental Activities column (in the Government-wide Statements).

There are three types of funds used by the City to report financial transactions. They are:

- a. Governmental Funds.** The Governmental Funds used to account for the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, these focus on short-term inflows and outflows of spendable resources, as well as on spendable resources available at year-end. This information is useful in evaluating the City's short-term financial condition.

The City maintains seven individual governmental funds. The focus of the Fund Financial Statements and the MD&A report is on major funds only, of which the City normally has two: general fund and capital projects fund. This year, the CRA also qualifies as a major fund due to an interfund advance that was used to finance a land acquisition in the redevelopment area. At the government-wide reporting level, information is presented separately for each major fund and information for the other four non-major governmental funds are combined into a single column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements, which are included after the notes to the financial statements.

The City adopts a budget for all governmental funds. A budgetary comparison statement has been provided for all governmental funds with a legally adopted budget to demonstrate compliance with the budget. Significant budget variances (if any) for non-major funds are discussed in Note A of the financial statements.

- b. Proprietary Funds.** Proprietary Fund Financial Statements provide the same information found in the Government-wide Statements, except in greater detail.

Enterprise Funds are used to report the same information as is presented in the business-type activities section of the Government-wide Financial Statements. The City maintains three separate enterprise funds to account for activities of the Water and Wastewater utility, Stormwater utility and Solid Waste utility. All three are considered major funds.

- c. **Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties other than the City, such as pension plan participants. The basis of accounting for fiduciary funds is equivalent to that of proprietary funds. Fiduciary fund financial information is not reflected in the Government-wide Financial Statements, because resources of those funds are not available to support the City's programs or services. The City presents Pension Trust Fund activity on pages 28 and 29.

- 3. **Notes to the Financial Statements** The notes provide additional information that is essential to the process of developing a complete understanding of the information presented in the government-wide and fund financial statements.

### **Required Supplementary Information (other than MD&A)**

In addition to the basic financial statements described above, the CAFR also presents certain required supplementary information, including a budgetary comparison schedule for the General Fund, and the schedule of funding progress for the Firefighter's Pension Fund. Required supplementary information is located just after the notes to the financial statements.

### **Combining Financial Statements, Individual Fund Financial Statements and Schedules**

These statements and schedules are provided for non-major governmental funds and are located immediately following the required supplementary information.

### **Other Supplementary Information**

These statements are designed to show a greater level of detail than is provided in the Fund Financial Statements. This information generally shows budgetary comparisons for the enterprise funds, and reconciliations between governmental fund statements and governmental activities in government-wide statements.

## **GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS**

### **Statement of Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, net position exceeded liabilities by \$96,774,854 at the close of fiscal year September 30, 2014.

The largest portion of the City's net position continues to be investment in capital assets (86.5%), such as land, buildings, improvement other than buildings, machinery and equipment, and infrastructure. The fiscal year 2013/14 figure, \$83,756,362, represents the net investment total, minus related debt outstanding used to acquire the assets.

Capital assets are used to provide services to the citizens, therefore do not represent position available for future spending. The resources required to pay the debt must come from other sources, since the asset itself cannot be used to satisfy the liabilities. The following table



reflects a summarized version of the Statement of Net Position, when compared to the prior fiscal year.

**Table 1**  
**Statement of Net Position**  
**As of September 30, 2014 and 2013**  
**(000's)**

	<b><u>Governmental</u></b> <b><u>Activities</u></b>		<b><u>Business-Type</u></b> <b><u>Activities</u></b>		<b><u>Total Primary</u></b> <b><u>Government</u></b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Current and other assets	\$10,589	\$8,841	\$ 9,128	\$ 8,648	\$19,717	\$17,487
Capital assets	50,405	48,992	44,024	44,345	94,429	93,337
<b>Total assets</b>	<b><u>\$60,994</u></b>	<b><u>\$57,833</u></b>	<b><u>\$53,152</u></b>	<b><u>\$52,993</u></b>	<b><u>\$114,146</u></b>	<b><u>\$110,826</u></b>
Other liabilities	2,066	1,392	2,294	2,129	4,360	3,521
Long-term debt outstanding	<u>2,034</u>	<u>2,040</u>	<u>10,977</u>	<u>11,892</u>	<u>13,011</u>	<u>13,932</u>
<b>Total liabilities</b>	<b><u>4,100</u></b>	<b><u>3,432</u></b>	<b><u>13,271</u></b>	<b><u>14,021</u></b>	<b><u>17,371</u></b>	<b><u>17,453</u></b>
Net Position						
Invested in capital assets, net of debt	48,952	47,480	34,805	34,576	83,757	82,056
Restricted	2,101	1,785	1,493	1,513	3,594	3,298
Unrestricted (deficit)	<u>5,841</u>	<u>5,136</u>	<u>3,583</u>	<u>2,883</u>	<u>9,424</u>	<u>8,019</u>
<b>Total net position</b>	<b><u>\$56,894</u></b>	<b><u>\$54,401</u></b>	<b><u>\$39,881</u></b>	<b><u>\$38,972</u></b>	<b><u>\$96,775</u></b>	<b><u>\$93,373</u></b>
<b>Total net position &amp; liabilities</b>	<b><u>\$60,994</u></b>	<b><u>\$57,833</u></b>	<b><u>\$53,152</u></b>	<b><u>\$52,993</u></b>	<b><u>\$114,146</u></b>	<b><u>\$110,826</u></b>

3.7% of the City's total net position represents resources that are restricted on how they may be used. 9.7% of the total net position may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Oldsmar was again able to report positive balances in all three categories of net position, for the City as a whole, as well as for each Governmental and Business-Type activities, individually. The City's Business-type unrestricted net position increased by \$700,277, to \$3,582,913, due to improved operations. Profit from the sale of surplus property in the General Fund, along with the construction of the Oldsmar Parks Connection contributed to an increase in the total Primary Government net position of \$704,680, to \$5,840,837, during the fiscal year.

For more detailed information, see the Statement of Net Position (page 17.)

## **Statement of Activities**

The following schedule compares the revenues and expenses for the current and previous fiscal year.

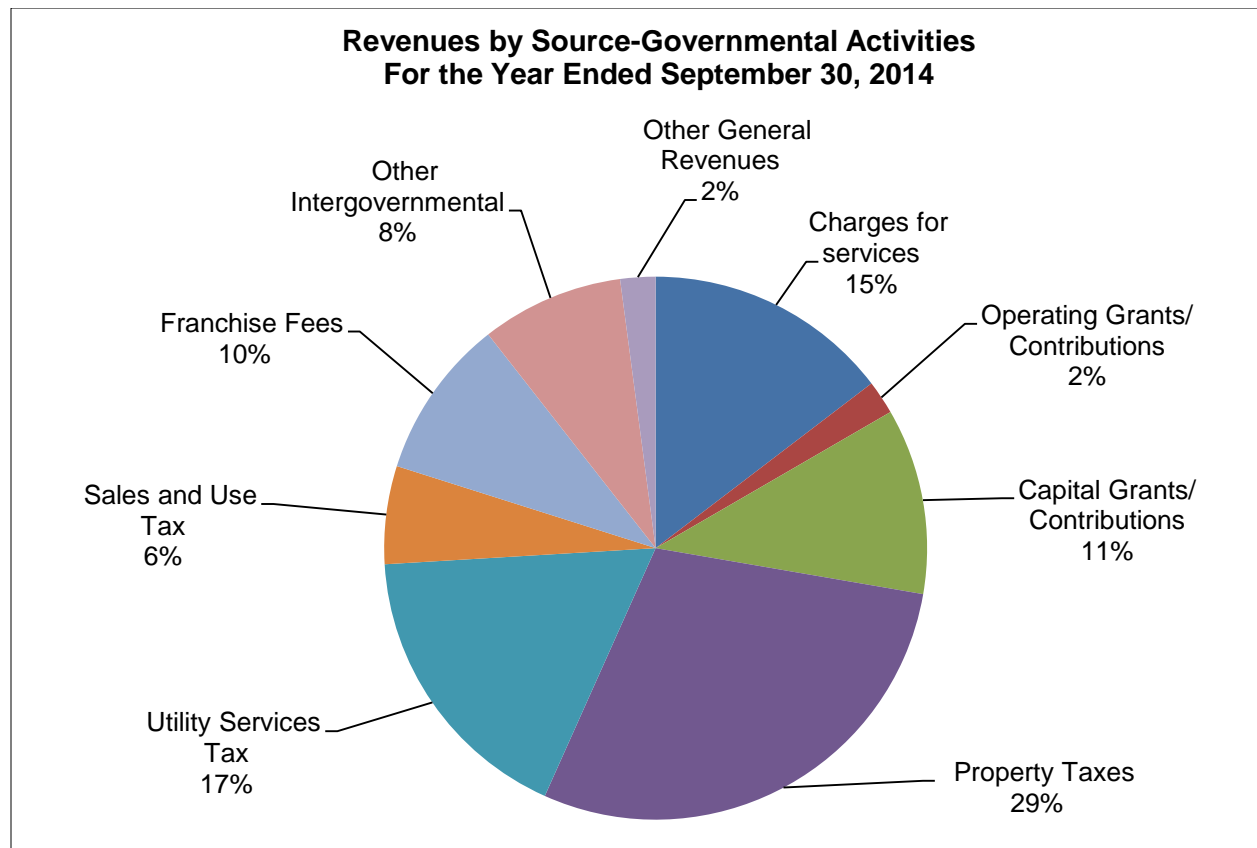
**Table 2**  
**Changes in Net Position**  
**(in 000's)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charges for services	\$2,197	\$2,245	\$9,780	\$9,666	\$11,977	\$11,911
Operating Grants/Contributions	303	329	23	23	326	352
Capital Grants/Contributions	1,664	1,286	161	425	1,825	1,711
<b>General Revenues:</b>						
Property Taxes	4,356	4,237			4,356	4,237
Utility Services Tax	2,609	2,639			2,609	2,639
Sales and Use Tax	877	518	467	750	1,344	1,268
Franchise Fees	1,433	1,376			1,433	1,376
Other Intergovernmental	1,275	1,138			1,275	1,138
Investment Income	14	37	49	17	63	54
Other General Revenues	<u>301</u>	<u>190</u>	<u>11</u>	<u>17</u>	<u>312</u>	<u>207</u>
<b>Total Revenues</b>	<b><u>15,029</u></b>	<b><u>13,995</u></b>	<b><u>10,491</u></b>	<b><u>10,898</u></b>	<b><u>25,520</u></b>	<b><u>24,893</u></b>
<b>EXPENSES</b>						
<b>Program Activities:</b>						
<b>Primary Government</b>						
<b>Governmental Activities:</b>						
General Government	3,371	3,255			3,371	3,255
Law Enforcement	1,764	1,768			1,764	1,768
Fire	2,022	2,184			2,022	2,184
Technical Services	165	163			165	163
Transportation and Drainage	1,647	1,569			1,647	1,569
Library	978	963			978	963
Parks & Recreation	2,386	2,319			2,386	2,319
Planning/Redevelopment	182	200			182	200
Interest on Long-Term Debt	21	103			21	103
<b>Business-type Activities:</b>						
<b>Water &amp; Wastewater</b>						
Water/Distribution & Collection			-	-	-	-
Water Reclamation			3,462	3,575	3,462	3,575
Reverse Osmosis water plant			2,996	3,088	2,996	3,088
<b>Stormwater Utility</b>			743	675	743	675
<b>Solid Waste</b>			<u>2,381</u>	<u>2,297</u>	<u>2,381</u>	<u>2,297</u>
<b>Total Expenses</b>	<b><u>12,536</u></b>	<b><u>12,524</u></b>	<b><u>9,582</u></b>	<b><u>9,635</u></b>	<b><u>22,118</u></b>	<b><u>22,159</u></b>
Excess Revenue Over Expenses	<u>2,493</u>	<u>1,471</u>	<u>909</u>	<u>1,263</u>	<u>3,402</u>	<u>2,735</u>
<b>Beginning Net Position</b>	<b><u>\$54,401</u></b>	<b><u>\$52,930</u></b>	<b><u>\$38,972</u></b>	<b><u>\$37,708</u></b>	<b><u>\$93,373</u></b>	<b><u>\$90,638</u></b>
<b>Ending Net Position</b>	<b><u>\$56,894</u></b>	<b><u>\$54,401</u></b>	<b><u>\$39,881</u></b>	<b><u>\$38,972</u></b>	<b><u>\$96,775</u></b>	<b><u>\$93,373</u></b>

## **Governmental Activities**

Governmental Activities increased the City's net position by \$2,493,022, accounting for 73.3% of the total growth in the net position of the City. Key elements to the increase in net position included:

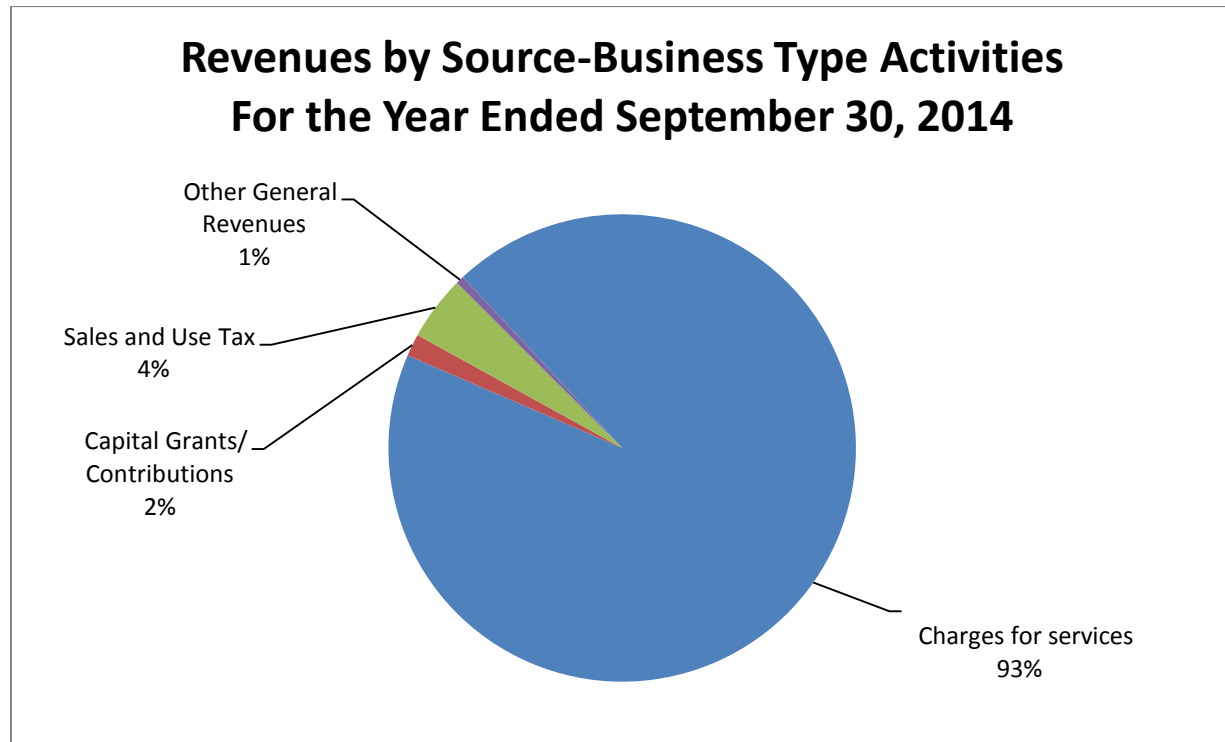
- Total Governmental Capital Grants & Contributions increased by 29% due to the grant reimbursements from the Oldsmar Parks Connection project.
- Total Governmental Revenues increased about 7%. In FY 2013/14, the City realized additional property and sales & use tax revenues, increased state and local revenue sharing revenues, and a gain on the sale of surplus land.
- Total Governmental activity expenses remained steady.



### **Business-type Activities**

Business-type activities (enterprise funds) increased the City's net position by \$908,842, accounting for 26.7% of the total growth in the government's net position. Key elements of the increase were:

- Program revenues for the Business-type activities increased due to the effects of the rate increases for sewer services and commercial solid waste. Total Business-type expenses remained steady.
- The Stormwater Utility Fund posted an operating loss again. Although the operating revenues remained steady, the need for additional stormwater system maintenance is again reflected in the operating expenses, with a 10% increase over the prior fiscal year. A slight Stormwater rate increase that is effective 10/1/2014 should help somewhat, however, a more comprehensive study is required and will be conducted during FY 2014/15.
- In the Solid Waste Fund, the commercial fee increase for FY 13/14 helped to reduce the operating deficit, although the fund was still dependent on investment earnings to break even.



## **FUND FINANCIAL STATEMENT ANALYSIS**

### **Fund Financial Statement Analysis**

As noted earlier, the City of Oldsmar 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 the end of the current fiscal year, the City's governmental funds reported a combined ending total fund balance of \$8,639,673, an increase of \$1,050,081 from the prior year. \$2,716,643 of the total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balances are either restricted, committed or assigned, which indicates that they are not available for new spending. Major restrictions, commitments or assignments include: Nonspendable (\$750,000) for Advances to Other Funds, primarily for the purchase of property in the CRA; Restricted (\$1,688,782) for Capital Projects, by external restrictions on Fund revenues; Committed to Capital Projects (\$988,163), by purchase orders not yet completed at year-end; and Assigned (\$2,392,793) for reserves or subsequent year expenditures.

The General Fund is the primary operating fund of the City. At the end of the current year, unassigned fund balance was \$3,130,890, while total fund balance in the General Fund was \$6,952,215. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 24% of total General Fund expenditures for the current year.

The fund balance of the City's General Fund increased by \$478,538 during the current fiscal year. Key factors in this change were:

- Overall, the General Fund revenues were up by \$305,904 from the prior year. Intergovernmental revenues were up by \$235,131, over the prior fiscal year, which includes grant funding for the Oldsmar Trail Connection project. Franchise Fee revenues rebounded by \$56,439, over the previous year. The Ad Valorem tax base began to show signs of improvement, as the previously distressed properties were removed from the market, resulting in an increase of \$95,425.
- General Fund expenditures increased by \$595,263 from the prior fiscal year. Once again the completion of the Oldsmar Parks Connection trail segments were primarily responsible for this increase.

The fund balance of the City's Capital Improvement Fund increased by \$570,277, to a total of \$1,550,299. Since balances are restricted legally for capital projects, large changes in Capital Improvement fund balance are not necessarily good or bad news, rather a sign that there has been a great deal of capital project activity (large decrease in fund balance) or very little (large

increase in fund balance). The increases normally suggest that funds are being saved for future Capital project use. In the Capital Improvement Fund, the annual city-wide street resurfacing project was completed, as well as the Bayside Boulevard resurfacing project. In addition, progress was made on the Burbank Road project. Local Infrastructure Tax funds were reserved to fund the Douglas Road Improvement project, scheduled to start in FY 2016/17.

In the Community Redevelopment Agency Fund ad valorem proceeds and grant revenues led to an increase in fund balance of \$254,728, to a deficit balance of \$414,247.

### **Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but with more detail provided.

In the Water and Sewer Fund, progress on capital projects and debt repayments resulted in an increase to Net Investment in Capital Assets by \$225,101. This increase, along with a strong year of operations, increased unrestricted net position by \$908,510, to \$2,631,861, with growth in the total fund net position of \$1,114,077. Total operating revenues held constant from the previous fiscal year, while total operating expenses were down somewhat, mainly due to the flexibility brought to the City by having its own water source in place.

The unrestricted net position of the Stormwater Fund was \$490,669 at year-end, a decrease of \$208,497. Operating revenues held constant from the previous fiscal year. Increased operating and maintenance expenses, combined with depreciation charges on existing stormwater infrastructure led to \$67,966 of additional expenses, over the prior fiscal year. As a result, the fund experienced another operating loss, with the amount of the loss totaling \$226,838. For FY 2014/15, a slight rate increase will be implemented and a comprehensive rate study will be completed.

Unrestricted net position of the Solid Waste Fund was \$460,383 at year-end, an increase of \$264 from the prior year. Operating revenues increased by \$118,241 and the operating expenses increased overall by \$84,569. The fund still experienced a slight operating loss. It appears to be related to variable commercial volume leading to higher solid waste disposal costs. Commercial solid waste charges to customers were increased as of 10/1/13, to offset increased disposal costs.

Other factors associated with the operation of these funds have been addressed in the discussion on the City's Business-type Activities, found on page 10.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The difference between the original budget and the final amended budget for appropriations (expenditure) in the General Fund was an increase of \$1,318,344. Budgetary changes were made in the General Fund for increases due to a Streets personnel reorganization, the Oldsmar Trail phases, a healthcare benefits consultant, additional legal fees, a traffic study, a liability claim settlement, and an increase to record the conveyance of park land. The corresponding offset was a reduction in the contingency reserve, an increase in the appropriations for intergovernmental revenue and an increase in contributions from developers.

The differences between the final amended budget for appropriations (expenditures) and actual expenditure in the General Fund was, again, a positive variance of \$3,102,204. Significant changes between the final amended budget for expenditures and the actual expenditures in the General Fund involved:

- A positive variance of greater than \$2.3 million, signifying City-wide discipline in cost control on the expenditure side resulted in positive variances across the board. In addition, some major capital projects planned for Parks did not progress as originally scheduled, due to weather conditions and other factors.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$94.4 million (net of accumulated depreciation). This investment in capital assets includes land and land rights, buildings, improvements, machinery and equipment, and infrastructure. The total increase in the City's investment in capital assets for the fiscal year was 1.2 % (\$1,091,187). Progress made on the Oldsmar Parks Connection project was the predominant factor in this increase.

Major capital asset events during the 2013/2014 fiscal year included the following:

- In total, \$1,224,696 was spent on the five current phases of the Oldsmar Parks Connection trail system. Phases 1, 2, and 4 were completed, and significant progress was made on phases 3 and 5. These projects are 100% funded by the FDOT Transportation Enhancement Program.
- During the fiscal year, \$46,816 was spent to complete the Mobley Bayou Trail Connection, funded by Parkland Dedication fees and an FDEP Recreational Trails Program grant. The Mobley Bayou Wilderness Outdoor Educational Center project (partially funded through a Land and Water Conservation Fund grant) saw \$290,313 expended, and is on track to be completed in FY 2015.
- Work began on the Canal Park BMX Facility, with a total of \$80,510 spent on preliminary design during FY 2014. The construction phase of the project will be funded through a grant from the Florida Department of Economic Opportunity and reserves.
- Substantial work was completed on the Hayes Park Villages project, with \$534,952 spent during the fiscal year as part of the City's development agreement with Hayes Park Development LLC. The City's contribution to the infrastructure is capped at a maximum of \$650,000.
- City Hall's aging diesel powered emergency standby generator was replaced with a new natural gas generator during the fiscal year, at a cost of \$100,151.
- The State Street Extension project, which provides access to the new Wellington Estates residential development and connects the Pinellas and Hillsborough sides of State Street, was completed at a cost of \$348,902. A total of \$150,000 was spent on the

Annual Neighborhood Street Resurfacing Project, as well as \$125,000 spent towards the Bayside Boulevard Resurfacing Project. The Burbank Road Construction Project is ongoing, with \$301,696 spent by the end of FY2014. These projects were primarily funded with Local Option Gas Taxes and Reserves.

- Progress was made on the Market Square and State Street/580 Intersection Improvements projects, with \$65,187 and \$71,190 spent, respectively in FY 2014. Although these projects are in the early stages, they are significant in scope. The Market Square project is especially noteworthy – it aims to transform the downtown area by adding a hotel, parking garage, shopping and dining options, and residential lofts. In the CRA, St. Petersburg Drive was resurfaced from Bayview Boulevard to Dartmouth Avenue at a total cost of \$162,792. This project was 50% funded by a Community Development Block Grant, awarded by Pinellas County.
- The Water/Sewer Fund saw the completion of the current phase of the Gravity Sewer Lining Project, at a cost of \$99,800. The Aquifer Storage and Recovery (ASR) project continued with \$272,165 in expenses during the fiscal year, assisted by Cooperative Grant Funding from SWFWMD. Finally, the Water Reclamation Facility Clarifier Rehabilitation project neared completion, with \$450,262 in expenses to repair and replace the secondary clarifier used as part of the biological treatment process.
- The Pine Avenue/Marlborough Drainage Improvement Project was completed during the fiscal year, at a total project cost of \$268,038. This project was funded through Stormwater Utility fees.
- Lastly, the City sold surplus land at the northwest intersection of Forest Lakes and Pine Avenue, for a total of \$528,000. The land was purchased in 2003 for \$373,000 and will be the site of Tuscany Woods, a multifamily residential housing project.

**Table 3**  
**Capital Assets at Year-end (millions)**  
**(Net of Depreciation)**

	<b><u>Governmental</u></b> <b><u>Activities</u></b>		<b><u>Business-type</u></b> <b><u>Activities</u></b>		<b><u>Total</u></b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Land and land rights	\$14.4	\$14.5	\$ 1.1	\$1.1	\$15.5	\$15.6
Buildings	16.6	16.6	24.0	24.0	40.6	40.6
Improvements other than						
Buildings	32.6	28.9	38.4	37.7	71.0	66.6
Equipment	6.1	6.0	2.8	2.3	8.9	8.3
Less:						
Accumulated Depreciation	<u>(21.9)</u>	<u>(20.0)</u>	<u>(24.0)</u>	<u>(21.8)</u>	<u>(45.9)</u>	<u>(41.8)</u>
<b>Sub-Total</b>	47.8	46.0	42.3	43.3	90.1	89.3
Work in Progress	<u>2.6</u>	<u>2.9</u>	<u>1.7</u>	<u>1.0</u>	<u>4.3</u>	<u>3.9</u>
<b>Total</b>	<b><u>\$50.4</u></b>	<b><u>\$48.9</u></b>	<b><u>\$44.0</u></b>	<b><u>\$44.3</u></b>	<b><u>\$94.4</u></b>	<b><u>\$93.2</u></b>



The following reconciliation (Table 4) summarizes the change in Capital Assets, which is presented in detail on page 38 of the Notes section.

**Table 4 (updated)**  
**Change in Capital Assets**  
**(in 000's)**

	<b><u>Governmental</u></b> <b><u>Activities</u></b>	<b><u>Business-type</u></b> <b><u>Activities</u></b>	<b><u>Total</u></b>
<b>Beginning Balance</b>	\$48,992	\$44,345	\$93,337
Additions	7,350	2,512	9,861
Retirement			
CWIP	(3,622)	(703)	(4,325)
Other	(487)	(18)	(505)
Depreciation	(1,942)	(2,130)	(4,072)
Retirement	<u>114</u>	<u>18</u>	<u>132</u>
<b>Ending Balance</b>	<b><u>\$50,405</u></b>	<b><u>\$44,023</u></b>	<b><u>\$94,428</u></b>

### **Long-Term Debt**

At the end of the current fiscal year, the City had total debt outstanding of \$12,781,172 which comprises bonds and notes secured solely by specified revenue sources. The City continues to have no General Obligation (GO) debt.

**Table 5**  
**Outstanding Debt, at Year-end**

	<b><u>2014</u></b>	<b><u>Totals</u></b> <b><u>2013</u></b>
<b>Governmental:</b>		
Capital Improvement		
Refunding Note – 2012 Veterans Park	<u>\$1,409,000</u>	<u>\$1,590,000</u>
Sub-Total	<u>1,409,000</u>	<u>1,590,000</u>
<b>Business Type:</b>		
Water/Wastewater Bonds	2,602,646	2,937,351
State Revolving Loan – RO Plant ARRA	2,919,748	3,048,672
State Revolving Loan – RO Plant Secondary	4,664,154	4,868,255
State Revolving Loan – Water	<u>1,185,624</u>	<u>1,306,101</u>
Sub Total	<u>11,372,172</u>	<u>12,160,379</u>
<b>Total</b>	<b><u>\$12,781,172</u></b>	<b><u>\$13,710,379</u></b>

The City's balance of total debt decreased by \$929,207 (6.8%) during the 2013/2014 fiscal year. No new debt was incurred and all scheduled debt service payments were made in a timely manner.

Readers desiring more detailed information on long-term debt activity should refer to Note E in the Notes to the Financial Statements.

### **ECONOMIC FACTORS**

The State of Florida, by Constitution, does not have a state personal income tax and, therefore, operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of permitted other taxes and fees (franchise, business tax receipts, etc.) for the funding of their governmental activities. There are a limited number of state-shared revenues, recurring and non-recurring (one-time) grants from both the state and federal governments.

For the business-type and certain governmental activities (permitting, recreational programs, etc.) the user of services pays a related fee or charge associated therewith.

The City places significant emphasis on encouraging economic development, particularly in the downtown redevelopment area (CRA). During the fiscal year, the city continued work on Market Square, a project that will help solidify the vision of the Council to have a vibrant and successful downtown area. The area now contains several retail strip centers, a mixed-use facility, multiple restaurants and four hotels. Oldsmar continues to work closely with Pinellas County to provide an economic environment to attract new business to our community.

### **FINANCIAL CONTACT**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City's Director of Administrative Services or Finance Administrator at City Hall at 100 State Street West, Oldsmar, Florida 34677-3655, telephone (813) 749-1100.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The government-wide financial statements present financial information about the reporting government as a whole. The fund financial statements present financial information about major funds individually and nonmajor funds in the aggregate for the governmental and enterprise funds. The notes to the financial statements present information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements.

## CITY OF OLDSMAR, FLORIDA

## STATEMENT OF NET POSITION

September 30, 2014

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash, pooled cash and cash equivalents	\$ 3,342,632	\$ 2,130,933	\$ 5,473,565
Investments	1,212,050	500,000	1,712,050
Receivables			
Accounts and other, net	107,973	792,325	900,298
Due from other governments	1,114,267	79,322	1,193,589
Inventories	38,129	-	38,129
Prepaid items	65,163	43,032	108,195
Total Current Assets	5,880,214	3,545,612	9,425,826
Noncurrent Assets			
Investments	4,709,624	3,447,354	8,156,978
Restricted Assets			
Cash, pooled cash and cash equivalents	-	2,135,323	2,135,323
Capital Assets			
Nondepreciable	16,985,958	2,797,882	19,783,840
Depreciable, net of accumulated depreciation	33,418,632	41,225,371	74,644,003
Total Noncurrent Assets	55,114,214	49,605,930	104,720,144
<b>TOTAL ASSETS</b>	<b>\$ 60,994,428</b>	<b>\$ 53,151,542</b>	<b>\$ 114,145,970</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 1,309,610	\$ 716,454	\$ 2,026,064
Accrued items	330,305	113,789	444,094
Retainage payable	113,940	45,018	158,958
Customer deposits	-	642,286	642,286
Due to other governments	23,469	-	23,469
Unearned revenue	145,809	-	145,809
Accrued interest payable	-	112,062	112,062
Current portion of long-term obligations	143,000	664,454	807,454
Total Current Liabilities	2,066,133	2,294,063	4,360,196
Long-Term Liabilities			
Other post employment benefits	427,000	132,000	559,000
Noncurrent portion of long-term obligations	1,607,048	10,844,872	12,451,920
Total Long-Term Liabilities	2,034,048	10,976,872	13,010,920
Total Liabilities	4,100,181	13,270,935	17,371,116
<b>NET POSITION</b>			
Net investment in capital assets	48,951,705	34,804,657	83,756,362
Restricted for			
Debt service	141,549	941,063	1,082,612
Capital projects	1,550,299	551,974	2,102,273
Public safety	195,089	-	195,089
Parkland dedication	117,983	-	117,983
Transportation impact	96,785	-	96,785
Unrestricted	5,840,837	3,582,913	9,423,750
Total Net Position	56,894,247	39,880,607	96,774,854
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 60,994,428</b>	<b>\$ 53,151,542</b>	<b>\$ 114,145,970</b>

The accompanying notes to financial statements are an integral part of this statement.

## CITY OF OLDSMAR, FLORIDA

## STATEMENT OF ACTIVITIES

For the year ended September 30, 2014

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities				
General Government	\$ (3,370,916)	\$ 1,339,577	\$ 3,178	\$ 143,102
Law Enforcement	(1,764,468)	-	-	2,699
Fire Protection	(2,021,776)	483,145	125,441	-
Technical Services	(164,632)	29,990	-	-
Transportation	(1,646,974)	33,446	-	85,312
Library	(978,512)	15,783	151,683	-
Parks and Recreation	(2,385,923)	254,060	22,550	1,345,567
Community Redevelopment	(181,699)	41,516	-	87,500
Interest on Long-Term Debt	(20,849)	-	-	-
Total Governmental Activities	(12,535,749)	2,197,517	302,852	1,664,180
Business-type Activities				
Water and Sewer				
Water reclamation	(3,461,871)	3,222,036	-	156,507
Reverse osmosis water plant	(2,995,966)	3,673,009	-	-
Stormwater Utility	(742,922)	516,084	12,667	4,814
Solid Waste	(2,381,572)	2,368,719	10,469	-
Total Business-type Activities	(9,582,331)	9,779,848	23,136	161,321
Total Primary Government	<u>\$ (22,118,080)</u>	<u>\$ 11,977,365</u>	<u>\$ 325,988</u>	<u>\$ 1,825,501</u>

## General Revenues

## Taxes

Property taxes

Sales and use taxes

Utility taxes

Communications service tax

Franchise fees

State and local revenue sharing - unrestricted

Investment income

Miscellaneous

Gain on disposal of capital assets

Total general revenues and transfers

## Change in Net Position

Net Position Beginning

Net Position Ending

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,885,059)	\$ -	\$ (1,885,059)
(1,761,769)	-	(1,761,769)
(1,413,190)	-	(1,413,190)
(134,642)	-	(134,642)
(1,528,216)	-	(1,528,216)
(811,046)	-	(811,046)
(763,746)	-	(763,746)
(52,683)	-	(52,683)
(20,849)	-	(20,849)
<u>(8,371,200)</u>	<u>-</u>	<u>(8,371,200)</u>
-	(83,328)	(83,328)
-	677,043	677,043
-	(209,357)	(209,357)
-	(2,384)	(2,384)
<u>-</u>	<u>381,974</u>	<u>381,974</u>
<u>(8,371,200)</u>	<u>381,974</u>	<u>(7,989,226)</u>
4,355,617	-	4,355,617
877,289	467,495	1,344,784
1,458,828	-	1,458,828
1,149,968	-	1,149,968
1,432,786	-	1,432,786
1,275,061	-	1,275,061
14,241	48,588	62,829
138,529	8,146	146,675
161,903	2,639	164,542
<u>10,864,222</u>	<u>526,868</u>	<u>11,391,090</u>
2,493,022	908,842	3,401,864
<u>54,401,225</u>	<u>38,971,765</u>	<u>93,372,990</u>
<u>\$ 56,894,247</u>	<u>\$ 39,880,607</u>	<u>\$ 96,774,854</u>

The accompanying notes to financial statements are an integral part of this statement.

## CITY OF OLDSMAR, FLORIDA

## BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2014

	General	Capital Improvement	Special Revenue Fund Community Redevelopment	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash, pooled cash and cash equivalent	\$ 648,870	\$ 1,730,032	\$ 457,131	\$ 506,599	\$ 3,342,632
Investments	5,921,674	-	-	-	5,921,674
Receivables					
Accounts and other	107,973	-	-	-	107,973
Due from other funds	750,000	-	-	-	750,000
Due from other governments	846,677	100,655	87,500	79,435	1,114,267
Inventories	38,129	-	-	-	38,129
Prepaid items	65,163	-	-	-	65,163
<b>TOTAL ASSETS</b>	<b>\$ 8,378,486</b>	<b>\$ 1,830,687</b>	<b>\$ 544,631</b>	<b>\$ 586,034</b>	<b>\$ 11,339,838</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Accounts payable	\$ 855,218	\$ 252,888	\$ 190,345	\$ 11,159	\$ 1,309,610
Retainages payable	68,170	27,500	18,270	-	113,940
Accrued items	330,042	-	263	-	330,305
Due to other governments	-	-	-	23,469	23,469
Due to other funds	-	-	750,000	-	750,000
Unearned revenue	172,841	-	-	-	172,841
<b>TOTAL LIABILITIES</b>	<b>1,426,271</b>	<b>280,388</b>	<b>958,878</b>	<b>34,628</b>	<b>2,700,165</b>
<b>FUND BALANCES</b>					
Nonspendable					
Inventory	38,129	-	-	-	38,129
Prepaid items	65,163	-	-	-	65,163
Advances to other funds	750,000	-	-	-	750,000
Restricted for:					
Capital projects	-	1,315,980	-	78,879	1,394,859
Debt service	-	-	-	141,549	141,549
Fire suppression	-	-	-	55,589	55,589
Transportation improvements	-	-	-	96,785	96,785
Committed to:					
Capital projects	942,740	6,319	-	39,104	988,163
Assigned to:					
Insurance	525,293	-	-	-	525,293
Appropriated reserve	1,500,000	228,000	-	139,500	1,867,500
Unassigned	3,130,890	-	(414,247)	-	2,716,643
<b>TOTAL FUND BALANCES</b>	<b>6,952,215</b>	<b>1,550,299</b>	<b>(414,247)</b>	<b>551,406</b>	<b>8,639,673</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,378,486</b>	<b>\$ 1,830,687</b>	<b>\$ 544,631</b>	<b>\$ 586,034</b>	<b>\$ 11,339,838</b>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF OLDSMAR, FLORIDA

RECONCILIATION OF THE BALANCE SHEET TO THE  
STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS

September 30, 2014

Fund balances - total governmental funds	\$	8,639,673
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Amounts reported for governmental activities in the statement  
of net position are different because:

Capital assets used in government activities are not financial  
resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$	72,263,391	
Less accumulated depreciation		<u>(21,858,801)</u>	50,404,590

Certain unearned revenues are not available to pay for current expenditures and are deferred in the fund statements, but recognized as revenue in the government-wide statements under the accrual basis of accounting		27,032
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Long-term liabilities, including bonds payable, are not due and  
payable in the current period and therefore are not reported in the  
governmental funds.

Governmental bonds payable	(1,409,000)	
Unamortized bond premium	(43,885)	
Other post employment benefit obligations	(427,000)	
Compensated absences	<u>(297,163)</u>	<u>(2,177,048)</u>

Net position of governmental activities	\$	<u><u>56,894,247</u></u>
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The accompanying notes to financial statements are an integral part of this statement.



## CITY OF OLDSMAR, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the year ended September 30, 2014

	General	Capital Improvement	Special Revenue Community Redevelopment	Other Governmental Funds	Total
<b>REVENUES</b>					
Property taxes	\$ 3,904,726	\$ -	\$ 450,891	\$ -	\$ 4,355,617
Sales taxes	-	877,289	-	-	877,289
Franchise fees	1,432,786	-	-	-	1,432,786
Utility taxes	1,289,807	-	-	169,020	1,458,827
Fire insurance premium tax	117,005	-	-	-	117,005
Communications service tax	1,149,968	-	-	-	1,149,968
Business tax receipts	160,885	-	-	-	160,885
Licenses, permits and fees	199,207	-	-	-	199,207
Intergovernmental revenues	3,221,802	-	87,500	74,595	3,383,897
Charges for services	349,045	29,990	-	-	379,035
Rents and royalties	123,895	-	40,516	-	164,411
Fines and forfeitures	436,436	-	-	-	436,436
Investment income	8,582	3,532	1,107	1,022	14,243
Impact fees	-	-	-	98,634	98,634
Special assessments	14,703	-	-	-	14,703
Other miscellaneous	636,284	-	-	-	636,284
<b>TOTAL REVENUES</b>	<b>13,045,131</b>	<b>910,811</b>	<b>580,014</b>	<b>343,271</b>	<b>14,879,227</b>
<b>EXPENDITURES</b>					
General Government	2,931,858	-	-	-	2,931,858
Law Enforcement	1,760,705	-	-	-	1,760,705
Fire Protection	1,861,924	-	-	-	1,861,924
Technical Services	165,317	-	-	-	165,317
Transportation	1,021,882	-	-	-	1,021,882
Library	831,526	-	-	-	831,526
Parks and Recreation	1,848,178	-	-	-	1,848,178
Community Redevelopment	-	-	48,055	-	48,055
Capital Outlay	2,580,635	340,534	277,231	529,398	3,727,798
Debt Service					
Principal retirement	-	-	-	141,000	141,000
Interest and other fiscal charges	-	-	-	26,335	26,335
<b>TOTAL EXPENDITURES</b>	<b>13,002,025</b>	<b>340,534</b>	<b>325,286</b>	<b>696,733</b>	<b>14,364,578</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>43,106</b>	<b>570,277</b>	<b>254,728</b>	<b>(353,462)</b>	<b>514,649</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers	(100,000)	-	-	100,000	-
Proceeds from sale of capital assets	535,432	-	-	-	535,432
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>435,432</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>535,432</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>478,538</b>	<b>570,277</b>	<b>254,728</b>	<b>(253,462)</b>	<b>1,050,081</b>
<b>FUND BALANCES BEGINNING</b>	<b>6,473,677</b>	<b>980,022</b>	<b>(668,975)</b>	<b>804,868</b>	<b>7,589,592</b>
<b>FUND BALANCES ENDING</b>	<b>\$ 6,952,215</b>	<b>\$ 1,550,299</b>	<b>\$ (414,247)</b>	<b>\$ 551,406</b>	<b>\$ 8,639,673</b>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF OLDSMAR, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES

For the year ended September 30, 2014

Net change in fund balances - total governmental funds	\$ 1,050,081
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditure for capital assets	\$ 3,727,798	
Less current year depreciation	<u>(1,941,728)</u>	1,786,070

Governmental funds report the proceeds from the sale of capital assets as an other revenue source. However, in the Statement of Activities the gain is included in General Revenues and the loss is included in direct expenses.

Proceeds from the sale of capital assets	(535,432)	
Gain on disposal of capital assets	<u>161,903</u>	(373,529)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets

Principal payments on long-term debt	141,000
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Some items reported in the Statement of Activities do not require the use of or provide current financial resources and therefore are not reported as revenues or expenditures in governmental funds.

Prior year special assessment unearned revenue	(39,391)	
Amortization of bond premium	5,486	
Current year special assessment unearned revenue	27,033	
Change in long-term compensated absences	(728)	
Change in OPEB	<u>(103,000)</u>	<u>(110,600)</u>

Change in net position of governmental activities	<u><u>\$ 2,493,022</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

## CITY OF OLDSMAR, FLORIDA

## STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS

September 30, 2014

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
<b>ASSETS</b>				
Current Assets				
Cash, pooled cash and cash equivalents	\$ 882,860	\$ 528,519	\$ 719,554	\$ 2,130,933
Investments	500,000	-	-	500,000
Receivables				
Accounts and other, net	684,584	14,446	93,295	792,325
Due from other governments	69,230	10,092	-	79,322
Prepaid items	30,159	3,181	9,692	43,032
Total Current Assets	2,166,833	556,238	822,541	3,545,612
Noncurrent Assets				
Investments	3,447,354	-	-	3,447,354
Restricted Assets				
Cash, pooled cash and cash equivalents	1,978,529	-	156,794	2,135,323
Capital Assets				
Nondepreciable	2,439,339	358,543	-	2,797,882
Depreciable, net of accumulated depreciation	36,653,921	4,571,450	-	41,225,371
Total Noncurrent Assets	44,519,143	4,929,993	156,794	49,605,930
<b>TOTAL ASSETS</b>	<b>\$ 46,685,976</b>	<b>\$ 5,486,231</b>	<b>\$ 979,335</b>	<b>\$ 53,151,542</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 330,027	\$ 31,540	\$ 354,887	\$ 716,454
Accrued items	103,298	8,390	2,101	113,789
Retainage payable	45,018	-	-	45,018
Accrued interest payable	112,062	-	-	112,062
Customer deposits	485,492	-	156,794	642,286
Current portion of long-term obligations	658,645	4,639	1,170	664,454
Total Current Liabilities	1,734,542	44,569	514,952	2,294,063
Long-Term Liabilities				
Other post employment benefits	107,000	21,000	4,000	132,000
Noncurrent portion of long-term obligations	10,844,872	-	-	10,844,872
Total Liabilities	12,686,414	65,569	518,952	13,270,935
<b>NET POSITION</b>				
Net investment in capital assets	29,874,664	4,929,993	-	34,804,657
Restricted for				
Debt Service	941,063	-	-	941,063
Capital Projects	551,974	-	-	551,974
Unrestricted	2,631,861	490,669	460,383	3,582,913
Total Net Position	33,999,562	5,420,662	460,383	39,880,607
<b>TOTAL NET POSITION AND LIABILITIES</b>	<b>\$ 46,685,976</b>	<b>\$ 5,486,231</b>	<b>\$ 979,335</b>	<b>\$ 53,151,542</b>

The accompanying notes to financial statements are an integral part of this statement.

## CITY OF OLDSMAR, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS

For the year ended September 30, 2014

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
OPERATING REVENUES				
User charges	\$ 6,551,970	\$ -	\$ 2,351,114	\$ 8,903,084
Fees	210,114	512,471	-	722,585
Other income	57,613	3,613	17,605	78,831
TOTAL OPERATING REVENUES	6,819,697	516,084	2,368,719	9,704,500
EXPENSES				
Salaries, wages and employee benefits	2,276,874	190,482	52,741	2,520,097
Contract services	511,121	43,869	-	554,990
Cost of water/solid waste disposal	7,668	-	2,047,719	2,055,387
Utilities	500,612	-	-	500,612
Operating supplies	367,093	58,720	1,530	427,343
Repairs and maintenance	208,818	41,732	-	250,550
Other expense	253,461	59,349	45,468	358,278
Expense allocation	-	94,760	234,115	328,875
Depreciation	1,875,694	254,010	-	2,129,704
TOTAL EXPENSES	6,001,341	742,922	2,381,573	9,125,836
OPERATING INCOME (LOSS)	818,356	(226,838)	(12,854)	578,664
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) on disposal of capital assets	2,639	-	-	2,639
Investment income	44,637	1,302	2,649	48,588
Intergovernmental revenue	467,495	12,667	10,469	490,631
Miscellaneous income	5,591	2,556	-	8,147
Interest expense and fiscal charges	(456,496)	-	-	(456,496)
TOTAL NONOPERATING REVENUES (EXPENSES)	63,866	16,525	13,118	93,509
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	882,222	(210,313)	264	672,173
CONTRIBUTIONS AND TRANSFERS				
Intergovernmental revenue	156,507	4,814	-	161,321
Capital contributions	75,348	-	-	75,348
CHANGE IN NET ASSETS	1,114,077	(205,499)	264	908,842
NET POSITION BEGINNING	32,885,485	5,626,161	460,119	38,971,765
NET POSITION ENDING	\$ 33,999,562	\$ 5,420,662	\$ 460,383	\$ 39,880,607

The accompanying notes to financial statements are an integral part of this statement.

## CITY OF OLDSMAR, FLORIDA

## STATEMENT OF CASH FLOWS - BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS

Year Ended September 30, 2014

## INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 6,909,001	\$ 510,621	\$ 2,408,015	\$ 9,827,637
Cash paid to suppliers for goods and services	(1,934,917)	(188,861)	(2,089,182)	(4,212,960)
Cash payments to and for the benefit of employees	(2,216,713)	(180,965)	(50,089)	(2,447,767)
Cash paid for general government allocated expenses	-	(94,760)	(234,115)	(328,875)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>2,757,371</b>	<b>46,035</b>	<b>34,629</b>	<b>2,838,035</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental revenue	467,495	12,667	10,469	490,631
Miscellaneous nonoperating income	5,591	2,556	-	8,147
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>473,086</b>	<b>15,223</b>	<b>10,469</b>	<b>498,778</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid on revolving loans	(453,502)	-	-	(453,502)
Interest paid on revolving loans	(238,346)	-	-	(238,346)
Intergovernmental revenue	156,507	4,814	-	161,321
Acquisition and construction of capital assets	(1,547,172)	(257,008)	-	(1,804,180)
Proceeds from capital asset disposals	2,639	-	-	2,639
Principal paid on revenue bonds	(95,950)	-	-	(95,950)
Interest paid on revenue bonds	(452,762)	-	-	(452,762)
Other interest costs paid on long-term debt	(1,126)	-	-	(1,126)
Capital contributed by developers, grantors and landowners	75,348	-	-	75,348
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(2,554,364)</b>	<b>(252,194)</b>	<b>-</b>	<b>(2,806,558)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(1,011,964)	-	-	(1,011,964)
Earnings on investments	44,637	1,302	2,649	48,588
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(967,327)</b>	<b>1,302</b>	<b>2,649</b>	<b>(963,376)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(291,234)</b>	<b>(189,634)</b>	<b>47,747</b>	<b>(433,121)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>3,152,623</b>	<b>718,153</b>	<b>828,601</b>	<b>4,699,377</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 2,861,389</b>	<b>\$ 528,519</b>	<b>\$ 876,348</b>	<b>\$ 4,266,256</b>
<b>COMPOSED OF:</b>				
Cash, pooled cash and cash equivalents	\$ 882,860	\$ 528,519	\$ 719,554	\$ 2,130,933
Noncurrent, Restricted cash, pooled cash and cash equivalents	1,978,529	-	156,794	2,135,323
	<b>\$ 2,861,389</b>	<b>\$ 528,519</b>	<b>\$ 876,348</b>	<b>\$ 4,266,256</b>

(continued)

# RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
OPERATING INCOME (LOSS)	\$ 818,356	\$ (226,838)	\$ (12,854)	\$ 578,664
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,875,694	254,010	-	2,129,704
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	18,604	407	13,127	32,138
(Increase) decrease in due from other governments	72,039	(5,870)	-	66,169
(Increase) decrease in prepaid expense	883	(157)	(558)	168
Increase (decrease) in accounts payable	(87,027)	14,966	6,093	(65,968)
Increase (decrease) in accrued items	20,747	2,574	482	23,803
Increase (decrease) in compensated absences	2,861	943	1,170	4,974
Increase (decrease) in OPEB	36,554	6,000	1,000	43,554
Increase (decrease) in customer deposits	(1,340)	-	26,169	24,829
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 2,757,371</u>	<u>\$ 46,035</u>	<u>\$ 34,629</u>	<u>\$ 2,838,035</u>

## NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Refunding and Improvement Revenue Bonds, Series 1990, include capital appreciation bonds. Interest accretion of \$238,755, is included in interest expense and fiscal charges of the Water and Sewer Fund for the year ended September 30, 2014.

An allowance for uncollectible accounts in the amount of \$7,481 and \$39,679 has been provided for in the Water and Sewer and Stormwater Funds, respectively at September 30, 2014.

There were no noncash investing, capital or financing activities in the Stormwater Utility or Solid Waste Fund.

The accompanying notes to financial statements are an integral part of this statement.

CITY OF OLDSMAR, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUND

September 30, 2014

With comparative amounts for September 30, 2013

	Firefighters' Retirement Pension Trust Fund	
	2014	2013
<b>ASSETS</b>		
Cash and cash equivalents	\$ 27,805	\$ 52,582
Investments, at fair value		
Broad Market HQ Bond Fund	741,468	1,569,377
Core Plus Fixed Income Fund	1,084,398	-
Diversified Small to Mid Cap Fund	505,125	444,927
Diversified Value Fund	380,003	315,493
High Quality Growth Fund	370,734	319,538
Russell 1000 Index Fund	1,084,397	922,211
International Blend Fund	440,247	420,658
Total Investments, at fair value	4,606,372	3,992,204
Accounts receivable	2,446	74,537
<b>TOTAL ASSETS</b>	4,636,623	4,119,323
<b>LIABILITIES</b>		
Accounts payable	306	1,474
<b>NET POSITION</b>		
Restricted for pensions	\$ 4,636,317	\$ 4,117,849

The accompanying notes to financial statements are an integral part of this statement.

CITY OF OLDSMAR, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUND

For the fiscal year ended September 30, 2014

With comparative amounts for the year ended September 30, 2013

	Firefighters' Retirement Pension Trust Fund	
	2014	2013
ADDITIONS		
Contributions - employee	\$ 34,805	\$ 36,578
Contributions - city	86,101	229,178
Fire insurance premium tax	117,005	115,949
Investment return	<u>356,532</u>	<u>423,354</u>
Total additions	594,443	805,059
DEDUCTIONS		
Benefit payments	36,519	47,273
Administrative charges	<u>39,456</u>	<u>32,126</u>
Total deductions	<u>75,975</u>	<u>79,399</u>
NET INCREASE	518,468	725,660
NET POSITION RESTRICTED FOR PENSION BENEFITS - BEGINNING	<u>4,117,849</u>	<u>3,392,189</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS - ENDING	<u><u>\$ 4,636,317</u></u>	<u><u>\$ 4,117,849</u></u>

The accompanying notes to financial statements are an integral part of this statement.



## CITY OF OLDSMAR, FLORIDA

### NOTES TO FINANCIAL STATEMENTS

September 30, 2014

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oldsmar, Florida, was founded in 1916 by Ransom E. Olds, the inventor of the Oldsmobile. The City of Oldsmar, Florida, a municipal corporation, operates under Chapter 37-18947, Laws of Florida. The accounting and reporting policies of the City of Oldsmar, Florida, relating to the funds included in the accompanying financial statements, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant accounting and reporting policies.

Defining the Financial Reporting Entity: In accordance with Governmental Accounting Standards Board Statement Nos. 14 and 61, the financial reporting entity includes the primary government, organizations for which the primary government is financially accountable and other organizations for which, if excluded, would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority to an organization's board or if the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or to impose specific financial burdens on, the primary government, the primary government is financially accountable. The City has determined that the Community Redevelopment Agency (CRA) is the only organization that meets these requirements, and therefore, has appropriately blended the component unit in the financial statements as a Special Revenue Fund. Although legally separate, the City Council serves as the CRA Board and City management has operational responsibility for the CRA. Separate financial statements for the CRA are not presently prepared. The CRA was created pursuant to Chapter 163.356, Florida Statutes and City Resolution 95-25.

Basic Financial Statements – GASB No. 34: The City's basic financial statements include both the government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

The Government-wide Statement of Net Position presents in columnar format the Governmental and Business-type activities of the City and reflects, on the full accrual basis, all long-term assets and receivables as well as long-term liabilities.

The Government-wide Statement of Activities presents the direct cost for each functional activity and applies program revenues and grants to arrive at a net cost for the identified functions. There are no indirect costs for allocation. Program revenues must be directly associated with the government function or business-type activity. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants and contributions, while the capital grants and contributions column reflects capital-specific grants and contributions. The overall combined net cost of governmental functions are further supported by general revenues of the City.

The governmental, proprietary and fiduciary funds present separate fund statements. The fiduciary fund statements are excluded from the government-wide financial statements. Major governmental funds and major proprietary funds are presented as separate columns in the fund financial statements as follows:

The City presents the following major governmental funds:

The *General Fund* is the government's primary reporting vehicle for current government operations. It accounts for all financial resources not required by law or administrative action to be accounted for in another fund.

The *Capital Improvement Fund* accounts for the accumulation of funds for the purpose of constructing major projects and improvements. Although not a major fund by definition, the City has chosen to present the fund as major.

The *Community Redevelopment Agency Fund Special Revenue Fund* accounts for property tax revenues restricted to be expended within the redevelopment district.

The City presents the following major proprietary funds:

The *Water and Sewer Operating/Impact Fund* accounts for the activities of the sewer treatment plant, sewer pumping stations and collection systems, the water distribution system and the reclaimed water system.

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The *Stormwater Utility and Solid Waste Funds* account for the activities of the stormwater system and refuse collection activities, respectively.

Basis of Accounting and Measurement Focus: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

Governmental activities are accounted for in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting. Conversely, governmental funds employ the current financial resources measurement focus and the modified accrual basis of accounting for these same activities.

All Proprietary Funds are maintained on the accrual basis of accounting with revenues being recognized when earned and expenses recognized when incurred. Operating revenues and expenses of the proprietary funds are defined as revenues or expenses related to the provision of the applicable service. Non-operating revenues and expenses include items unrelated to the provision of services.

The Fiduciary Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the fund are included on the balance sheet. Operating statements of the fund presents increases (e.g. additions) and decreases (e.g. deductions) in net position.

Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected within 60 days after year-end to pay liabilities of the current period. Revenues which are susceptible to accrual are as follows: state revenue sharing, franchise fees, local infrastructure tax and intergovernmental grants. Expenditures are recognized at the time liabilities are incurred, if measurable. Interest and principal payments on general long-term debt are recognized when paid.

Fund Accounting: In order to ensure observance of limitations and restrictions on the use of the resources available, the financial records and accounts are maintained in accordance with the principles of fund accounting. The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, net position, revenues and expenditures or expenses.

The Fund Financial Statements are presented to emphasize the major funds of the City. GASB No. 34 sets forth criteria for the determination of major funds. The General fund is always a major governmental activity. Based on the criteria of GASB No. 34 the Community Redevelopment Agency Fund is also considered a major governmental fund. The City has also chosen to reflect the Capital Improvement Fund as a major fund. The combined total of nonmajor funds is reflected as other governmental funds. For the business-type activities the Water and Sewer, Stormwater and Solid Waste funds are considered major funds. There are no other business-type activity funds for consideration. Fund financial statements are prepared on the modified accrual basis for governmental activities and the accrual basis for business-type activities.

Governmental Fund Types

General Fund: This fund is used to account for all financial resources except those required to be accounted for in other funds and, therefore, includes most of the general governmental activities.

Special Revenue Funds: These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund: This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Improvement Fund: This fund is used to account for certain revenue sources that are to be used exclusively for infrastructure improvements.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Proprietary Fund Types: Presented in accordance with GASB Statement No. 62 – “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements”. The City’s Proprietary types consist of the following:

Water and Sewer Fund: This fund is used to account for the water and sewer system which is operated in a manner similar to a private business -- where the intent of the governing body is that costs (expenses, including depreciation) of providing services to the public be recovered primarily through user charges.

Stormwater Utility Fund: This fund is used to account for the collection of stormwater utility fees. The fees will be used to address stormwater drainage issues, provide for preventative maintenance and major capital improvements to areas subject to flooding.

Solid Waste Fund: This fund is used to account for the refuse collection activities. The charges for services are used to cover the cost of refuse collection provided by a third party contractor.

Fiduciary Fund Types: Used to report assets held in a trustee capacity for others and therefore are not available to support City programs, and therefore, are not incorporated into the government-wide financial statements.

Pension Trust Fund: This fund is used to account for the activities of the Firefighters’ Retirement Pension Trust Fund, which accumulates resources for pension benefit payments to qualified public safety employees.

Non-current Governmental Assets and Liabilities: GASB No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Position.

Interfund Receivables and Payables: The \$750,000 interfund receivable and payable relates to a \$1,000,000 loan from the General fund to the Community Redevelopment fund to provide short term funding for the purchase of property within the redevelopment district. The balance will be repaid in equal payments of \$250,000 over the next three years.

Cash and Cash Equivalents: The City considers all highly liquid investments (including restricted assets) with maturities of three months or less when purchased to be cash equivalents. Deposits with the State Board of Administration, which are investments, are considered to be cash equivalents.

Equity in Pooled Cash and Cash Equivalents: The City utilizes consolidated accounts, wherein certain cash and equivalents (excluding those held in a fiduciary capacity) of all funds are commingled.

Inventories: Inventories of expendable supplies held for consumption are priced at cost using the weighted average method, which approximates First-In-First-Out. The cost of these supplies is recorded as an expenditure at the time the inventory is consumed.

Accounts Receivable: The City has recorded an allowance for potentially uncollectible water and sewer and stormwater service billings. Accounts receivable in the Proprietary Funds are shown net of the allowance. The allowance at September 30, 2014 was \$47,160.

Prepaid Items: Payments made to vendors that will benefit periods beyond September 30, 2014 are recorded as prepaid items under the consumption method of accounting.

Budgets and Budgetary Accounting: The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) In July, the City Manager submits to the City Council a proposed budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage rate.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

- b) Public Hearings are conducted to obtain taxpayer comments on the proposed budget and property tax millage rate.
- c) The budget and property tax millage rate is approved by the City Council in September.

Annual budgets were adopted for the following funds: General Fund, Public Safety Impact Fund, Parkland Dedication Fund, Transportation Impact Fund, Community Redevelopment Agency Fund, Debt Service Fund, Capital Improvement Fund, Water & Sewer Operating/Impact Fund, Stormwater Utility Fund and Solid Waste Fund. The budget serves as legal authorization for all expenditures. Budgeted expenditures may not legally exceed appropriations on a departmental level.

- d) The City Manager is authorized to transfer budgeted amounts between line items of individual departments. Transfers across departmental lines and changes in overall fund appropriations require City Council approval.
- e) The budget is reviewed on a periodic basis, and revisions to the original budget may be approved by City Council when deemed necessary. Budget revisions were approved for fiscal year 2014 in the General, Community Redevelopment Agency and Solid Waste funds. All budget amounts presented in the accompanying supplemental information reflect the original budget and the amended budget.
- f) All appropriations lapse at fiscal year end except for issued but unreceived purchase orders, which become automatic re-appropriations in the new year unless canceled. These re-appropriations are included in the amended budget amounts in the budget to actual comparison schedules.
- g) Budgets for governmental fund types and proprietary fund types are adopted on a financial flow basis (depreciation is excluded and capital outlay is included) and as a result is not consistent with GAAP.

Compensated Absences: Employees accrue sick leave at the rate of 8 hours per month for regular employees and 11.2 hours per month for Fire Department shift personnel. Vacation accruals vary from 2.4 to 5.4 weeks depending on years of employment. Sick leave maximum accrual is 96 hours per year and 134.4 per year for fire department shift personnel. Any accrued sick leave not used by an employee as of the last pay period of each calendar year shall be carried over to the next calendar year. Sick leave may be accumulated to a maximum of 552 hours for regular employees and 772 for Fire Department shift personnel. Upon death of an employee, or retirement from City service, the City will pay a portion of accumulated sick leave to the employee depending on the number of years of service. No accrual has been made for accumulated sick leave as a reasonable estimate of the amount payable cannot be made. A provision for accumulated vacation pay, related payroll taxes and retirement benefit costs as of September 30, 2014 has been made in the financial statements. The amount is included as a component of accrued items in the Governmental and Business-type Funds. The portion of the liability expected to be liquidated within the next year has been classified as a current liability. Amounts are reported in the governmental funds only if they have matured. Amounts not expected to be liquidated during the year are reported as a component of long-term obligations.

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 assessments 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 10 mills. The millage rate in effect for the fiscal year ended September 30, 2014 was 4.05 mills.

The tax levy of the City is established by the City Council prior to October 1 of each year and the Pinellas County Property Appraiser incorporates the millages into the total tax levy, which includes the tax requirements of the municipalities, independent districts and the County School Board.

All property is reassessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

All taxes are due and payable on 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% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest at 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.

Capital Assets: Capital assets are recorded at historical cost if purchased or at fair market value if donated. The City has elected to capitalize infrastructure improvements such as streets, bridges and drainage systems. The City's capitalization levels are \$2,000 on tangible personal property and \$10,000 for land, buildings and improvements. Interest costs incurred during construction of infrastructure improvements is capitalized as part of the assets historical cost. Interest costs of \$-0- were capitalized during the year. Costs incurred that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation on depreciable assets is provided on the straight line method over the following estimated useful lives: Buildings – 20 to 50 years, Improvements – 7 to 50 years and Equipment – 3 to 10 years. Depreciation charged to expense for the year amounted to \$1,941,728 in the Governmental activities and \$2,129,704 in the Business-type activities.

Deferred Outflows/Inflows of Resources: The Statement of Net Position would reflect separate elements for deferred outflows and deferred inflows of resources that represent a consumption or provision of net position that applies to a future period and will not be recognized as an outflow or inflow of resources until then. The City has no such items for reporting in its Statement of Net Position.

Net Position: The government-wide financial statements utilize a net position presentation. Net Position is presented in three components – net investment in capital assets, restricted and unrestricted. The net investment in capital assets component consists of capital assets less accumulated depreciation and any related long-term debt. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position. When both restricted and unrestricted resources are available for use, it is the option of the City to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances: The City has implemented Governmental Accounting Standards Board Statement (GASB) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective September 30, 2011. The City's fund balances are presented in the following categories:

Nonspendable: includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventory, prepaid amounts or advances to other funds. The corpus or principal of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted: fund balances are reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balances have been limited to the following items:

Capital projects: represents unexpended revenues legally restricted to expenditure for capital improvements.

Debt service: represents unexpended pledged revenues legally restricted for payment of principal and interest on the Refunding Revenue Note, 2012.

Fire suppression: represents the unexpended fire suppression capital fees restricted for fire-suppression-related capital improvements, limited to facilities, vehicles and equipment for firefighting and fire protection services.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Parkland Dedication: represents the unexpended Parkland Dedication fees used for the improvement and acquisition of parkland and opens space.

Transportation improvements: represents the amount restricted by enabling legislation by Pinellas County for transportation related improvements.

Committed: fund balances reported as committed represent amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, in this case by City Council adopted Ordinance. Committed fund balances also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Committed fund balances have been limited to:

Capital projects: open purchase orders for construction commitments.

Assigned: fund balances reported as assigned represent amounts that are constrained by the City's intent that they be used for specific purposes, but are not restricted. Intent is expressed by (a) the City Commission itself or (b) a body (a budget or finance committee, for example) or official (Director of Administrative Services) to which the City Commission has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances have been limited to the following items:

Insurance: represents the amount set aside for anticipated additional insurance costs.

Appropriated reserve: represents an appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.

Unassigned: represents the residual classification for the general fund that has not been restricted, committed or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds, other than the general fund, if expenditures incurred for specific purposes exceeded the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. City policy is to maintain a minimum unassigned fund balance in the General Fund equivalent to a 15% of the subsequent fiscal year original budgeted expenditures less capital outlay and transfers out budgeted for the fund. This requirement was met at September 30, 2014.

Restricted and Unrestricted Resources: When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then, unrestricted resources as needed to fund appropriations, but the City reserves the right to selectively defer the use of restricted assets. Unrestricted resources order of spending is first committed fund balance, then assigned and lastly, unassigned.

Interfund Activity: Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide statements.

Postretirement Health and Life Insurance Benefits: The City does not fund any postretirement health and life insurance benefits. Florida Statute 112.0801 provides that municipalities that provide life and health insurance to their employees must allow all retired personnel and their eligible dependents the option of continuing to participate in the group plan. The City offers its group policies to all retirees and their dependents, with retirees bearing the responsibility for the premiums. Under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the City is required to offer an election to deceased or terminated participants, their spouses and dependents, to continue coverage in the health plan provided by the City. The cost of coverage that the City may charge the participants may not exceed 102% of the applicable premium.

## CITY OF OLDSMAR, FLORIDA

### NOTES TO FINANCIAL STATEMENTS

September 30, 2014

#### **NOTE B – CASH, POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS**

The City maintains cash, pooled cash and cash equivalent accounts for use by all funds. The account balance of each fund is shown on the combined balance sheet as Cash, pooled cash and cash equivalents. In addition, cash, pooled cash and cash equivalent accounts are separately maintained by the City's enterprise funds.

Deposits: Florida Statutes require that all depositories holding public funds collateralize deposits in excess of FDIC insurance with the State Treasurer. All of the City's deposits are covered by the Florida Security for Deposits Act, Chapter 280, and are considered insured for risk categorization. At year end, the carrying amount of the City's deposits was \$3,500,254.

Cash equivalents and investments: Florida Statutes authorize the City to invest in the State Board of Administration's investment pool, mutual fund securities limited to U.S. Government obligations, obligations of the U.S. Treasury and U.S. agencies, interest-bearing time deposits and savings accounts in banks and savings and loans provided such deposits are at authorized public depositories that provide full collateralization, and money market funds of investment companies. In addition, the City, pursuant to Resolution 2004 – 38, may also invest in (1) Florida Municipal Investment Trust Funds, (2) Obligations of government-sponsored enterprises, and (3) Taxable or tax-exempt government bonds, notes or other obligations of investment grade quality. The City does not participate in any securities lending transactions nor has it used, held or written derivative financial instruments.

Florida Surplus Asset Fund Trust (the Trust) (FL SAFE) is an investment pool administered by Florida Management and Administrative Services, LLC. It is a common law trust organized in 2007 under the laws of the State of Florida. The Trust is organized pursuant to Florida Statutes 163.01 and is an authorized investment under section 218.415, Florida Statutes. The City has invested in a liquid money market like investment called the FL SAFE Fund that has a fair value of \$1 per unit. The amount on deposit with FL SAFE at September 30, 2014 was \$1,001,933.

The Local Government Surplus Funds Trust Fund (Florida PRIME) and the Fund B Surplus Funds Trust Fund (Fund B) are an investment pool administered by the Florida State Board of Administration (SBA) which is a three-member board made up of the State elected officials of Governor, Chief Financial Officer and Attorney General. They are empowered by Florida law to invest funds at the request of local governments. In accordance with GASB 31, Florida PRIME is considered a "2A-7 like" pool, and therefore the pool account balance (amortized cost) can be used as fair value for financial reporting. The funds may be withdrawn by the City upon demand. In accordance with GASB 31, the Fund B is accounted for as a fluctuating net asset value (NAV) pool. The Fund B funds are not available for withdrawal unless released from the Fund B to the Florida PRIME by the State Board of Administration. In September 2014, Fund B was liquidated in total, with all remaining funds being transferred to the PRIME Fund. At September 30, 2014, Fund B no longer existed and therefore, the City no longer maintained any balance in Fund B. The carrying amount of the City's investments with the State Board of Administration Florida PRIME was \$3,059,670.

Government sponsored enterprise investments are composed of bonds issued by the Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), Federal Farm Credit Bank and Federal Home Loan Banks. Municipal debt issues include the Florida State Hurricane Catastrophe Fund Financial Corporation, Polk County, Florida Utilities and JEA Florida District Energy System. The investments are held with Wells Fargo Bank, N.A. and are uninsured and uncollateralized. Federal and Florida bond investments are rated Aaa or Aa3 by Moody's and AA + or AA- by Standard and Poor's rating services, respectively. The investments are valued at quoted market prices with a fair value carrying amount at year-end of \$7,869,027.

Interest Rate Risk: The City minimizes interest rate risk, relating to the decline in market value of securities due to rising interest rates, by investing funds in government investment pool, short-term certificates of deposit and government sponsored enterprise bonds, thereby avoiding the need to sell securities in the secondary market prior to maturity. The weighted average days to maturity of the FL SAFE Fund at March 27, 2014 was 38 days. The weighted average days to maturity of the Florida PRIME at September 30, 2014 was 39 days. Scheduled maturities of government sponsored enterprise bonds range from 12 to 62 months, but are subject to call prior to maturity.

Credit Rate Risk: The City minimizes credit risk losses due to default of a security issuer or backer by diversifying its investments between issuers and limiting investments to certificates of deposit, SBA Florida Prime, FL SAFE and government sponsored enterprise bonds.

## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE B – CASH, POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

A summary of cash, pooled cash, cash equivalents and investments as reported in the accompanying Statement of Net Assets as of September 30, 2014, is summarized as follows:

	Carrying Amounts	Overall Credit Rating
Petty cash	\$ 1,760	N/A
Deposits	3,500,254	N/A
Certificates of deposit	2,000,000	N/A
Florida Surplus Asset Fund Trust (FL SAFE)	1,001,933	AAAm (S&P)
Government Sponsored Enterprises.		
Federal Home Loan Mortgage Corporation Bonds	2,147,686	AA+ (S&P)
Federal Home Loan Bank Bonds	2,916,627	AA+ (S&P)
Federal National Mortgage Association Bonds	648,529	AA+ (S&P)
Florida Hurricane Catastrophe Fund Fin Corp	703,098	Aa3 (Moody's)
JEA, FL District Energy System	250,280	Aa3 (Moody's)
Federal Farm Credit Bank	704,417	AA+ (S&P)
Polk County Florida Utilities	498,390	Aa3 (Moody's)
State Street Institutional Liquid Reserves Fund	45,272	AAAm (S&P)
State Board of Administration		
Florida PRIME	3,059,670	AAAm (S&P)
Total	<u>\$ 17,477,916</u>	

Cash, pooled cash, cash equivalents and investments as reported in the accompanying Statement of Net Position as of September 30, 2014, is summarized as follows:

Cash, pooled cash and cash equivalents, current	\$ 5,473,565
Investments, current	1,712,050
Investments, noncurrent	8,156,978
Cash pooled cash and cash equivalents, noncurrent restricted	2,135,323
	<u>\$ 17,477,916</u>

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## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE C - CHANGE IN CAPITAL ASSETS**

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

	Beginning Balance 10/01/13	Additions	Transfers In (Out)	Deletions	Ending Balance 9/30/14
<b>Governmental activities</b>					
Non-Depreciable Assets					
Land and land rights	\$ 14,521,923	\$ 204,045	\$ -	\$ (373,019)	\$ 14,352,949
Construction in progress	2,954,305	3,301,115	(3,622,411)		2,633,009
Depreciable Assets					
Buildings	16,591,178				16,591,178
Improvements	28,933,382		3,622,411		32,555,793
Equipment	6,023,633	222,639	(852)	(114,958)	6,130,462
<b>Totals at historical cost</b>	69,024,421	3,727,799	(852)	(487,977)	72,263,391
Less accumulated depreciation for					
Buildings	(3,808,671)	(431,606)			(4,240,277)
Improvements	(12,620,217)	(1,072,699)			(13,692,916)
Equipment	(3,603,486)	(437,423)	852	114,447	(3,925,610)
<b>Total accumulated depreciation</b>	(20,032,373)	(1,941,728)	852	114,447	(21,858,803)
<b>Governmental activities capital assets, net</b>	<b>\$ 48,992,048</b>	<b>\$ 1,786,071</b>	<b>\$ -</b>	<b>\$ (373,530)</b>	<b>\$ 50,404,588</b>
<b>Business-type activities</b>					
Non-Depreciable Assets					
Land and land rights	\$ 1,091,574	\$ 3,939	\$ -	\$ -	\$ 1,095,513
Construction in progress	1,067,393	1,338,401	(703,425)	-	1,702,369
Depreciable Assets					
Buildings	23,923,411	-		-	23,923,411
Improvements	37,720,723	-	703,425	-	38,424,148
Equipment	2,377,036	466,010	1,452	(17,993)	2,826,505
<b>Totals at historical cost</b>	66,180,137	1,808,350	1,452	(17,993)	67,971,946
Less accumulated depreciation for					
Buildings	(2,227,896)	(750,923)	-	-	(2,978,819)
Improvements	(18,385,833)	(1,198,418)	-	-	(19,584,251)
Equipment	(1,221,801)	(180,362)	(1,452)	17,993	(1,385,622)
<b>Total accumulated depreciation</b>	(21,835,530)	(2,129,703)	(1,452)	17,993	(23,948,692)
<b>Business-type activities capital assets, net</b>	<b>\$ 44,344,607</b>	<b>\$ (321,353)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,023,254</b>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 344,111
Law Enforcement	3,763
Fire Protection	160,183
Technical Services	1,717
Transportation	619,543
Library	143,587
Parks and Recreation	535,180
Community Redevelopment	133,644
<b>Total depreciation expense</b>	<b>\$ 1,941,728</b>

## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE D - DUE FROM OTHER GOVERNMENTS**

The amount of \$1,193,589 due from other governments as of September 30, 2014, consists of the following: September 2014 amounts collected on behalf of the City and not yet remitted that include Infrastructure and Local Option Gas taxes totaling \$100,655 from Pinellas County, Communications Service Tax in the amount of \$96,737 from the State of Florida, fines and forfeitures from Pinellas County in the amount of \$10,998, utility tax from the City of Clearwater in the amount of \$5,466, hydrant fees from the City of Safety Harbor in the amount of \$1,200, street sweeping cost reimbursements from the Florida Department of Transportation in the amount of \$5,278, grant funding from the State of Florida DEP in the amount of \$79,435, grant funding from the Southwest Florida Water Management District in the amount of \$74,044, lot mowing charges from Pinellas County in the amount of \$9,973 and grant funding from Florida Department of Transportation in the amount of \$722,303 and from Pinellas County in the amount of \$87,500. These amounts are unsecured and represent a concentration of credit risk in the event that any of the governmental entities were unable to remit the amounts due the City.

**NOTE E - LONG-TERM LIABILITIES**

The following is a summary of changes in Governmental Activities long-term liabilities for the year ended September 30, 2014:

<u>Governmental Activities</u>	Balance October 1, 2013	Increases	Decreases	Balance September 30, 2014	Amount due within one year
Refunding Revenue Note, 2012	\$ 1,550,000	\$ -	\$ (141,000)	\$ 1,409,000	\$ 143,000
Unamortized bond premium	49,372		(5,487)	43,885	
Subtotal	1,599,372		(146,487)	1,452,885	
Accrued compensated absences	296,434	38,859	(38,130)	297,163	51,080
Governmental Activities Totals	<u>\$ 1,895,806</u>	<u>\$ 38,859</u>	<u>\$ (184,617)</u>	<u>\$ 1,750,048</u>	<u>\$ 194,079</u>

The following is a summary of changes in Business-type Activities long-term liabilities for the year ended September 30, 2014:

<u>Business-type Activities</u>	Balance October 1, 2013	Increases	Decreases	Balance September 30, 2014	Amount due within one year
1990 Water and Sewer System Refunding and Improvement Revenue Bonds	\$ 545,020	\$ -	\$ (95,950)	\$ 449,070	
Unamortized bond discount	(18,206)		2,801	(15,405)	
Increase in book value of capital appreciation bonds due to interest accretion	2,392,331	214,006	(452,761)	2,153,576	
Subtotal	2,919,145	214,006	(545,910)	2,587,241	\$ 89,256
State revolving fund loan 2002	1,306,101	-	(120,477)	1,185,624	124,180
State revolving fund loan 2010	3,048,672	-	(128,924)	2,919,748	132,433
State revolving fund loan 2012	4,868,255	-	(204,101)	4,664,154	209,120
Accrued compensated absences	139,030	117,939	(104,410)	152,559	109,465
Business-type Activities Totals	<u>\$12,281,203</u>	<u>\$ 331,945</u>	<u>\$ (1,103,822)</u>	<u>\$ 11,509,326</u>	<u>\$ 664,454</u>
Totals all Activities	<u>\$14,177,009</u>	<u>\$ 370,804</u>	<u>\$ (1,288,439)</u>	<u>\$ 13,259,374</u>	<u>\$ 858,533</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE E - LONG-TERM LIABILITIES** – (continued)

Accrued compensated absences are liquidated in the funds that incur the respective liabilities, which are the General and Enterprise funds.

Governmental Activities Long-Term Liabilities: The Governmental Activities long-term liabilities are comprised of the following as of September 30, 2014:

Refunding Revenue Note, Series 2012, in the amount of \$1,550,000 were issued to refund the Revenue Bonds, Series 2002. Principal installments ranging from \$141,000 to \$168,000 from November 1, 2013 to November 1, 2022, plus interest at 1.78% payable semiannually on May 1 and November 1 of each year, secured by non-ad valorem revenues. \$ 1,409,000

Accrued compensated absences, unused accrued vacation pay for governmental funds. 297,163  
\$ 1,706,163

The annual requirements to amortize the Governmental Activities long-term liabilities, exclusive of compensated absences, as of September 30, 2014, are as follows:

Refunding Revenue Note, Series 2012

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 143,000	\$ 23,808	\$ 166,808
2016	150,000	21,200	171,200
2017	150,000	18,530	168,530
2018	156,000	15,806	171,806
2019	156,000	13,029	169,029
	755,000	92,373	847,373
2020-2023	654,000	23,514	677,514
Totals	<u>\$ 1,409,000</u>	<u>\$ 115,887</u>	<u>\$ 1,524,887</u>

The Public Service Tax revenues of \$169,020 provided a coverage ratio of 1.01:1 for the debt service refunding principal and interest payments on the 2012 Series totaling \$167,335.

Business-type Activities Debt: Business-type activities long-term liabilities are comprised of the following as of September 30, 2014:

Refunding and Improvement Revenue Bonds - Series 1990, 6.40% - 6.90% current interest bonds with serial maturities due in annual principal installments ranging from \$480,000 to \$510,000 from July 1, 2000 to July 1, 2001; capital appreciation bonds with approximate yield to maturity ranging from 7.05% - 7.25% and having serial maturities due in annual installments of maturity amounts (original principal amount plus interest earned to date of maturity) ranging from \$200,000 to \$350,000 from January 1, 2002 to July 1, 2010; 7.40% term capital appreciation bonds in the maturity amount (original principal amount plus interest earned to date of maturity or prior mandatory redemption) of \$5,478,137 maturing on July 1, 2020; interest is payable semiannually on current interest bonds and at maturity (or prior mandatory redemption date) on capital appreciation bonds; in the case of the capital appreciation bonds, unearned accreted interest included in the maturity amount outstanding at September 30, 2014 of \$2,153,576, secured by net revenues of the water and sewer system. \$2,602,646

## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE E - LONG-TERM LIABILITIES** – (continued)

State Revolving Fund Construction Loan 2002: The City entered into a State Revolving Fund Construction Loan agreement for the purpose of constructing a water pumping station and ground storage facility. The original amount of the loan is \$2,372,426, which was disbursed as the project was constructed and includes principal of \$2,370,576 and capitalized interest of \$1,850. Semiannual loan payments of \$79,701, including interest at 3.05% per annum, began on June 15, 2007 and semiannually thereafter, on December 15 and June 15 until fully paid. The loan is subordinated to the Series 1990 bonds and the preexisting State Revolving Loan and is secured by a lien on pledged revenues derived from the water and sewer system after payment of operation and maintenance expenses and senior debt obligations.

1,185,624

State Revolving Fund Construction Loan 2010: The City entered into a State Revolving Fund Construction Loan agreement for the purpose of funding a portion of the construction costs of a reverse osmosis water production facility. The principal amount is \$3,271,437, which was disbursed as the project was constructed and includes principal of \$3,207,179 and capitalized interest of \$64,258. Semiannual loan payments of \$105,310, including interest at 2.82% and 2.25% per annum, begin on September 15, 2012 and semiannually thereafter, on March 15 and September 15 until fully paid. The loan is subordinated to the Series 1990 bonds and the preexisting State Revolving Loan and is secured by a lien on pledged revenues derived from the water and sewer system after payment of operation and maintenance expenses and senior debt obligations.

2,919,748

State Revolving Fund Construction Loan 2012: The City entered into a State Revolving Fund Construction Loan agreement for the purpose of funding a portion of the construction costs of a reverse osmosis water production facility. The principal amount is \$5,063,204, which was disbursed as the project was constructed and includes principal of \$5,009,665 and capitalized interest and loan service fee of \$57,085. Semiannual loan payments of \$160,915, including interest at 2.43% and 2.50% per annum, begin on February 15, 2013 and semiannually thereafter, on August 15 and February 15 until fully paid. The loan is subordinated to the Series 1990 bonds and the preexisting State Revolving Loan and is secured by a lien on pledged revenues derived from the water and sewer system after payment of operation and maintenance expenses and senior debt obligations.

4,664,154

Accrued compensated absences: unused accrued vacation pay for business-type activities.

152,559
<u>\$11,524,731</u>

The net revenues of the water and sewer system for the year were \$2,737,759 and provided a coverage ratio of 2.20:1 for payment of the principal and interest on the Revenue Bonds and State Revolving Loans of the Business-Type Activities. The annual requirements to amortize the business-type activities long-term liabilities, exclusive of compensated absences, as of September 30, 2014 are as follows:

Refunding and Improvement Revenue Bonds - Series 1990

Year Ending September 30,	Principal	Interest	Total
2015	\$ 89,256	\$ 459,589	\$ 548,845
2016	83,120	466,498	549,618
2017	76,983	470,407	547,390
2018	71,405	474,618	546,023
2019	66,384	479,447	545,831
	387,148	2,350,559	2,737,707
2020	61,921	485,764	547,685
Totals	<u>\$ 449,069</u>	<u>\$ 2,836,323</u>	<u>\$ 3,285,392</u>

## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE E - LONG-TERM LIABILITIES** (continued)State Revolving Fund Construction Loan 2002

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 124,179	\$ 35,222	\$ 159,401
2016	127,996	31,406	159,402
2017	131,930	27,472	159,402
2018	135,984	23,417	159,401
2019	140,163	19,238	159,401
	660,252	136,755	797,007
2020-2023	525,372	32,532	557,905
Totals	<u>\$ 1,185,624</u>	<u>\$ 169,287</u>	<u>\$ 1,354,912</u>

State Revolving Fund Construction Loan 2010

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 132,433	\$ 78,186	\$ 210,619
2016	136,038	74,581	210,619
2017	139,742	70,877	210,619
2018	143,548	67,071	210,619
2019	147,457	63,162	210,619
	699,218	353,877	1,053,095
2020-2024	799,793	253,302	1,053,095
2025-2029	914,949	138,146	1,053,095
2030-2032	505,788	20,759	526,547
Totals	<u>\$ 2,919,748</u>	<u>\$ 766,084</u>	<u>\$ 3,685,832</u>

State Revolving Fund Construction Loan 2012

The annual requirements, including interest, to service the State Revolving Fund Construction Loan 2012 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 209,120	\$ 112,710	\$ 321,830
2016	214,261	107,568	321,829
2017	219,529	102,301	321,830
2018	224,926	96,903	321,829
2019	230,456	91,373	321,829
	1,098,292	510,855	1,609,147
2020-2024	1,240,110	369,037	1,609,147
2025-2029	1,400,245	208,903	1,609,148
2030-2032	925,507	39,981	965,488
Totals	<u>\$ 4,664,154</u>	<u>\$ 1,128,776</u>	<u>\$ 5,792,930</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE E - LONG-TERM LIABILITIES** (continued)

A summary of debt service requirements (all outstanding indebtedness) as of September 30, 2014 including interest payments and accreted interest on capital appreciation bonds of \$692,748 are as follows:

Year Ending September 30,	Revenue Bonds Debt Service	State Revolving Fund Construction Loans	Total
2015	\$ 715,653	\$ 691,850	\$ 1,407,503
2016	720,818	691,850	1,412,668
2017	715,920	691,851	1,407,771
2018	717,829	691,849	1,409,678
2019	714,860	691,849	1,406,709
	3,585,080	3,459,249	7,044,329
2020-2024	1,225,199	3,220,147	4,445,346
2025-2029	-	2,662,243	2,662,243
2030-2032	-	1,492,035	1,492,035
Totals	\$ 4,810,279	\$ 10,833,674	\$ 15,643,953

**NOTE F - RESTRICTED ASSETS, BUSINESS-TYPE ACTIVITIES**

Restricted assets consist of the following:

- (a) Water and Sewer Improvement Charges (Impact Fees):  
The use of which is restricted by ordinances authorizing the collections of such charges for the construction of additions and improvements to the water and sewer systems.
- (b) Assets of the Water and Sewer Fund restricted under provisions of the ordinances and resolutions authorizing the issuance of Refunding and Improvement Revenue Bonds, Series 1990.
- (c) Assets of the Water and Sewer Fund representing customer deposits.
- (d) Assets restricted under the provisions of ordinances and resolutions authorizing the City to enter into state revolving loan agreements.

A condensed summary of the restricted cash, pooled cash and cash equivalents is as follows:

	Business-type Activities
(a) Water and sewer impact fees	\$ 318,667
(b) Water and sewer operating	
Principal and interest	138,006
Reserve account	551,715
Renewal and replacement	251,342
(c) Customer deposits	642,286
(d) State revolving loans	233,307
	<u>\$ 2,135,323</u>

## CITY OF OLDSMAR, FLORIDA

### NOTES TO FINANCIAL STATEMENTS

September 30, 2014

#### **NOTE G – NET POSITION**

The government wide statement of net position reports \$3,594,741 of restricted net position, of which \$1,220,039 is restricted by enabling legislation.

#### **NOTE H - UNEARNED REVENUE**

Unearned revenue at September 30, 2014 relates to business tax receipts in the amount of \$145,809.

#### **NOTE I - RETIREMENT PLAN**

##### Florida Retirement System:

*Plan Description.* The City contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida Department of Management Services, Division of Retirement. FRS provides retirement and disability, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 121 of Florida Statutes assigns the authority to establish and amend benefit provisions to the State of Florida Department of Management Services. The Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to The Department of Management Services, Division of Retirement, Research, Education & Policy Section, Cedars Executive Center, Building C, 2639 North Monroe Street, Tallahassee, Florida 32399-1560 or by calling (850) 488-5706.

*Funding Policy.* Effective July 1, 2012 employee participants contribute 3% of eligible wages. The City is required by State statute to contribute, on a monthly basis, at an actuarially determined rate. The current rate is 7.37% and 19.82% of eligible payroll for regular and special risk (firefighters) service classes, respectively. The City's contributions to FRS for the years ended September 30, 2014, 2013 and 2012 were \$126,894 \$95,558 and \$87,272, respectively, equal to the required contributions for each year and include the required contributions for participants in the Senior Management Service Class Retirement Plan and Deferred Retirement Option Program discussed below.

Senior Management Service Class Retirement Plan – The City Manager and the Planning and Development Director participate in the Senior Management Service Class Retirement Plan, as permitted by Florida Statutes, Chapter 121.055(1)(b)1b and c. The current contribution rate for the class is 21.14%.

Deferred Retirement Option Program – implemented on July 1, 1998, the DROP program allows member employees of the FRS to effectively “retire” without terminating employment for up to five years. During the period, retirement benefits accumulate and are distributed to the employee at the retirement date in a lump sum prior to the employee receiving normal periodic retirement benefits that follow. The City currently has five participants in the program. The current contribution rate for this program is 12.28%.

##### Florida Municipal Pension Trust Fund:

##### General Employees Plan

*Plan Description.* The City, in accordance with Florida Statute 121, elected to opt out of the Florida Retirement System for newly hired employees effective January 1, 1996. The City contributes to the Florida Municipal Pension Trust Fund (FMPTF), an agent multiple-employer defined contribution pension plan that covers all full time employees, except firefighters. General employees are covered after a ninety (90) day waiting period. The general plan is administered by the Florida League of Cities, Inc. (the League). The Florida League of Cities, Inc. issues a publicly available financial report that includes financial statements and required supplementary information for the FMPTF. That report may be obtained by writing to Florida League of Cities, Inc., 301 S. Bronough St., P.O. Box 1757, Tallahassee, Florida 32302-1757 or by calling (850) 222-9684.

*Funding Policy.* General employees may voluntarily contribute up to 10% of their eligible salary. The City established by ordinance a contribution rate on a monthly basis of 8% of eligible wages for the defined contribution plan.

For fiscal years ended September 30, 2014, 2013 and 2012 the City contributed \$308,200, \$298,260 and \$284,536 respectively, to the general employees plan. Contributions were equal to required contributions for all three years.

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE I - RETIREMENT PLAN** (continued)

Firefighters' Retirement Pension Trust Fund

*Plan Description.* On July 16, 1996, the City established a pension plan for its firefighters pursuant to Chapter 175, Florida Statutes. The Retirement Plan and Trust for the Firefighters' of the City of Oldsmar (the Plan) is a single-employer, defined benefit pension plan established and administered by the City of Oldsmar and the Board of Trustees of the Plan. The Board of Trustees is composed of five members consisting of two elected firefighters, two city appointees and an appointed 5<sup>th</sup> member. Florida Statute 175 assigns the authority to establish and amend the benefit provisions of the plans that participate in FMPTF to the respective employer entities; for the City of Oldsmar this is the City Council. The City entered into a Master Trust Agreement with the Florida Municipal Pension Trust Fund (FMPTF) for administration of the plan. The investments of the plan are held by the FMPTF in a trustee capacity and are maintained in pooled trust accounts, which are managed by a professional trustee pursuant to a trust agreement with the City. The Plan provides retirement, disability and death benefits to Plan members and their beneficiaries. The Plan contains early retirement and cost of living increase provisions. The Plan did not issue a stand-alone financial report and is reported herein as a fiduciary pension trust fund. The Plan's significant accounting policies are as follows:

Basis of accounting: the Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative costs are paid by the plan.

Method used to value investments: Investments are reported at fair value. Short-term money market type investments are reported at cost, which is equal to fair value. The FMPTF's plan investment portfolio is valued at fair value based on market quotes of the individual investments in the portfolio.

Deposits: FMPTF periodically holds un-invested cash in its capacity as custodian of the Plan. These funds exist temporarily as cash in the process of collection from the sale of investments.

Investments: The FMPTF investment policy authorizes investment in repurchase agreements, direct obligations of the United States Treasury, the State Board of Administration investment pool, commercial paper rated "A1/P1" with a maximum maturity of 270 days from the time of purchase, banker's acceptances with a long-term debt rating of at least "AA" or short-term debt rating of "P1" with no more than 5% issued by any one depository and a maturity not to exceed 270 days from the time of purchase, certificates of deposit issued by qualified public depositories in the State of Florida and a maximum maturity of 2 years, obligations of federal government agencies or instrumentalities, money market mutual funds, mortgage obligations guaranteed by the U.S. government and sponsored agencies and/or instrumentalities, corporate fixed income securities with any "A" rating with no more than 5% in any one issuing corporation, asset backed securities issued in the United States, U.S. denominated and issued obligations and securities of foreign sovereign states or non-U.S. corporations rated "A" or better, commingled governmental investment trusts, no-load investment funds, or no-load mutual funds, guaranteed investment contracts rated in the highest category by AM Best, investment agreements with other financial institutions, common stock, preferred stock and interest bearing obligations convertible into common stock, and securities lending with approved dealers and custodians. The fair value of investments is measured at quoted market prices. The Plan's investments have been determined to conform to the current investment policy.

Credit Risk: To limit the Plan's credit risks against possible losses, the maximum amount that may be invested in the securities of an individual issuer or trust, not backed by the full faith and credit of the United States Government, its sponsored agencies and/or instrumentalities shall not, at the time of purchase exceed 5% of the assets in the invested portfolio based on cost. Investments in the FMIvT Broad Market High Quality Bond Fund are Fitch rated AA/V4. Other investments in FMIvT funds are not rated.

Foreign Currency Risk: Investments in the FMIvT International Blend Fund are not subject to foreign currency risk.

Interest Rate Risk: FMPTF manages interest rate risk through portfolio diversification, controlled duration strategies and maturity limitations. The weighted average maturity in years for the FMIvT Broad Market High Quality Bond fund is 6.47 years.



## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE I - RETIREMENT PLAN** (continued)

*Funding policy.* The City is required to contribute to the Plan at actuarially determined rates using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities. Plan members contribute 5% of their salary. In accordance with Florida Statute 175, excise taxes on fire insurance policies reduce the required contribution of the City. The contribution rate for the City was 29.47% for the fiscal year ended 2014, 34.55% for the fiscal year ended 2013, and 38.16% for the fiscal year ended 2012. For fiscal 2014 the City contributed \$86,101, which along with available on behalf payments of state excise tax contributions in the amount of \$117,005 and available Advance Employer Payments in the amount of \$3,842 equaled the actuarially determined minimum contribution rate. The net pension obligation is liquidated in the fund that incurs the respective liability, which is the General Fund.

Membership of the Plan: Membership of the plan consisted of the following at September 30, 2014. The date of the latest actuarial valuation was October 1, 2014.

Retirees and beneficiaries receiving benefits	1
Terminated plan members entitled to but not receiving benefits	3
Vested active plan members	4
Non vested active plan members	10
Total active participants	18

Annual pension cost: The City's annual pension cost for the current year and related information is as follows:

Annual pension cost	\$ 225,092
Contributions made	\$ 205,626
Actuarial valuation date	October 1, 2014
Actuarial value of assets	\$3,880,449
Actuarial accrued liability	\$3,535,542
Unfunded actuarial accrued liability	\$ -0-
Funded ratio	109.76%
Annual covered payroll	\$ 663,716
Ratio of unfunded actuarial liability to annual covered payroll	0.00%
Actuarial cost method	Aggregate
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increase	4.50%
Post retirement COLA	3.00%

Three-year trend information:

Year ended September 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 308,060	93%	\$ 23,908
2013	260,273	97%	31,423
2014	225,092	92%	50,889

## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE I - RETIREMENT PLAN** (continued)Net pension obligation (asset):

	10/01/14	10/01/13
Actuarially determined contribution	\$ 225,210	\$ 260,363
Interest on NPO	2,357	1,793
Adjustment to contribution	(2,475)	(1,883)
Annual Pension Cost	225,092	260,273
Contribution made	205,626	252,758
Increase (decrease) in NPO	19,166	7,515
NPO, beginning	31,423	23,908
NPO, ending	\$ 50,889	\$ 31,423

Net pension liability (asset): The City's net pension liability (asset) for the current year and related information is as follows:

Total pension liability	\$3,129,723
Fiduciary net position	\$3,360,995
Net pension liability (asset)	\$ (231,272)
Measurement date	October 1, 2013
Actuarial valuation date	October 1, 2013
Employer's reporting date	September 30, 2013
Discount rate	8.07% per annum (3.59% attributed to long-term inflation)
Salary increases	4.5% per annum
Cost of living increases	3.0% per annum
Mortality basis	Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA
Retirement	Assumed to occur at the most valuable retirement age
Non-investment expenses	Liabilities have been loaded by 2.75% to account for non-investment expenses
Future contributions	Employer and employee contributions are assumed to be made as legally required
Changes	The actuarial assumptions did not change from the prior measurement date since GASB 67 is first effective for this measurement period

Comparison of net pension liability (asset) using alternative discount rates:

	Discount rate minus 1%	Discount rate at 8.07%	Discount rate plus 1%
Total pension liability	\$ 3,736,315	\$ 3,129,723	\$ 2,643,629
Less fiduciary net position	(3,360,955)	(3,360,995)	(3,360,995)
Net pension liability	\$ 375,320	\$ (231,272)	\$ (717,366)

Determination of the long-term expected rate of return:

	Target allocation	Expected long-term real return
Core bonds	16%	2.29% per annum
Multi-sector	24%	2.78% per annum
U.S. large cap equity	39%	5.68% per annum
U.S. small cap equity	11%	6.24% per annum
Non-U.S. equity	10%	5.44% per annum
Weighted arithmetic average	100%	4.48% per annum

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE I - RETIREMENT PLAN** (continued)

As noted above, the Plan uses the aggregate actuarial cost method, which does not identify or separately amortize unfunded actuarial liabilities. The required schedule of funding progress following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. After 2006, the schedule of funding progress has been prepared using the entry age actuarial cost method and the information presented is to serve as a surrogate for the funded status and funding progress of the plan.

In accordance with City Ordinance 2002-07 adopted May 21, 2002, the Firefighters' Pension Plan was amended to increase the disability benefit for a member deemed to be totally and permanently disabled from a service connected injury or disease from 42% to 66% of average monthly salary at the time of disability.

In accordance with City Ordinance 2005-02 adopted April 5, 2005 the Firefighter's Pension Plan was amended to increase the benefit formula multiplier from 3% to 3.25% and increase the member contribution rate from 1% to 1.5%.

In accordance with City Ordinance 2011-05 adopted September 7, 2011 the Firefighter's Pension Plan was amended to increase the member contribution rate from 1.5% to 2%.

In accordance with City Ordinance 2012-01 adopted May 5, 2012 the Firefighter's Pension Plan was amended to increase the member contribution rate from 2% to 5% and decrease the benefit formula multiplier from 3.25% to 3.125%

In accordance with City Ordinance 2014-09 adopted November 4, 2014 the Firefighter's Pension Plan was closed to new members. Effective October 1, 2014 newly hired firefighters will participate in the Florida Retirement System.

**NOTE J – POSTEMPLOYMENT HEALTHCARE PLAN**

The City has adopted the provisions of GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", as of October 1, 2008. This Statement provides for the determination and disclosure of the annual cost of providing other postemployment benefits (OPEB).

*Plan Description.* The City provides a single-employer, defined benefit postemployment health care plan, (the Plan), whereby retired employees are able to purchase health care benefits through the City's health care providers. The Plan is administered by the health care providers. The Plan is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for the Plan. All approved benefits are paid from general assets when due. The City does not issue stand-alone financial statements for the Plan.

To be eligible to participate in the plan employees must be a minimum of age 62 with 10 or more years of service or have at least 30 years of service at any age.

The retired employees (including their eligible dependents) that are eligible to participate in the Plan may enroll in the plan offered by the City through the Florida Municipal Insurance Trust. Retiree Plan participants are required to pay 100% of their respective health care insurance premiums. The City's overall cost of providing health care benefits is increased as a result of an implicit insurance rate subsidy resulting from retired employees being permitted to pay lower than age-adjusted premiums through the use of blended premium for both retirees and active employees. The resulting incremental increase in health care insurance premiums results in an actuarial accrued liability to the City based on projected health care costs.

*Funding Policy.* The annual required contribution to fund the incremental cost of the healthcare plan is based on a pay-as you-go funding approach. For the year ended September 30, 2014, the expected contribution for the City was \$28,000.

*Annual Other Postemployment Benefit Cost (OPEB) and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". The ARC represents a level of funding that would be required to cover the normal cost of the plan each year on a pay-as-you-go basis assuming a 30 year amortization period. The net OPEB obligation is liquidated in

## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE J – POSTEMPLOYMENT HEALTHCARE PLAN** (continued)

the funds that incur the respective liability which are the General and Enterprise funds. The following table shows the City's annual OPEB cost and the amount expected to be contributed by the City towards this OPEB obligation:

	Pay-As-You-Go Funding - Fiscal Year Ended 9/30/14
Annual Required Contribution (ARC)	\$ 184,000
Interest on net OPEB obligation	17,000
Adjustment to ARC	(36,000)
Annual OPEB cost	165,000
Expected employer contribution	(27,000)
Increase in net OPEB obligation	138,000
Net OPEB obligation beginning of year	421,000
Net OPEB obligation end of year	\$ 559,000

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/07	\$ -	\$ 302,000	\$ 302,000	0.0%	\$ 6,198,000	4.9%
10/01/11	-	802,000	802,000	0.0%	5,746,000	14.0%
10/01/13	-	991,000	991,000	0.0%	5,425,000	18.3%

## Three-year trend information:

Year ending September 30,	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
2012	\$ 150,000	19%	\$ 288,000
2013	160,000	17%	421,000
2014	165,000	16%	559,000

## Required Actuarial Information:

Actuarial valuation date	10/1/13
Annual OPEB Cost	\$ 165,000
Contributions made	\$ 27,000
Actuarial cost method	Projected Unit Credit
Amortization method	15-year open period, level-dollar payment
Remaining amortization period	30 years
Asset valuation method	Unfunded
Actuarial assumptions	
Investment rate of return	4.00%
Inflation rate	2.75%
Projected salary increases	4.00%
Health care cost trend rate (reduced .5% annually)	9.00%
Ultimate trend rate	5.00%

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE J – POSTEMPLOYMENT HEALTHCARE PLAN** (continued)

Actuarial valuations involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

**NOTE K – EMPLOYER BENEFITS FROM ON-BEHALF PAYMENTS**

The City receives insurance excise tax remittances from the State of Florida on behalf of the Firefighters' Retirement Plan that are restricted in purpose for the benefit of the retirement plans and must be transferred immediately upon receipt to the retirement plan. The amount received from the State of Florida on behalf of the Firefighters' Retirement Plan for the year ended September 30, 2014 was \$117,005. These amounts have been reported as revenues in the General Fund with a corresponding expenditure classified as part of personal services in the Fire department.

**NOTE L - DEFERRED COMPENSATION PLAN**

The City offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them 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. As of January 1, 1997, as a result of the Small Business Job Protection Act of 1996, the assets of the deferred compensation plan are no longer the property of the City and are not subject to the claims of the City's creditors. The City offers a choice of two plans and has appointed the Plan's Administrators, Nationwide Retirement Solutions and FMPTF, as trustees of the Plan effective January 1, 1997. As a result, the City no longer reflects the plan assets or liabilities in an Agency Fund as the City has no rights to these assets nor does the City act in a fiduciary capacity.

**NOTE M - COMMITMENTS AND CONTINGENCIES**

Commitment: At September 30, 2014, construction contract commitments in the Governmental Fund Types total \$1,041,612. The uncompleted commitments are included as fund balances committed to capital projects. Construction commitments in the Proprietary Fund Type for 2014 totaled \$536,299.

Contingency: The City has been named in various legal actions. In the opinion of management, based on the advice of legal counsel, any ultimate liability to the City resulting from the satisfaction of the various legal actions will have no material effect on the financial condition of the City.

Law Enforcement Services: The City has contracted with the Pinellas County Sheriff's Office to provide law enforcement services from October 1, 2014 through September 30, 2015 in the amount of \$1,559,955. The expenditure for the year ended September 30, 2014 was \$1,517,451.

**NOTE N – INTERFUND LOANS AND TRANSFERS**

The interfund loan from the General Fund to the Community Redevelopment Agency Fund in the amount of \$750,000 was to provide funding for a property acquisition within the redevelopment district with annual repayments of \$250,000 until repaid.

Transfers totaling \$100,000 were made from the General Fund during the year to the Parkland Dedication Fund. The transfer was to assist in funding capital outlay projects.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE O - LEASE COMMITMENTS**

Operating Leases

The City leases equipment through various operating leases. The total rental expenditures incurred and charged to operating expense amounted to \$18,596. Information relative to the minimum future rentals is as follows:

<u>Year Ending September 30,</u>	<u>Total</u>
2015	\$ 11,862
2016	9,789
2017	4,416
2018	<u>1,634</u>
	<u>\$ 27,701</u>

**NOTE P - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK**

The City provides refuse, water, sewer and stormwater service to businesses and residents of the City. As of September 30, 2014, the refuse accounts receivable was \$93,295 with customer deposits of \$156,794 held as security for payment of the outstanding accounts receivable. The water, sewer and stormwater accounts receivable totaled \$699,030 with customer deposits in the amount of \$485,492 held as security for payments of the outstanding accounts receivable.

**NOTE Q - RATE AND DEBT COVENANTS**

Pursuant to State Revolving Loan Agreements, the City shall maintain water and sewer system rates which will be sufficient to provide pledged revenues equal to or exceeding 1.30 (State Revolving Loan) and 1.15 (State Revolving Fund Construction Loan) times the annual loan payment after the satisfaction of all yearly payment obligations of superior liens. For the year ended September 30, 2014, these covenants were met.

The State Revolving Loan agreements provide that the City shall establish an account in which to maintain an “annual loan deposit” and the “loan repayment reserve”. The accounts are being maintained at the State Board of Administration and are accounted for in the Water and Sewer Enterprise Fund as a restricted asset.

The required balances and the amount of restricted assets as of September 30, 2014 are as follows:

	<u>State Revolving Fund Construction Loans</u>
Loan repayment reserve	\$ 89,193
Annual loan deposit	<u>144,114</u>
Total restricted assets	<u>\$ 233,307</u>

The rate covenant of the superior lien obligation stipulates that revenues of the water and sewer system must be adequate to provide 100% of the costs of operation and maintenance of the system and 120% of the bond service requirement. This covenant was met as well.

**NOTE R - RISK FINANCING**

The City is subject to losses in the normal course of operations resulting from general liability; property and casualty; workers' compensation; employee health and accident; environmental; and antitrust matters. The City has purchased commercial insurance to

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE R - RISK FINANCING (continued)**

protect against employee dishonesty and employee health losses. The City participates in the Florida Municipal Liability Self Insurers Program for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; and general liability, including malpractice and errors and omissions. To the extent that the City has purchased commercial insurance, all risk of covered loss has been transferred to the insurance underwriter.

The Florida Municipal Insurance Trust is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool required additional funding to satisfy all claims. The City has not been assessed any additional insurance premiums during the year ended September 30, 2014, 2013 or 2012 nor is the City aware of any contingent assessments. For the same previous three fiscal years, the City has not decreased its insurance coverage nor have any settlements been in excess of such coverage.

**NOTE S – SUBSEQUENT EVENTS**

The City has evaluated whether any events have occurred subsequent to September 30, 2014 and before the issuance of the financial statements that would have an impact on the City's financial condition as of September 30, 2014 or would influence the conclusions reached by a reader of the financial statements regarding the City's overall financial condition. Management has evaluated such events through February 5, 2015 which is the date the financial statements were available to be issued and determined there are no events that should be disclosed.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes a budgetary comparison schedule for the General Fund and schedules depicting the funding progress and contributions for the single employer defined benefit pension plan.



## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over
				(Under)
<b>RESOURCES (INFLOWS):</b>				
Property taxes	\$ 3,955,000	\$ 3,955,000	\$ 3,904,726	\$ (50,274)
Franchise fees	1,435,000	1,435,000	1,432,786	(2,214)
Utility taxes	1,212,895	1,212,895	1,289,807	76,912
Fire insurance premium tax	110,000	110,000	117,005	7,005
Communications service tax	1,250,000	1,250,000	1,149,968	(100,032)
Business tax receipts	175,500	175,500	160,885	(14,615)
Licenses, permits and fees	169,600	169,600	199,207	29,607
Intergovernmental revenues	2,820,815	3,126,665	3,221,802	95,137
Charges for services	328,200	328,200	349,045	20,845
Rents and royalties	91,000	91,000	123,895	32,895
Fines and forfeitures	526,000	526,000	436,436	(89,564)
Investment income	60,000	60,000	8,582	(51,418)
Special assessments	10,000	10,000	14,703	4,703
Other miscellaneous	713,875	856,875	636,284	(220,591)
Proceeds from sale of capital assets	528,000	528,000	535,432	7,432
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<b>13,385,885</b>	<b>13,834,735</b>	<b>13,580,563</b>	<b>(254,172)</b>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
General Government				
City Council	121,185	121,185	114,487	(6,698)
City Manager	258,510	258,510	238,489	(20,021)
City Clerk	402,740	402,740	376,377	(26,363)
Legal Counsel	130,985	180,985	171,488	(9,497)
Planning and Redevelopment	1,482,445	1,482,445	1,265,412	(217,033)
Administrative Services	981,920	1,001,920	928,054	(73,866)
Facilities	675,435	762,054	651,885	(110,169)
Total General Government	4,053,220	4,209,839	3,746,192	(463,647)
Public Safety				
Law Enforcement	1,779,600	1,779,600	1,763,404	(16,196)
Fire Rescue	2,204,160	2,204,160	1,903,018	(301,142)
Technical Services	184,450	200,845	165,317	(35,528)
Total Public Safety	4,168,210	4,184,605	3,831,739	(352,866)
Transportation				
Streets and Drainage	944,775	1,032,248	947,641	(84,607)
Fleet Maintenance	334,220	354,220	179,106	(175,114)
Total Transportation	1,278,995	1,386,468	1,126,747	(259,721)
Culture and Recreation				
Library	849,145	849,145	835,216	(13,929)
Parks	2,664,715	3,932,472	2,849,262	(1,083,210)
Recreation	739,890	734,990	612,869	(122,121)
Total Culture and Recreation	4,253,750	5,516,607	4,297,347	(1,219,260)

(continued)

## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Final Budget
	Original	Final	(Budgetary Basis)	Over (Under)
Other Financing Uses				
Interfund transfers	\$ -	\$ 100,000	\$ 100,000	\$ -
Contingency	1,131,710	806,710	-	(806,710)
Total Other Financing Uses	1,131,710	906,710	100,000	(806,710)
TOTAL CHARGES TO APPROPRIATIONS	14,885,885	16,204,229	13,102,025	(3,102,204)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(1,500,000)	(2,369,494)	478,538	2,848,032
FUND BALANCE - BEGINNING OF YEAR	6,473,677	6,473,677	6,473,677	-
FUND BALANCE - END OF YEAR	\$ 4,973,677	\$ 4,104,183	\$ 6,952,215	\$ 2,848,032

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES  
SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 13,580,563
Differences - budget to GAAP:	
Proceeds from the sale of capital assets are inflows of budgetary resources not revenues for financial reporting purposes.	(535,432)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 13,045,131

## USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 13,102,025
Differences - budget to GAAP:	
Interfund transfers are outflows of budgetary resources not expenditures for financial reporting purposes.	(100,000)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 13,002,025

## CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUND - COMMUNITY REDEVELOPMENT AGENCY -  
SPECIAL REVENUE FUND

For the year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Ad valorem taxes	\$ 455,000	\$ 455,000	\$ 450,891	\$ (4,109)
Intergovernmental revenue	170,000	257,500	87,500	(170,000)
Impact fees	1,000	1,000	-	(1,000)
Rents and royalties	25,000	25,000	40,516	15,516
Investment income	600	600	1,107	507
AMOUNTS AVAILABLE FOR APPROPRIATION	651,600	739,100	580,014	(159,086)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Operating	86,620	86,620	48,055	(38,565)
Capital outlay	425,000	498,242	277,231	(221,011)
Interfund loan repayment	250,000	250,000	-	(250,000)
TOTAL CHARGES TO APPROPRIATIONS	761,620	834,862	325,286	(509,576)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(110,020)	(95,762)	254,728	350,490
FUND BALANCE - BEGINNING OF YEAR	(668,975)	(668,975)	(668,975)	-
FUND BALANCE - END OF YEAR	\$ (778,995)	\$ (764,737)	\$ (414,247)	\$ 350,490

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

## SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 580,014
Differences - budget to GAAP:	
None	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 580,014

## USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 325,286
Differences - budget to GAAP:	
None	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 325,286

## CITY OF OLDSMAR, FLORIDA

## PENSION SCHEDULES - FIREFIGHTERS' PENSION TRUST FUND

September 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) *	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
10/1/2008	N/A	N/A	N/A	N/A	N/A	N/A
10/1/2009	\$ 1,252,175	\$ 1,488,105	\$ 235,930	84.15%	\$ 745,810	31.63%
10/1/2010	1,706,045	1,870,125	164,080	91.23%	788,819	20.80%
10/1/2011	1,987,344	2,281,958	294,614	87.09%	807,256	36.50%
10/1/2012	2,714,391	3,039,133	324,742	89.31%	753,518	43.10%
10/1/2013	3,360,995	3,365,574	4,579	99.86%	764,280	0.60%
10/1/2014	3,880,449	3,535,542	-	109.76%	663,716	0.00%

\* The City of Oldsmar Firefighters' Pension Plan uses the aggregate actuarial cost method, which does not identify or separately identify or separately amortize unfunded actuarial liabilities. After 2006, the schedule of funding progress has been prepared using the entry age actuarial cost method and the information presented is to serve as a surrogate for the funded status and funding progress of the plan.

N/A indicates an actuarial valuation was not completed and the information is not available.

Schedule of Contributions

Year Ended September 30,	Annual Required Contribution	State of Florida Contribution (1)	Employer Contribution	Total	Percentage Contributed
2008	\$ 232,075	\$ 33,615	\$ 187,506	\$ 221,121	95.28%
2009	245,373	33,615	206,913	240,528	98.03%
2010	286,753	33,615	253,138	286,753	100.00%
2011	296,156	33,615	294,076	327,691	110.65%
2012	308,071	110,420 (2)	201,125	311,545	101.13%
2013	260,363	115,949	229,402	345,351	132.64%
2014	225,210	117,005	86,101	203,106	90.19%

(1) Frozen per Florida Statute

(2) Effective 10/01/11 the formula for calculating the eligible State contribution was revised by the Division of Retirement.

## CITY OF OLDSMAR, FLORIDA

## PENSION SCHEDULES - FIREFIGHTERS' PENSION TRUST FUND

September 30, 2014

Net Pension Liability (Asset)

Measurement Date	Total Pension Liability	Fiduciary Net Position	Net Pension Liability (Asset)	Funded Percentage	Covered Payroll	Net Pension Liability as a % of Covered Payroll
10/1/2009	\$ 1,488,105	\$ 1,252,175	\$ 235,930	84.15%	\$ 745,810	31.63%
10/1/2010	1,870,125	1,706,045	164,080	91.23%	788,819	20.80%
10/1/2011	2,281,958	1,987,344	294,614	87.09%	807,256	36.50%
10/1/2012	2,039,133	2,714,391	324,742	89.31%	753,518	43.10%
10/1/2013	3,129,723	3,360,995	(231,272)	107.39%	764,280	0.00%
10/1/2014	N/A	N/A	N/A	N/A	N/A	N/A

Historical changes in the net pension liability (asset) are not available since this is the first measurement period to which GASB 67 applies.

N/A indicates the GASB 67/68 actuarial valuation supplement was not completed and the information is not available.

Schedule of Contributions

Year Ended September 30,	(1) Actuarially Determined Contribution	(2) Contributions Recognized by the Plan	(3) Difference Between (1) and (2)	Covered Payroll	Column (3) as a % of Covered Payroll
2005	\$ 126,352	\$ 126,352	\$ -	N/A	N/A
2006	78,213	78,213	-	\$ 487,857	0.00%
2007	180,131	180,131	-	495,562	0.00%
2008	229,532	229,532	-	640,541	0.00%
2009	251,537	251,537	-	N/A	N/A
2010	286,753	286,753	-	745,810	0.00%
2011	288,316	288,316	-	788,819	0.00%
2012	287,212	287,212	-	807,256	0.00%
2013	252,758	252,758	-	753,518	0.00%
2014	225,210	225,210	-	764,280	0.00%

## **COMBINING FINANCIAL STATEMENTS**

These financial statements provide a more detailed view of the nonmajor funds that were combined for the governmental activities in the fund financial statements. Also, budgetary comparison schedules are presented for the major Capital Improvement Fund and each nonmajor governmental fund.

## CITY OF OLDSMAR, FLORIDA

## COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS

September 30, 2014

	Special Revenue Funds			Debt Service Fund	
	Public Safety	Parkland Dedication	Transportation Impact	Veteran's Park	Total Other Governmental Funds
ASSETS					
Cash, pooled cash and cash equivalents	\$ 195,363	\$ 49,433	\$ 120,254	\$ 141,549	\$ 506,599
Receivables					
Due from other governments	-	79,435	-	-	79,435
TOTAL ASSETS	<u>\$ 195,363</u>	<u>\$ 128,868</u>	<u>\$ 120,254</u>	<u>\$ 141,549</u>	<u>\$ 586,034</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 274	\$ 10,885	\$ -	\$ -	\$ 11,159
Due to other governments	-	-	23,469	-	23,469
TOTAL LIABILITIES	274	10,885	23,469	-	34,628
FUND BALANCES					
Restricted for:					
Fire suppression	55,589	-	-	-	55,589
Capital projects	-	78,879	-	-	78,879
Debt Service	-	-	-	141,549	141,549
Transportation improvements	-	-	96,785	-	96,785
Committed to:					
Capital projects	-	39,104	-	-	39,104
Assigned to:					
Subsequent years expenditures	139,500	-	-	-	139,500
TOTAL FUND BALANCES	<u>195,089</u>	<u>117,983</u>	<u>96,785</u>	<u>141,549</u>	<u>551,406</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 195,363</u>	<u>\$ 128,868</u>	<u>\$ 120,254</u>	<u>\$ 141,549</u>	<u>\$ 586,034</u>

## CITY OF OLDSMAR, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS

For the year ended September 30, 2014

	Special Revenue Funds			Debt Service Fund	
	Public Safety	Parkland Dedication	Transportation Impact	Veteran's Park	Total Other Governmental Funds
REVENUES					
Intergovernmental revenue	\$ -	\$ 74,595	\$ -	\$ -	\$ 74,595
Utility taxes	-	-	-	169,020	169,020
Investment income	303	463	256	-	1,022
Impact fees	23,788	49,614	25,232	-	98,634
TOTAL REVENUES	24,091	124,672	25,488	169,020	343,271
EXPENDITURES					
Capital outlay	-	337,130	192,268	-	529,398
Debt service					
Principal retirement	-	-	-	141,000	141,000
Interest and other charges	-	-	-	26,335	26,335
TOTAL EXPENDITURES	-	337,130	192,268	167,335	696,733
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	24,091	(212,458)	(166,780)	1,685	(353,462)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	100,000	-	-	100,000
TOTAL OTHER FINANCING SOURCES (USES)	-	100,000	-	-	100,000
NET CHANGE IN FUND BALANCES	24,091	(112,458)	(166,780)	1,685	(253,462)
FUND BALANCES BEGINNING	170,998	230,441	263,565	139,864	804,868
FUND BALANCES ENDING	<u>\$ 195,089</u>	<u>\$ 117,983</u>	<u>\$ 96,785</u>	<u>\$ 141,549</u>	<u>\$ 551,406</u>



## CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUND - CAPITAL IMPROVEMENT FUND

For the year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Sales taxes	\$ 425,000	\$ 425,000	\$ 877,289	\$ 452,289
Charges for services	-	-	29,990	29,990
Investment income	2,000	2,000	3,532	1,532
AMOUNTS AVAILABLE FOR APPROPRIATION	427,000	427,000	910,811	483,811
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	325,000	349,277	340,534	(8,743)
Reserve for infrastructure	250,000	250,000	-	(250,000)
TOTAL CHARGES TO APPROPRIATIONS	575,000	599,277	340,534	(258,743)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(148,000)	(172,277)	570,277	742,554
FUND BALANCE - BEGINNING OF YEAR	980,022	980,022	980,022	-
FUND BALANCE - END OF YEAR	\$ 832,022	\$ 807,745	\$ 1,550,299	\$ 742,554

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES  
SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 910,811
Differences - budget to GAAP:	
None	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 910,811

## USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 340,534
Differences - budget to GAAP:	
None	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 340,534

## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

## NON-MAJOR GOVERNMENTAL FUND - VETERANS MEMORIAL PARK - DEBT SERVICE FUND

For the year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Utility taxes	\$ 167,340	\$ 167,340	\$ 169,020	\$ 1,680
AMOUNTS AVAILABLE FOR APPROPRIATION	167,340	167,340	169,020	1,680
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Debt Service				
Principal retirement	141,000	141,000	141,000	-
Interest and other charges	26,340	26,340	26,335	(5)
TOTAL CHARGES TO APPROPRIATIONS	167,340	167,340	167,335	(5)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	-	1,685	1,685
FUND BALANCE - BEGINNING OF YEAR	139,864	139,864	139,864	-
FUND BALANCE - END OF YEAR	\$ 139,864	\$ 139,864	\$ 141,549	\$ 1,685

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

## SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the  
budgetary comparison schedule.

\$ 169,020

Differences - budget to GAAP:

None

-

Total revenues as reported on the statement of revenues, expenditures, and  
changes in fund balances - governmental funds.

\$ 169,020

## USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from  
the budgetary comparison schedule.

\$ 167,335

Differences - budget to GAAP:

None

-

Total expenditures as reported on the statement of revenues, expenditures,  
and changes in fund balances - governmental funds.

\$ 167,335

## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

## NON-MAJOR GOVERNMENTAL FUND - PUBLIC SAFETY IMPACT - SPECIAL REVENUE FUND

For the year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Over
				(Under)
RESOURCES (INFLOWS)				
Impact fees	\$ 10,000	\$ 10,000	\$ 23,788	\$ 13,788
Investment income	1,000	1,000	303	(697)
AMOUNTS AVAILABLE FOR APPROPRIATION	11,000	11,000	24,091	13,091
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Reserve for equipment	11,000	11,000	-	(11,000)
TOTAL CHARGES TO APPROPRIATIONS	11,000	11,000	-	(11,000)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	-	24,091	24,091
FUND BALANCE - BEGINNING OF YEAR	170,998	170,998	170,998	-
FUND BALANCE - END OF YEAR	<u>\$ 170,998</u>	<u>\$ 170,998</u>	<u>\$ 195,089</u>	<u>\$ 24,091</u>

## EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND

## OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

## SOURCES/INFLOWS OF RESOURCES

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.

\$ 24,091

Differences - budget to GAAP:

None

-

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$ 24,091

## USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.

\$ -

Differences - budget to GAAP:

None

-

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.

\$ -

## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

## NON-MAJOR GOVERNMENTAL FUND - PARKLAND DEDICATION - SPECIAL REVENUE FUND

For the year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Intergovernmental revenues	\$ -	\$ 72,500	\$ 74,595	\$ 2,095
Land dedication fees	5,000	5,000	49,614	44,614
Interfund transfers	-	100,000	100,000	
Investment income	-	-	463	463
AMOUNTS AVAILABLE FOR APPROPRIATION	5,000	177,500	224,672	47,172
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	50,000	397,052	337,130	(59,922)
TOTAL CHARGES TO APPROPRIATIONS	50,000	397,052	337,130	(59,922)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(45,000)	(219,552)	(112,458)	107,094
FUND BALANCE - BEGINNING OF YEAR	230,441	230,441	230,441	-
FUND BALANCE - END OF YEAR	\$ 185,441	\$ 10,889	\$ 117,983	\$ 107,094

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES  
SOURCES/INFLOWS OF RESOURCESActual amounts (budgetary basis) "available for appropriation" from the  
budgetary comparison schedule.

\$ 224,672

Differences - budget to GAAP:

Interfund transfers

(100,000)

Total revenues as reported on the statement of revenues, expenditures, and  
changes in fund balances - governmental funds.

\$ 124,672

## USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from  
the budgetary comparison schedule.

\$ 337,130

Differences - budget to GAAP:

None

-

Total expenditures as reported on the statement of revenues, expenditures,  
and changes in fund balances - governmental funds.

\$ 337,130

## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

## NON-MAJOR GOVERNMENTAL FUND - TRANSPORTATION IMPACT - SPECIAL REVENUE FUND

For the year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Impact fees	\$ 25,000	\$ 25,000	\$ 25,232	\$ 232
Investment income	-		256	256
AMOUNTS AVAILABLE FOR APPROPRIATION	25,000	25,000	25,488	488
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	-	193,365	192,268	(1,097)
Reserve for street improvements	25,000	25,000	-	(25,000)
TOTAL CHARGES TO APPROPRIATIONS	25,000	218,365	192,268	(26,097)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	(193,365)	(166,780)	26,585
FUND BALANCE - BEGINNING OF YEAR	263,565	263,565	263,565	-
FUND BALANCE - END OF YEAR	\$ 263,565	\$ 70,200	\$ 96,785	\$ 26,585

EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS AND GAAP REVENUES AND EXPENDITURES  
SOURCES/INFLOWS OF RESOURCESActual amounts (budgetary basis) "available for appropriation" from the  
budgetary comparison schedule.

\$ 25,488

Differences - budget to GAAP:

None

-

Total revenues as reported on the statement of revenues, expenditures, and  
changes in fund balances - governmental funds.

\$ 25,488

## USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from  
the budgetary comparison schedule.

\$ 192,268

Differences - budget to GAAP:

None

-

Total expenditures as reported on the statement of revenues, expenditures,  
and changes in fund balances - governmental funds.

\$ 192,268

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## **OTHER SUPPLEMENTARY INFORMATION**

This information is presented to provide greater detailed information than reported in the preceding financial statements. This information is not necessary for fair presentation in conformity with Generally Accepted Accounting Principles.

## CITY OF OLDSMAR, FLORIDA

SCHEDULE OF OPERATIONS - ACTUAL AND BUDGET  
WATER AND SEWER FUND

For the year ended September 30, 2014

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
User charges	\$ 6,551,970	\$ 6,608,000	\$ (56,030)
Fees	210,114	210,540	(426)
Other income	57,613	52,000	5,613
TOTAL OPERATING REVENUES	6,819,697	6,870,540	(50,843)
EXPENSES			
Salaries, wages and employee benefits	2,276,874	2,403,890	(127,016)
Contract services	511,121	669,349	(158,228)
Cost of water	7,668	54,300	(46,632)
Utilities	500,612	612,100	(111,488)
Operating supplies	367,093	495,890	(128,797)
Repairs and maintenance	208,818	269,720	(60,902)
Other expense	253,461	305,140	(51,679)
Capital outlay	1,551,343	1,931,871	(380,528)
Reserve for renewal and replacement	-	661,980	(661,980)
TOTAL EXPENSES	5,676,990	7,404,240	(1,727,250)
OPERATING INCOME (LOSS)	1,142,707	(533,700)	1,676,407
NONOPERATING REVENUES (EXPENSES)			
Investment income	44,637	31,000	13,637
Intergovernmental revenue	467,495	750,000	(282,505)
Gain (loss) on disposal of capital assets	2,639	1,000	1,639
Miscellaneous income	5,591	2,000	3,591
Debt service principal retirement	(1,002,214)	(1,002,310)	96
Interest expense and fiscal charges	(239,689)	(239,555)	(134)
TOTAL NONOPERATING REVENUES (EXPENSES)	(721,541)	(457,865)	(263,676)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	421,166	(991,565)	1,412,731
CONTRIBUTIONS AND TRANSFERS			
Intergovernmental revenue	156,507	40,000	116,507
Capital contributions	75,348	79,000	(3,652)
Net assets allocation	-	872,565	(872,565)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	653,021	\$ -	\$ 653,021
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
Depreciation	(1,875,694)		
Interest accretion	(214,006)		
Bond discount amortization	(2,801)		
Debt service principal retirement	1,002,214		
Capital outlay	1,551,343		
CHANGE IN NET POSITION - GAAP BASIS	\$ 1,114,077		



## CITY OF OLDSMAR, FLORIDA

SCHEDULE OF OPERATIONS - ACTUAL AND BUDGET  
STORMWATER UTILITY FUND

For the year ended September 30, 2014

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
Fees	\$ 512,471	\$ 509,000	\$ 3,471
Other income	3,613	3,500	113
TOTAL OPERATING REVENUES	516,084	512,500	3,584
EXPENSES			
Salaries, wages and employee benefits	190,482	183,195	7,287
Contract services	43,869	46,000	(2,131)
Operating supplies	58,720	66,000	(7,280)
Repairs and maintenance	41,732	41,800	(68)
Other expense	59,349	62,334	(2,985)
Capital outlay	257,008	619,174	(362,166)
Expense allocation	94,760	94,760	-
Reserve for infrastructure	-	66,500	(66,500)
TOTAL EXPENSES	745,920	1,179,763	(433,843)
OPERATING INCOME (LOSS)	(229,836)	(667,263)	437,427
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenues	17,481	137,670	(120,189)
Investment income	1,302	1,000	302
Miscellaneous income	2,556	-	2,556
TOTAL NONOPERATING REVENUES (EXPENSES)	21,339	138,670	(117,331)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(208,497)	(528,593)	320,096
CONTRIBUTIONS AND TRANSFERS			
Net assets allocation	-	528,593	(528,593)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	(208,497)	\$ -	\$ (208,497)
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
Depreciation	(254,010)		
Capital outlay	257,008		
CHANGE IN NET POSITION - GAAP BASIS	\$ (205,499)		

## CITY OF OLDSMAR, FLORIDA

SCHEDULE OF OPERATIONS - ACTUAL AND BUDGET  
SOLID WASTE FUND

For the year ended September 30, 2014

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
User charges	\$ 2,351,114	\$ 2,352,000	\$ (886)
Other income	17,605	16,500	1,105
TOTAL OPERATING REVENUES	2,368,719	2,368,500	219
EXPENSES			
Salaries, wages and employee benefits	52,741	54,245	(1,504)
Solid waste disposal	2,047,719	2,048,000	(281)
Operating supplies	1,530	1,650	(120)
Other expense	45,468	47,110	(1,642)
Expense allocation	234,115	234,115	-
TOTAL EXPENSES	2,381,573	2,385,120	(3,547)
OPERATING INCOME (LOSS)	(12,854)	(16,620)	3,766
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenues	10,469	10,400	69
Investment income	2,649	1,000	1,649
TOTAL NONOPERATING REVENUES (EXPENSES)	13,118	11,400	1,718
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	264	(5,220)	5,484
CONTRIBUTIONS AND TRANSFERS			
Net assets allocation	-	5,220	(5,220)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	\$ 264	\$ -	\$ 264
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
None	-		
CHANGE IN NET POSITION - GAAP BASIS	\$ 264		

## CITY OF OLDSMAR, FLORIDA

RECONCILIATION OF TOTAL FUND BALANCE FOR THE GOVERNMENTAL FUNDS  
TO TOTAL NET POSITION FOR GOVERNMENTAL ACTIVITIES

September 30, 2014

	Total Governmental Funds	Long-term Assets, Liabilities	Reclasses & Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash, pooled cash and cash equivalents	\$ 3,342,632	\$ -	\$ -	\$ 3,342,632
Investments	5,921,674	-	(4,709,624)	1,212,050
Receivables				
Accounts and other	107,973	-	-	107,973
Due from other governments	1,114,267	-	-	1,114,267
Due from other funds	750,000	-	(750,000)	-
Inventories	38,129	-	-	38,129
Prepaid items	65,163	-	-	65,163
Capital assets	-	72,263,391	-	72,263,391
Accumulated depreciation	-	(21,858,801)	-	(21,858,801)
Investments, noncurrent	-	-	4,709,624	4,709,624
<b>TOTAL ASSETS</b>	<b>\$ 11,339,838</b>	<b>\$ 50,404,590</b>	<b>\$ (750,000)</b>	<b>\$ 60,994,428</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,309,610	\$ -	\$ -	\$ 1,309,610
Accrued items	330,305	-	-	330,305
Retainage payable	113,940	-	-	113,940
Due to other governments	23,469	-	-	23,469
Due to other funds	750,000	-	(750,000)	-
Unearned revenue	172,841	(27,032)	-	145,809
Current portion of long-term obligations	-	-	143,000	143,000
Compensated absences, long-term	-	297,163	(297,163)	-
Other post employment benefits	-	427,000	-	427,000
Noncurrent portion of long-term obligations	-	-	1,607,048	1,607,048
Bonds payable, current	-	143,000	(143,000)	-
Bonds payable, long-term	-	1,309,885	(1,309,885)	-
<b>TOTAL LIABILITIES</b>	<b>2,700,165</b>	<b>2,150,016</b>	<b>(750,000)</b>	<b>4,100,181</b>
<b>TOTAL FUND BALANCES / NET POSITION</b>	<b>8,639,673</b>	<b>48,254,574</b>	<b>-</b>	<b>56,894,247</b>
<b>TOTAL LIABILITIES AND FUND BALANCES / NET POSITION</b>	<b>\$ 11,339,838</b>	<b>\$ 50,404,590</b>	<b>\$ (750,000)</b>	<b>\$ 60,994,428</b>

## CITY OF OLDSMAR, FLORIDA

RECONCILIATION OF NET CHANGE IN FUND BALANCES FOR THE GOVERNMENTAL FUNDS  
TO CHANGE IN NET POSITION FOR GOVERNMENTAL ACTIVITIES

For the Year Ended September 30, 2014

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Rounding, Reclasses & Eliminations	Statement of Activities Totals
REVENUES					
Taxes					
Property taxes	\$ 4,355,617	\$ -	\$ -	\$ -	\$ 4,355,617
Sales and use taxes	877,289	-	-	-	877,289
Franchise fees	1,432,786	-	-	-	1,432,786
Utility taxes	1,458,827	-	-	1	1,458,828
Fire insurance premium tax	117,005	-	-	(117,005)	-
Communications service tax	1,149,968	-	-	-	1,149,968
Business tax receipts	160,885	-	-	(160,885)	-
Licenses, permits and fees	199,207	-	-	(199,207)	-
Intergovernmental revenue/State revenue sharing	3,383,897	-	-	(2,108,836)	1,275,061
Charges for services	379,035	-	-	1,818,482	2,197,517
Rents and royalties	164,411	-	-	(164,411)	-
Operating grants and contributions	-	-	-	302,852	302,852
Capital grants and contributions	-	-	-	1,664,180	1,664,180
Fines and forfeitures	436,436	-	-	(436,436)	-
Investment income	14,243	-	-	(2)	14,241
Impact fees	98,634	-	-	(98,634)	-
Special assessments	14,703	-	(12,360)	(2,343)	-
Gain (loss) from sale of capital assets	-	161,903	-	-	161,903
Miscellaneous revenues	636,284	-	-	(497,755)	138,529
TOTAL REVENUES	14,879,227	161,903	(12,360)	1	15,028,771
EXPENDITURES					
Current					
General Government	2,931,858	344,111	94,946	1	3,370,916
Law Enforcement	1,760,705	3,762	-	1	1,764,468
Fire Protection	1,861,924	160,183	(331)	-	2,021,776
Technical Services	165,317	1,717	(2,401)	(1)	164,632
Transportation	1,021,882	619,543	5,549	-	1,646,974
Library	831,526	143,587	3,399	-	978,512
Parks and Recreation	1,848,178	535,179	2,566	-	2,385,923
Planning and Redevelopment	48,055	133,644	-	-	181,699
Capital Outlay	3,727,798	(3,727,798)	-	-	-
Debt service					
Principal retirement	141,000	-	(141,000)	-	-
Interest and fiscal charges	26,335	-	(5,486)	-	20,849
TOTAL EXPENDITURES	14,364,578	(1,786,072)	(42,758)	1	12,535,749
OTHER FINANCING SOURCES (USES)					
Proceeds/gain from sale of capital assets	535,432	(535,432)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	535,432	(535,432)	-	-	-
NET CHANGE IN FUND BALANCE / NET POSITION	\$ 1,050,081	\$ 1,412,543	\$ 30,398	\$ -	\$ 2,493,022

## CITY OF OLDSMAR

## SCHEDULE OF EMS ALLOWABLE COSTS - ACTUAL AND BUDGET

For the year ended September 30, 2014

	Budgetary Basis Actual	Budget	Variance Over (Under)
REVENUES			
EMS reimbursement	\$ 430,034	\$ 430,034	\$ -
Reflected in the Statement of Activities on page 18 as:			
Fire Protection - Charges for Services	\$ 483,145		
Composed of:			
EMS reimbursement	\$ 430,034		
Fire protection service	23,623		
Infrastructure inspections fees	5,700		
Public safety impact fees	23,788		
Total Fire Protection - Charges for Services	\$ 483,145		
EXPENSES			
Salaries, wages and employee benefits	\$ 391,712	\$ 379,484	\$ 12,228
Medical services	2,545	2,240	305
Accounting and auditing	1,930	1,600	330
Insurance	4,775	3,850	925
Repairs and maintenance	3,018	28,500	(25,482)
Fuel	8,802	11,000	(2,198)
Uniforms	1,300	1,700	(400)
Licenses, permits and certifications	1,482	1,660	(178)
	\$ 415,564	\$ 430,034	\$ (14,470)
Reflected in the Statement of Activities on page 18 as:			
Fire Protection - Expenses	\$ 2,201,776		
Composed of:			
EMS expenses	\$ 415,564		
Fire expenses	1,786,212		
Total Fire Protection - Expenses	\$ 2,201,776		

## **STATISTICAL SECTION**

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These tables reflect social and economic data, financial trends and the fiscal activities of the government.

## **SCHEDULES OF FINANCIAL TRENDS INFORMATION**

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

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City of Oldsmar  
Schedule 1  
Net Position by Component  
Last Ten Fiscal Years

	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	\$ 30,467,679	\$ 32,854,606	\$ 39,037,062	\$ 41,059,826
Restricted	5,839,491	6,248,526	3,131,825	3,795,461
Unrestricted	2,131,697	3,033,430	3,907,526	3,986,292
Total governmental activities net position	<u>\$ 38,438,867</u>	<u>\$ 42,136,562</u>	<u>\$ 46,076,413</u>	<u>\$ 48,841,579</u>
Business-type activities				
Net investment in capital assets	\$ 14,599,179	\$ 15,032,817	\$ 17,428,704	\$ 21,349,983 (1)
Restricted	2,786,160	3,532,305	3,317,834	3,016,898
Unrestricted	3,188,777	4,202,404	3,639,982	832,567 (1)
Total business-type activities net position	<u>\$ 20,574,116</u>	<u>\$ 22,767,526</u>	<u>\$ 24,386,520</u>	<u>\$ 25,199,448</u>
Primary Government				
Net investment in capital assets	\$ 45,066,858	\$ 47,887,423	\$ 56,465,766	\$ 62,409,809
Restricted	8,625,651	9,780,831	6,449,659	6,812,359
Unrestricted	5,320,474	7,235,834	7,547,508	4,818,859
Total primary government activities net position	<u>\$ 59,012,983</u>	<u>\$ 64,904,088</u>	<u>\$ 70,462,933</u>	<u>\$ 74,041,027</u>

(1) The GASB *Comprehensive Implementation Guide - 2008* states that capital-related debt should not include accretion of interest on deep-discount (capital appreciation) debt that was issued for capital purposes. The 2008, and subsequent years, net position reflects the exclusion of accreted interest from the net investment in capital assets.

2009	2010	2011	2012	2013	2014
\$ 42,602,328	\$ 43,206,962	\$ 44,918,527	\$44,789,124	\$47,442,048	\$48,951,705
3,146,936	3,389,922	1,838,919	2,103,146	1,115,915	2,101,705
4,708,735	5,139,687	5,488,222	6,067,486	5,843,262	5,840,837
<u>\$ 50,457,999</u>	<u>\$ 51,736,571</u>	<u>\$ 52,245,668</u>	<u>\$52,959,756</u>	<u>\$54,401,225</u>	<u>\$56,894,247</u>
\$ 23,285,098	\$ 21,591,556	\$ 24,746,198	\$36,368,932	\$34,576,558	\$34,804,657
2,167,049	7,301,155	4,231,692	1,418,506	1,512,571	1,493,037
1,061,347	82,191	3,836,700	97,146	2,882,636	3,582,913
<u>\$ 26,513,494</u>	<u>\$ 28,974,902</u>	<u>\$ 32,814,590</u>	<u>\$37,884,584</u>	<u>\$38,971,765</u>	<u>\$39,880,607</u>
\$ 65,887,426	\$ 64,798,518	\$ 69,664,725	\$81,158,056	\$82,018,606	\$83,756,362
5,313,985	10,691,077	6,070,611	3,521,652	2,628,486	3,594,742
5,770,082	5,221,878	9,324,922	6,164,632	8,725,898	9,423,750
<u>\$ 76,971,493</u>	<u>\$ 80,711,473</u>	<u>\$ 85,060,258</u>	<u>\$90,844,340</u>	<u>\$93,372,990</u>	<u>\$96,774,854</u>

City of Oldsmar  
Schedule 2  
Changes in Net Position  
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010
<b>Expenses</b>						
Governmental activities:						
General government	\$ 2,225,004	\$ 2,479,493	\$ 2,675,633	\$ 2,735,204	\$ 2,774,771	\$ 2,838,167
Law enforcement	1,019,550	1,113,399	1,307,645	1,362,283	1,439,311	1,508,378
Fire protection	1,616,344	1,711,438	2,147,697	2,388,250	2,339,090	2,465,409
Technical Services/Community Redevelop	477,289	138,979	63,434	127,514	581,558	307,380
Public works/Transportation	2,905,164	3,643,308	2,225,991	2,384,792	1,900,789	1,670,302
Culture and recreation/Library, Parks and Rec	2,591,622	2,939,070	3,079,588	3,386,270	3,387,322	3,359,810
Interest and fiscal charges on long-term debt	174,620	154,157	135,720	122,175	108,153	92,669
Total governmental activities expenses	11,009,593	12,179,844	11,635,708	12,506,488	12,530,994	12,242,115
Business-type activities:						
Water/Distribution and Collection	3,123,181	3,319,403	3,178,200	3,287,032	3,263,815	3,286,483
Sewer/Water Reclamation	2,560,838	2,628,679	2,753,308	2,855,232	2,838,036	2,872,311
Reclaimed water/Reverse Osmosis water plant	198,543	201,273	192,939	214,625	225,467	224,390
Stormwater utility	146,108	217,150	268,698	273,404	352,463	524,216
Solid waste	-	-	1,977,595	1,964,948	2,209,242	2,314,173
Total business-type activities expenses	6,028,670	6,366,505	8,370,740	8,595,241	8,889,023	9,221,573
Total primary government expenses	\$ 17,038,263	\$ 18,546,349	\$ 20,006,448	\$ 21,101,729	\$ 21,420,017	\$ 21,463,688
<b>Program Revenues</b>						
Governmental activities:						
Charges for services	\$ 2,457,205	\$ 3,110,824	\$ 1,565,058	\$ 1,565,299	\$ 1,383,570	\$ 1,501,580
Operating grants and contributions	364,760	286,538	451,620	466,216	388,239	391,376
Capital grants and contributions	270,511	1,561,726	1,144,159	1,200,318	252,028	296,097
Total governmental activities program revenues	\$ 3,092,476	\$ 4,959,088	\$ 3,160,837	\$ 3,231,833	\$ 2,023,837	\$ 2,189,053
Business-type activities:						
Charges for services	\$ 6,306,205	\$ 7,204,072	\$ 9,332,180	\$ 9,130,937	\$ 9,085,997	\$ 8,884,152
Operating grants and contributions	-	9,745	20,161	20,588	10,506	23,147
Capital grants and contributions	-	37,014	-	51,695	1,070,676	2,055,994
Total business-type activities program revenues	6,306,205	7,250,831	9,352,341	9,203,220	10,167,179	10,963,293
Total primary government program revenues	\$ 9,398,681	\$ 12,209,919	\$ 12,513,178	\$ 12,435,053	\$ 12,191,016	\$ 13,152,346
<b>Net (Expense)/Revenue</b>						
Governmental activities net expense	\$ (7,917,117)	\$ (7,220,756)	\$ (8,474,871)	\$ (9,274,655)	\$ (10,507,157)	\$ (10,053,062)
Business-type activities net expense	277,535	884,326	981,601	607,979	1,278,156	1,741,720
Total primary government net expense	\$ (7,639,582)	\$ (6,336,430)	\$ (7,493,270)	\$ (8,666,676)	\$ (9,229,001)	\$ (8,311,342)
<b>General Revenues and Other Changes in Net Position</b>						
Governmental activities:						
Taxes						
Property taxes	\$ 4,222,311	\$ 4,857,136	\$ 5,924,556	\$ 5,674,765	\$ 5,449,452	\$ 5,084,504
Franchise fees	1,758,056	1,904,375	1,444,701	1,450,292	1,633,039	1,549,092
Utility taxes	1,183,607	1,338,961	1,130,065	1,209,603	1,325,357	1,472,798
Communication services tax	1,083,892	922,359	1,146,714	1,272,994	1,587,502	1,497,240
Sales and use taxes	934,072	542,621	771,199	1,010,125	949,216	458,748
State revenue sharing	1,228,148	1,288,939	1,257,602	1,192,289	1,040,548	1,030,890
Investment income	236,858	486,006	568,978	152,351	66,628	129,203
Miscellaneous and transfers	229,201	(421,946)	170,907	77,402	71,835	109,159
Total governmental activities	10,876,145	10,918,451	12,414,722	12,039,821	12,123,577	11,331,634
Business-type activities						
Sales and use taxes	-	452,674	194,912	-	-	565,511
Impact fees	313,727	-	-	-	-	-
Investment income	179,924	353,349	442,480	141,131	23,003	99,669
Miscellaneous	62,011	503,061	-	63,818	12,887	54,508
Total business-type activities	555,662	1,309,084	637,392	204,949	35,890	719,688
Total primary government	\$ 11,431,807	\$ 12,227,535	\$ 13,052,114	\$ 12,244,770	\$ 12,159,467	\$ 12,051,322
<b>Change in Net Position</b>						
Governmental activities	\$ 2,959,028	\$ 3,697,695	\$ 3,939,851	\$ 2,765,166	\$ 1,616,420	\$ 1,278,572
Business-type activities	833,197	2,193,410	1,618,993	812,928	1,314,046	2,461,408
Total primary government	\$ 3,792,225	\$ 5,891,105	\$ 5,558,844	\$ 3,578,094	\$ 2,930,466	\$ 3,739,980

**Note:**

Beginning in 2013 Reclaimed water is shown as a component of Sewer/Water Reclamation. Water distribution and collection costs are allocated between Water reclamation and Reverse osmosis water plant.

Prior to 2007 Public works expenses included the cost of refuse collection. Those costs, and the related revenues are now accounted for as a business-type activity.

2011	2012	2013	2014
\$ 3,046,763	\$ 3,162,820	\$ 3,254,536	\$ 3,370,916
1,534,252	1,566,145	1,767,674	1,764,468
2,460,618	2,251,609	2,184,053	2,021,776
348,023	286,762	363,053	346,331
1,690,844	1,608,024	1,569,245	1,646,974
3,188,818	3,209,888	3,281,618	3,364,435
87,649	82,745	103,112	20,849
<u>12,356,967</u>	<u>12,167,993</u>	<u>12,523,291</u>	<u>12,535,749</u>
3,390,235	3,503,772	-	-
2,710,024	2,471,037	3,575,192	3,461,871
209,758	287,949	3,087,764	2,995,966
578,322	640,495	674,956	742,922
2,240,027	2,308,691	2,297,004	2,381,572
<u>9,128,366</u>	<u>9,211,944</u>	<u>9,634,916</u>	<u>9,582,331</u>
<u>\$ 21,485,333</u>	<u>\$ 21,379,937</u>	<u>\$ 22,158,207</u>	<u>\$ 22,118,080</u>
\$ 1,551,116	\$ 1,809,498	\$ 2,244,671	\$ 2,197,517
317,553	349,696	328,608	302,852
505,400	487,144	1,286,131	1,664,180
<u>\$ 2,374,069</u>	<u>\$ 2,646,338</u>	<u>\$ 3,859,410</u>	<u>\$ 4,164,549</u>
\$ 9,389,910	\$ 9,612,355	\$ 9,666,398	\$ 9,779,848
23,167	35,827	23,113	23,136
2,726,800	3,824,234	425,020	161,321
<u>12,139,877</u>	<u>13,472,416</u>	<u>10,114,531</u>	<u>9,964,305</u>
<u>\$ 14,513,946</u>	<u>\$ 16,118,754</u>	<u>\$ 13,973,941</u>	<u>\$ 14,128,854</u>
\$ (9,982,898)	\$ (9,521,655)	\$ (8,663,881)	\$ (8,371,200)
3,011,511	4,260,472	479,615	381,974
<u>\$ (6,971,387)</u>	<u>\$ (5,261,183)</u>	<u>\$ (8,184,266)</u>	<u>\$ (7,989,226)</u>
\$ 4,500,720	\$ 4,287,547	\$ 4,236,658	\$ 4,355,617
1,477,506	1,420,070	1,376,347	1,432,786
1,438,663	1,394,453	1,396,466	1,458,828
1,415,554	1,304,078	1,242,248	1,149,968
403,112	459,997	518,172	877,289
1,073,065	1,116,138	1,138,481	1,275,061
73,015	110,911	37,258	14,241
110,360	142,549	189,719	300,432
<u>10,491,995</u>	<u>10,235,743</u>	<u>10,135,349</u>	<u>10,864,222</u>
750,000	750,000	750,000	467,495
-	-	-	-
59,584	53,927	16,672	48,588
18,593	5,595	17,147	10,785
<u>828,177</u>	<u>809,522</u>	<u>783,819</u>	<u>526,868</u>
<u>\$ 11,320,172</u>	<u>\$ 11,045,265</u>	<u>\$ 10,919,168</u>	<u>\$ 11,391,090</u>
\$ 509,097	\$ 714,088	\$ 1,471,468	\$ 2,493,022
3,839,688	5,069,994	1,263,434	908,842
<u>\$ 4,348,785</u>	<u>\$ 5,784,082</u>	<u>\$ 2,734,902</u>	<u>\$ 3,401,864</u>

City of Oldsmar  
Schedule 3  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2005	2006	2007	2008
General Fund				
Reserved	\$ 179,037	\$ 197,078	\$ 423,447	\$ 163,208
Unreserved	2,292,841	3,198,195	3,879,369	4,310,256
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed to capital projects	-	-	-	-
Assigned to:				
CERT	-	-	-	-
Insurance	-	-	-	-
Appropriated reserve	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 2,471,878</u>	<u>\$ 3,395,273</u>	<u>\$ 4,302,816</u>	<u>\$ 4,473,464</u>
All Other Governmental Funds				
Reserved	\$ 1,080,392	\$ 809,066	\$ 2,085,050	\$ 881,503
Unreserved				
Special revenue funds	1,629,879	960,740	1,260,371	993,975
Debt service fund	254,959	1,073,864	112,089	724,407
Capital project fund	2,744,656	3,266,452	(464,303)	1,073,210
Restricted for:				
Capital projects	-	-	-	-
Community redevelopment	-	-	-	-
Debt service	-	-	-	-
Fire suppression	-	-	-	-
Transportation improvements	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Assigned to:				
Transportation improvements	-	-	-	-
Appropriated reserve	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 5,709,886</u>	<u>\$ 6,110,122</u>	<u>\$ 2,993,207</u>	<u>\$ 3,673,095</u>

(1) The City implemented GASB Statement No. 54 for the fiscal year ended September 30, 2011.  
Amounts for earlier period are not available for comparison purposes.

2009	2010	(1) 2011	2012	2013	2014
\$ 109,924	\$ 133,492	\$ -	\$ -	\$ -	\$ -
4,905,865	5,382,882	-	-	-	-
-	-	95,476	144,977	1,159,871	853,292
-	-	-	-	-	-
-	-	109,856	222,907	983,342	942,740
-	-	15,000	7,000	-	-
-	-	511,630	529,345	539,294	525,293
-	-	1,556,549	1,506,006	1,500,000	1,500,000
-	-	3,585,464	4,130,595	2,291,170	3,130,890
<u>\$ 5,015,789</u>	<u>\$ 5,516,374</u>	<u>\$ 5,873,975</u>	<u>\$ 6,540,830</u>	<u>\$ 6,473,677</u>	<u>\$ 6,952,215</u>
\$ 842,232	\$ 1,998,680	\$ -	\$ -	\$ -	\$ -
790,073	720,849	-	-	-	-
408,592	329,111	-	-	-	-
989,638	224,881	-	-	-	-
-	-	469,339	786,855	807,745	1,394,859
-	-	5,049	378,478	-	-
-	-	43,296	139,715	139,864	141,549
-	-	230,344	165,637	170,998	55,589
-	-	-	-	70,200	96,785
-	-	708,500	155,715	448,083	45,423
-	-	245,577	285,676	-	-
-	-	136,815	191,070	148,000	367,500
-	-	-	-	(668,975)	(414,247)
<u>\$ 3,030,535</u>	<u>\$ 3,273,521</u>	<u>\$ 1,838,920</u>	<u>\$ 2,103,146</u>	<u>\$ 1,115,915</u>	<u>\$ 1,687,458</u>

City of Oldsmar  
Schedule 4  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2005	2006	2007	2008
<b>Revenues</b>				
Taxes	\$ 9,181,938	\$ 9,565,453	\$ 10,527,991	\$ 10,747,159
Licenses, permits and charges for services	520,422	603,220	640,707	520,206
Intergovernmental revenue	2,021,785	3,329,453	2,933,907	2,629,630
Garbage collection revenue	1,489,396	1,567,768	-	-
Fines and forfeitures	169,208	282,680	160,144	203,212
Miscellaneous revenue	654,242	1,022,200	1,232,524	1,147,944
Total revenues	<u>14,036,991</u>	<u>16,370,774</u>	<u>15,495,273</u>	<u>15,248,151</u>
<b>Expenditures</b>				
General government	2,041,974	2,416,989	2,513,628	2,546,136
Public safety	2,981,361	3,159,800	3,775,231	4,138,526
Physical environment	2,407,860	2,660,983	1,177,800	1,226,391
Culture and recreation	2,222,812	2,520,294	2,628,856	2,818,706
Capital outlay	3,556,405	3,230,963	7,325,355	3,329,137
Debt service				
Principal retirement	431,719	325,431	308,221	136,164
Interest and fiscal charges	129,541	231,684	108,042	226,220
Total expenditures	<u>13,771,672</u>	<u>14,546,144</u>	<u>17,837,133</u>	<u>14,421,280</u>
Excess of revenues over (under) expenditures	265,319	1,824,630	(2,341,860)	826,871
<b>Other Financing Sources (Uses)</b>				
Refunding bonds proceeds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	3,915	-	132,488	23,665
Transfers in	740,000	1,047,000	1,487,500	340,000
Transfers out	(790,000)	(1,548,000)	(1,487,500)	(340,000)
Total other financing sources (uses)	<u>(46,085)</u>	<u>(501,000)</u>	<u>132,488</u>	<u>23,665</u>
Net change in fund balances	219,234	1,323,630	(2,209,372)	850,536
Fund balances - beginning of year	<u>7,962,530</u>	<u>8,181,765</u>	<u>9,505,395</u>	<u>7,296,023</u>
Fund balances - end of year	<u>\$ 8,181,764</u>	<u>\$ 9,505,395</u>	<u>\$ 7,296,023</u>	<u>\$ 8,146,559</u>
Debt service as a percentage of noncapital expenditures	5.5%	4.9%	4.0%	3.3%

Note: Garbage collection revenue is now reflected in the business-type activity Solid Waste.

2009	2010	2011	2012	2013	2014
\$ 11,072,772	\$ 10,181,596	\$ 9,345,265	\$ 8,976,565	\$ 8,616,629	\$ 9,391,492
541,751	593,628	592,741	707,290	734,139	903,538
1,702,135	1,920,810	2,128,755	2,189,075	3,276,563	3,383,897
-	-	-	-	-	-
134,082	185,191	183,928	267,524	601,194	436,436
581,073	666,113	626,737	754,863	733,500	763,864
14,031,813	13,547,338	12,877,426	12,895,317	13,962,025	14,879,227
2,495,243	2,572,221	2,703,988	2,726,600	2,110,427	2,931,858
4,113,289	4,049,532	3,844,218	3,693,101	3,831,140	3,622,629
1,281,725	1,036,985	1,293,887	1,175,027	1,860,695	1,235,254
2,736,377	2,709,375	2,518,328	2,528,643	2,584,740	2,679,704
3,140,502	2,264,288	3,410,447	1,656,716	4,516,543	3,727,798
138,599	100,000	100,000	110,000	-	141,000
227,151	96,570	91,550	86,645	63,663	26,335
14,132,886	12,828,971	13,962,418	11,976,732	14,967,208	14,364,578
(101,073)	718,367	(1,084,992)	918,585	(1,005,183)	514,649
-	-	-	-	1,550,000	-
-	-	-	-	(1,649,735)	-
838	25,204	7,992	12,496	50,534	535,432
280,000	908,013	35,000	-	-	100,000
(280,000)	(908,013)	(35,000)	-	-	(100,000)
838	25,204	7,992	12,496	(49,201)	535,432
(100,235)	743,571	(1,077,000)	931,081	(1,054,384)	1,050,081
8,146,559	8,046,324	8,789,895	7,712,895	8,643,976	7,589,592
\$ 8,046,324	\$ 8,789,895	\$ 7,712,895	\$ 8,643,976	\$ 7,589,592	\$ 8,639,673
3.3%	1.9%	1.8%	1.9%	0.6%	1.6%



City of Oldsmar  
Schedule 5  
Program Revenue by Function / Program  
Last Ten Fiscal Years

	2005	2006	2007	2008
<b>Function / Program</b>				
Governmental activities :				
Charges for services				
General government	\$ 380,086	\$ 412,648	\$ 585,166	\$ 665,813
Law enforcement	-	-	-	-
Fire Protection	287,311	370,197	351,445	405,438
Technical services/Community Redevelopment	126,550	274,503	196,633	163,171
Public Works/Transportation and Drainage	1,493,992	1,856,756	191,839	172,405
Culture and Recreation	169,266	196,720	239,975	158,472
Total charges for services	2,457,205	3,110,824	1,565,058	1,565,299
Operating grants and contributions				
General government	76,463	-	695	-
Public Works/Transportation	-	7,400	-	-
Law Enforcement	-	-	-	-
Fire Protection	40,826	12,623	126,918	171,462
Culture and Recreation	247,471	266,515	324,007	294,754
Total operating grants and contributions	364,760	286,538	451,620	466,216
Capital grants and contributions				
General Government	10,200	-	83,561	48,300
Law Enforcement	5,667	7,326	3,972	6,769
Fire Protection	80,848	-	-	-
Public Works/Transportation	49,032	13,295	150,000	356,502
Culture and Recreation	124,764	1,541,105	906,626	788,747
Total capital grants and contributions	270,511	1,561,726	1,144,159	1,200,318
Sub-total governmental activities	3,092,476	4,959,088	3,160,837	3,231,833
Business-type activities:				
Charges for services				
Water/Distribution and Collection	3,042,876	3,557,630	3,414,157	3,445,612
Sewer/Water Reclamation	2,605,023	2,943,295	2,774,942	2,852,063
Reclaimed/Reverse Osmosis water plant	290,814	328,057	393,492	367,362
Stormwater Utility	367,492	375,090	568,602	383,080
Solid Waste	-	-	2,180,987	2,082,820
Total charges for services	6,306,205	7,204,072	9,332,180	9,130,937
Operating grants and contributions				
Water recalculation	-	-	-	-
Stormwater Utility	-	9,745	9,744	10,231
Solid Waste	-	-	10,417	10,357
Total operating grants and contributions	-	9,745	20,161	20,588
Capital grants and contributions				
Water/Reverse Osmosis water plant	-	-	-	-
Water reclamation	-	-	-	-
Reclaimed	-	37,014	-	51,695
Stormwater Utility	-	-	-	-
Total capital grants and contributions	-	37,014	-	51,695
Sub-total business-type activities	6,306,205	7,250,831	9,352,341	9,203,220
Total primary government revenues	\$ 9,398,681	\$ 12,209,919	\$ 12,513,178	\$ 12,435,053

Note: Prior to 2007 Public works/transportation and drainage included refuse collection revenues as a charge for service. They are now relected in the business-type solid waste fund.

In 2013 Water revenues are now shown as a part of Reverse osmosis water plant and Reclaimed revenues are shown as a part of Water reclamation.

2009	2010	2011	2012	2013	2014
\$ 619,211	\$ 731,442	\$ 713,598	\$ 717,813	\$ 1,476,041	\$ 1,339,577
-	-	-	85,295	-	-
411,253	423,257	401,944	427,134	447,356	483,145
78,352	111,910	91,474	149,035	26,977	71,506
74,519	30,074	94,943	140,356	45,857	33,446
200,235	204,897	249,157	289,865	248,440	269,843
<u>1,383,570</u>	<u>1,501,580</u>	<u>1,551,116</u>	<u>1,809,498</u>	<u>2,244,671</u>	<u>2,197,517</u>
110	-	500	15,115	3,400	3,178
-	-	-	-	-	-
-	-	-	-	-	-
136,026	140,429	115,945	120,106	122,786	125,441
252,103	250,947	201,108	214,475	202,422	174,233
<u>388,239</u>	<u>391,376</u>	<u>317,553</u>	<u>349,696</u>	<u>328,608</u>	<u>302,852</u>
-	-	-	-	-	143,102
2,120	6,100	5,248	3,841	2,684	2,699
-	3,135	-	-	-	-
184,372	140,747	90,921	369,211	3,199	172,812
65,536	146,115	409,231	114,092	1,280,248	1,345,567
<u>252,028</u>	<u>296,097</u>	<u>505,400</u>	<u>487,144</u>	<u>1,286,131</u>	<u>1,664,180</u>
<u>2,023,837</u>	<u>2,189,053</u>	<u>2,374,069</u>	<u>2,646,338</u>	<u>3,859,410</u>	<u>4,164,549</u>
3,312,562	3,187,492	3,423,459	3,832,550	-	-
2,733,157	2,677,226	2,823,148	2,960,689	3,124,453	3,222,036
355,877	302,261	367,302	-	3,778,087	3,673,009
384,864	385,469	490,027	578,122	513,380	516,084
2,299,537	2,331,704	2,285,974	2,240,994	2,250,478	2,368,719
<u>9,085,997</u>	<u>8,884,152</u>	<u>9,389,910</u>	<u>9,612,355</u>	<u>9,666,398</u>	<u>9,779,848</u>
-	-	-	12,640	-	-
-	12,667	12,667	12,667	12,667	12,667
10,506	10,480	10,500	10,520	10,446	10,469
<u>10,506</u>	<u>23,147</u>	<u>23,167</u>	<u>35,827</u>	<u>23,113</u>	<u>23,136</u>
1,070,676	1,901,192	2,685,122	3,824,234	199,171	-
-	-	-	-	225,849	156,507
-	127,479	-	-	-	-
-	27,323	41,678	-	-	4,814
<u>1,070,676</u>	<u>2,055,994</u>	<u>2,726,800</u>	<u>3,824,234</u>	<u>425,020</u>	<u>161,321</u>
<u>10,167,179</u>	<u>10,963,293</u>	<u>12,139,877</u>	<u>13,472,416</u>	<u>10,114,531</u>	<u>9,964,305</u>
<u>\$ 12,191,016</u>	<u>\$ 13,152,346</u>	<u>\$ 14,513,946</u>	<u>\$ 16,118,754</u>	<u>\$ 13,973,941</u>	<u>\$ 14,128,854</u>

City of Oldsmar  
Schedule 6  
Tax Revenues by Source, Governmental Funds  
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Ad Valorem	Franchise Fees	Sales and Use Taxes (2)	Utility Taxes	Communications Service Tax	Fire Insurance Premium Tax (1)	Total
2014	\$4,355,617	\$ 1,432,786	\$ 877,289	\$ 1,458,827	\$ 1,149,968	\$ 117,005	\$ 9,391,492
2013	4,167,447	1,376,347	318,172	1,396,466	1,242,248	115,949	8,616,629
2012	4,287,547	1,420,070	459,997	1,394,453	1,304,078	110,420	8,976,565
2011	4,500,720	1,477,506	403,112	1,438,663	1,415,554	109,710	9,345,265
2010	5,084,504	1,472,798	458,748	1,549,092	1,497,240	119,214	10,181,596
2009	5,449,452	1,633,039	949,216	1,325,357	1,587,502	128,206	11,072,772
2008	5,674,765	1,450,292	1,010,125	1,209,603	1,272,994	129,380	10,747,159
2007	5,924,556	1,444,701	771,199	1,130,065	1,146,714	110,756	10,527,991
2006	4,857,136	1,904,375	542,621	1,338,961	922,359	84,318	9,649,770
2005	4,222,311	1,758,056	934,072	1,183,607	1,083,892	72,057	9,253,995

(1) Fire Insurance Premium Taxes represent on behalf payments from the State of Florida that are earmarked for Firefighter's pension contributions.

(2) Infrastructure Sales Surtax are budgeted and expended in the Enterprise Funds/Business-Type Activities in accordance with the 2014, 2013, 2012, 2011 and 2010 budgets and amounted to \$467,495, \$750,000, \$750,000, \$750,000 and \$565,511, respectively.

## **SCHEDULES OF REVENUE CAPACITY INFORMATION**

These schedules contain information to help the reader assess the City's most significant local revenue source – the property tax.

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City of Oldsmar  
Schedule 7  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Governmental Property	Institutional Property	Misc & Personal Property
2014	\$ 622,688,900	\$ 432,268,296	\$ 85,652,709	\$ 15,031,206	\$ 187,541,939
2013	684,645,788	424,200,752	81,415,678	15,025,531	86,544,489
2012	641,812,478	425,366,273	80,634,986	11,113,039	171,457,125
2011	621,192,729	458,296,409	84,137,808	12,516,069	221,553,791
2010	813,039,113	516,722,686	93,437,881	13,604,942	172,995,273
2009	908,899,541	553,579,400	97,547,900	12,563,900	221,091,172
2008	957,683,200	530,396,600	97,001,700	11,992,700	241,868,700
2007	932,594,900	483,937,600	95,190,200	11,628,900	226,121,802
2006	724,817,800	373,295,800	82,796,700	9,631,700	191,165,928
2005	620,501,700	331,249,600	71,562,600	8,784,500	160,798,850
Percentages					
2014	46.36%	32.18%	6.38%	1.12%	13.96%
2013	53.00%	32.84%	6.30%	1.16%	6.70%
2012	48.24%	31.97%	6.06%	0.84%	12.89%
2011	44.44%	32.79%	6.02%	0.90%	15.85%
2010	50.51%	32.10%	5.80%	0.85%	10.75%
2009	50.67%	30.86%	5.44%	0.70%	12.33%
2008	52.08%	28.84%	5.27%	0.65%	13.15%
2007	53.31%	27.66%	5.44%	0.66%	12.93%
2006	52.46%	27.02%	5.99%	0.70%	13.84%
2005	52.02%	27.77%	6.00%	0.74%	13.48%

Source: Pinellas County Property Appraiser

Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 1,343,183,050	\$ 298,770,983	\$ 1,044,412,067	4.0500
1,291,832,238	281,089,742	1,010,742,496	4.0500
1,330,383,901	302,764,054	1,027,619,847	4.0500
1,397,696,805	314,091,885	1,083,604,920	4.0500
1,609,799,895	397,253,307	1,212,546,588	4.0500
1,793,681,913	410,581,989	1,383,099,924	4.0500
1,838,942,900	470,953,661	1,367,989,239	4.0722
1,749,473,402	483,959,310	1,265,514,092	4.6000
1,381,707,928	344,315,116	1,037,392,812	4.6500
1,192,897,250	289,340,296	903,556,954	4.6500

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100.00%	22.24%	77.76%
100.00%	21.76%	78.24%
100.00%	22.76%	77.24%
100.00%	22.47%	77.53%
100.00%	24.68%	75.32%
100.00%	22.89%	77.11%
100.00%	25.61%	74.39%
100.00%	27.66%	72.34%
100.00%	24.92%	75.08%
100.00%	24.26%	75.74%

City of Oldsmar  
Schedule 8  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(rates per \$1,000 of assessed value)

Fiscal Year	City	County Operating			Total County Operating	Transit District	Emergency Medical Services
		General Fund	Health Department	Mosquito Control			
2014	4.0500	5.2755	0.0622	-	5.3377	0.7305	0.9158
2013	4.0500	5.0105	0.0622	-	5.0727	0.7305	0.9158
2012	4.0500	4.8108	0.0622	-	4.8730	0.7305	0.8506
2011	4.0500	4.8108	0.0622	-	4.8730	0.5601	0.5832
2010	4.0500	4.8108	0.0622	-	4.8730	0.5601	0.5832
2009	4.0500	4.8108	0.0622	-	4.8730	0.5601	0.5832
2008	4.0722	4.8108	0.0622	-	4.8730	0.5601	0.5832
2007	4.6000	5.3400	0.0700	0.0600	5.4700	0.6074	0.6300
2006	4.6500	5.9920	0.0700	0.0790	6.1410	0.6377	0.6600
2005	4.6500	5.9920	0.0700	0.0790	6.1410	0.6377	0.6600

Note:

Source: Pinellas County Tax Collector



School Board			Southwest Florida Water Management District	Juvenile Welfare Board	Pinellas Anclote River Basin	Pinellas County Planning Council	Total
School State	Pinellas County School Board Required Local Effort	Total School Board					
5.3120	2.7480	8.0600	0.3818	0.8981	-	0.0160	20.3899
5.5540	2.7480	8.3020	0.3928	0.8981	-	0.0125	20.3744
5.6370	2.7480	8.3850	0.3928	0.8337	-	0.0125	20.1281
5.3420	2.9980	8.3400	0.3770	0.7915	0.2600	0.0125	19.8473
5.3480	2.9980	8.3460	0.3866	0.7915	0.3200	0.0125	19.9229
5.1720	2.8890	8.0610	0.3866	0.7915	0.3600	0.0170	19.6824
4.7300	3.0010	7.7310	0.3866	0.7384	0.3701	0.0170	19.3316
5.0460	3.1640	8.2100	0.4220	0.7963	0.4000	0.0195	21.1552
5.1910	3.1990	8.3900	0.4220	0.8117	0.4000	0.0218	22.1342
5.5040	2.6180	8.1220	0.4220	0.8117	0.4000	0.0220	21.8664

City of Oldsmar  
Schedule 9  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
The Nielsen Company (US) LLC	\$ 61,065,735	1	5.85%	\$ -	-	-
TNC (US) Holdings INC	46,182,033	2	4.42%	-	-	-
MT (2002) Statutory Trust	36,220,128	3	3.47%	-	-	-
Woodlands Square C R P LLC	27,842,000	4	2.67%	-	-	-
Pacifica Forest Lakes LLC	18,000,000	5	1.72%	-	-	-
K T R Central Florida LLC	16,676,000	6	1.60%	-	-	-
Wal-Mart Stores East LP	13,850,000	7	1.33%	19,212,570	4	2.13%
MT (2003) Statutory Trust	13,007,675	8	1.25%	-	-	-
T W C 79 LTD	12,460,000	9	1.19%	11,443,000	7	1.27%
Tampa Electric Company	9,320,104	10	0.89%	9,404,170	9	1.04%
Oldsmar Statutory Trust	-	-	-	57,301,100	1	6.34%
Nielsen Media Research, Inc.	-	-	-	37,108,970	2	4.11%
PPFL Woodlands LLC	-	-	-	34,000,000	3	3.76%
ICS Village	-	-	-	18,400,000	5	2.04%
580 Industrial, Ltd.	-	-	-	18,203,900	6	2.01%
Metal Industries, Inc.	-	-	-	10,376,660	8	1.15%
H/A Partners II, Ltd.	-	-	-	8,500,000	10	0.94%
Total Principal Taxpayers	254,623,675		24.38%	223,950,370		24.79%
All Other Taxpayers	789,788,392		75.62%	679,606,584		75.21%
Total	<u>\$ 1,044,412,067</u>		<u>100.00%</u>	<u>\$ 903,556,954</u>		<u>100.00%</u>

Note:

Source: Pinellas County Property Appraiser's Office

City of Oldsmar  
Schedule 10  
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		Subsequent Year Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 4,246,624	\$ 4,092,047	96.36%	\$ 6,351	\$ 4,098,398	96.51%
2013	4,088,025	3,733,218	91.32%	111,898	3,845,116	94.06%
2012	4,161,956	3,883,440	93.31%	150,106	4,033,546	96.91%
2011	4,388,600	4,073,483	92.82%	163,351	4,236,834	96.54%
2010	4,910,814	4,512,858	91.90%	249,713	4,762,571	96.98%
2009	5,240,266	4,828,033	92.13%	247,667	5,075,700	96.86%
2008	5,570,726	5,187,887	93.13%	195,291	5,383,178	96.63%
2007	5,821,365	5,472,772	94.01%	165,303	5,638,075	96.85%
2006	4,823,877	4,646,867	96.33%	24,437	4,671,304	96.84%
2005	4,201,540	4,042,886	96.22%	29,340	4,072,226	96.92%

Notes:

Source: Pinellas County Property Appraiser

The Pinellas County Property Appraiser does not provide information on subsequent year collections by year. Therefore, this column represents collections for prior year tax levies that were received in the year indicated.

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## **SCHEDULES OF DEBT CAPACITY INFORMATION**

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

The City Charter makes no provision for a general obligation debt margin. There has been no general obligation bonded debt outstanding for the prior ten fiscal years.

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City of Oldsmar  
Schedule 11  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities		
	Revenue Note Series 2001	Capital Improvement Revenue Bonds	2002 Revenue Bonds	2012 Refunding Revenue Note	Water/Sewer Revenue Bonds - 1990	SRF Loan WWTP Upgrades	SRF Loan Water Booster Station
2014	\$ -	\$ -	\$ -	\$ 1,409,000	\$ 2,602,645	\$ -	\$ 1,185,624
2013	-	-	-	1,550,000	2,937,351	-	1,306,101
2012	-	-	1,590,000	-	3,248,720	-	1,422,986
2011	-	-	1,700,000	-	3,538,396	-	1,536,386
2010	-	-	1,800,000	-	3,805,381	-	1,646,405
2009	-	-	1,900,000	-	4,057,606	169,140	1,753,143
2008	-	158,697	1,995,000	-	4,293,019	331,772	1,856,699
2007	-	305,005	2,085,000	-	4,512,903	488,145	1,957,167
2006	48,289	443,358	2,175,000	-	4,718,169	638,502	2,054,639
2005	236,145	569,559	2,260,000	-	4,910,022	783,074	2,149,205

Notes:

The City has had no general obligation bonded debt in the last ten years.

The Constitution of the State of Florida, Florida Statute 200.181 and the Charter of the City of Oldsmar, Florida set no legal debt margin.

SRF Loan Alternate Water Supply	Water Revenue Bond - 2010	SRF Water Supply 2011	Total	Percentage of Personal Income	Per Capita
\$ 2,919,748	\$ -	\$ 4,664,154	\$ 12,781,171	2.28%	\$ 922
3,048,672	-	4,868,255	13,710,379	2.44%	999
2,125,942	-	4,609,353	12,997,001	2.44%	957
1,459,045	5,563,935	1,002,854	14,800,616	2.88%	1,089
986,984	5,563,935	-	13,802,705	3.66%	998
-	-	-	7,879,889	1.54%	570
-	-	-	8,635,187	1.49%	619
-	-	-	9,348,220	1.71%	653
-	-	-	10,077,957	1.99%	720
-	-	-	10,908,005	2.21%	794



City of Oldsmar  
Schedule 12  
Direct and Overlapping Governmental Activities Debt  
As of September 30, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Pinellas County School Board (1)	\$ 19,075,000		
Capital leases	5,611,232		
Pinellas County Governmental Activities Bonds	<u>8,713,566</u>		
Total overlapping debt	\$ 33,399,798	1.862%	\$ 621,884
City direct debt			<u>1,409,000</u>
Total direct and overlapping debt			<u><u>\$ 2,030,884</u></u>

Notes:

Source: Pinellas County and Pinellas County School Board.

(1) The City's share is calculated based on the ratio of the 2013 City Taxable Value of \$1,044,412,067 to the County's Taxable Value of \$56,092,698,300.

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City of Oldsmar  
Schedule 13  
Pledged-Revenue Coverage  
Last Ten Fiscal Years

Year	Half-cent Sales Tax	Capital Improvement Revenue Bonds Series 1989			Communications Service Taxes	Revenue Note Series 2001		
		Principal	Interest	Coverage		Principal	Interest	Coverage
2014	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
2013	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-
2009	170,000	43,599	126,401	1.00	-	-	-	-
2008	168,032	46,164	121,868	1.00	-	-	-	-
2007	167,795	50,010	119,921	0.99	32,433	48,290	361	0.67
2006	167,795	52,575	114,192	1.01	194,602	187,856	6,746	1.00
2005	168,096	56,422	111,674	1.00	194,602	179,648	14,954	1.00

Note:

Pledged revenue amounts include interest earned on sinking fund accounts.

Interest expense includes other fiscal charges such as bond agent fees.

The Revenue Bonds, Series 2002 were refunded with proceeds from the Refunding Revenue Note, Series 2012. Proceeds from the Series 2012 Note were used to cover refunding the 2002 series, bond issue costs and interest not covered by the pledged revenues.

Public Services Tax	Revenue Bonds Series 2002			Refunding Revenue Note Series 2012		
	Principal	Interest	Coverage	Principal	Interest	Coverage
\$ 169,020	\$ -	\$ -	-	\$ 141,000	\$ 26,355	1.01
163,547	1,590,000	44,935	0.10	-	14,791	0.84
195,670	110,000	86,645	1.00	-	-	-
191,550	100,000	91,550	1.00	-	-	-
196,570	100,000	96,570	1.00	-	-	-
195,750	95,000	100,750	1.00	-	-	-
194,352	90,000	104,352	1.00	-	-	-
197,682	90,000	107,682	1.00	-	-	-
1,013,623	85,000	110,746	5.18	-	-	-
198,562	85,000	113,562	1.00	-	-	-

(continued)

City of Oldsmar  
Schedule 13  
Pledged-Revenue Coverage (continued)  
Last Ten Fiscal Years

Year	Revenues	Expenses	Net Available Revenue	Refunding and Improvement Revenue Bonds Series 1990		State Revolving Loan	
				Principal	Interest	Principal	Interest
2014	\$6,863,407	\$4,125,647	\$2,737,760	\$ 95,950	\$ 452,761	\$ -	\$ -
2013	6,789,235	4,324,976	2,464,259	103,202	445,600	-	-
2012	6,661,133	4,966,734	1,694,399	111,012	437,871	-	-
2011	6,622,146	4,973,567	1,648,579	118,822	427,526	-	-
2010	6,202,933	5,037,730	1,165,203	132,396	417,604	169,140	6,205
2009	6,372,420	4,986,554	1,385,866	143,479	406,521	162,632	12,735
2008	6,674,033	4,992,667	1,681,366	153,993	396,007	156,374	19,535
2007	6,794,954	4,744,317	2,050,637	165,283	384,718	150,357	25,551
2006	6,747,647	4,766,839	1,980,808	178,773	371,227	144,572	31,337
2005	6,106,162	4,495,142	1,611,020	191,783	358,217	139,009	36,900

Note:

Revenues include operating revenues of the Water and Sewer fund and investment income.  
Expenses do not include interest or depreciation expenses.

State Revolving Fund Construction Loan #2		State Revolving Fund Construction Loan #3		State Revolving Fund Construction Loan #4		Total		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Coverage
\$120,477	\$ 37,906	\$ 128,924	\$ 81,504	\$ 204,101	\$ 117,222	\$ 549,452	\$689,393	2.21
116,885	41,477	138,711	80,184	349,717	130,865	708,515	698,126	1.75
113,400	44,993	84,054	49,129	-	-	308,466	531,993	2.02
110,019	48,404	-	-	-	-	228,841	475,930	2.34
106,738	51,713	-	-	-	-	408,274	475,522	1.32
103,556	54,924	-	-	-	-	409,667	474,180	1.57
100,468	58,933	-	-	-	-	410,835	474,475	1.90
97,472	61,919	-	-	-	-	413,112	472,188	2.32
94,566	64,835	-	-	-	-	417,911	467,399	2.24
91,747	67,654	-	-	-	-	422,539	462,771	1.82

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## **SCHEDULES OF DEMOGRAPHIC AND ECONOMIC INFORMATION**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.



City of Oldsmar  
Schedule 14  
Demographic and Economic Statistics  
Last Ten Calendar Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2014	13,859	\$ 560,250,075	\$ 40,425	37.2	1,267	5.8%
2013	13,725	560,830,950	40,862	37.9	1,310	6.5%
2012	13,583	533,282,163	39,261	39.3	1,373	8.4%
2011	13,597	514,782,420	37,860	39.5	1,406	10.9%
2010	13,828	377,186,356	27,277	37.1	1,465	11.7%
2009	13,817	510,096,006	36,918	45.2	1,452	10.8%
2008	13,949	578,158,152	41,448	45.1	1,529	6.6%
2007	14,313	545,110,605	38,085	44.7	1,592	3.7%
2006	14,000	505,526,000	36,109	44.0	1,714	2.8%
2005	13,737	493,680,306	35,938	44.0	1,753	3.3%

Note:

Sources:

- (1) State of Florida Office of Economic and Demographic Research - Estimate for April 1, 2014
- (2) Extrapolated from Per Capita info, times the population
- (3) U.S. Dept. of Commerce - Bureau of Economic Analysis  
Table CA1-3 Personal Income Summary for Tampa-St. Petersburg-Clearwater Metropolitan  
Statistical Area - Updated November 20, 2014
- (4) U.S. Census Bureau, American Community Survey for Oldsmar, FL  
(2008-2012 American Community Survey 5-Year Estimates)
- (5) Enrollment figures acquired by contacting each of three schools in the Community
- (6) Florida Department of Economic Opportunity Local Area Unemployment Statistics Program  
September 2014 Unemployment Rate for Pinellas County, FL

City of Oldsmar  
Schedule 15  
Principal Employers  
Current Year and Eight Years Ago (1)

Employer	2014			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage Total City Employment
Nielsen Media Research	2,500	#1	N/A	1,500	#1	N/A
United Health Care	550	#2	N/A	400	#2	N/A
Walmart	395	#3	N/A	N/A		N/A
Baycare	295	#4	N/A	320	#3	N/A
City of Oldsmar	143	#5	N/A	150	#4	N/A
MI Metals	94	#6	N/A	61	#9	N/A
Micon Packaging	90	#7	N/A	79	#7	N/A
CryoCell International	77	#8	N/A	N/A		N/A
Belac, LLC.	66	#9	N/A	N/A		N/A
Network Dynamics, Inc.	65	#10	N/A	N/A		N/A
IC Intracom	41	#11	N/A	90	#6	N/A
Techni-Car	39	#12	N/A	N/A		N/A
Goodrich Lighting Systems (2,3)	N/A	N/A	N/A	137	#5	N/A
eAutoclaims (4)	N/A	N/A	N/A	65	#8	N/A
	<u>4,354</u>		<u>-</u>	<u>2,802</u>		<u>-</u>

N/A - Total employment within the City is not available.

(1) Information for a ten year comparison is unavailable, but will be presented prospectively in the future.

(2) Formerly Goodrich-Hella Aero.

(3) Goodrich Lighting Systems has moved outside of Oldsmar City limits.

(4) eAutoclaims has moved outside of Oldsmar City limits.

## **SCHEDULES OF OPERATING INFORMATION**

These schedules offer detailed operations information to help the reader understand the services provided by the City.

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City of Oldsmar  
Schedule 16  
Full-time Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	Full-time Equivalent Employees as of September 30					
	2014	2013	2012	2011	2010	2009
General government						
City Manager	1.5	2.0	2.0	2.0	4.0	5.0
Administrative Services	17.5	17.0	17.5	17.5	17.5	18.0
City Clerk	4.5	4.5	4.5	4.5	2.5	2.5
Public Safety						
Fire	20.0	22.0	23.0	23.0	23.0	23.0
Police	*	*	*	*	*	*
Protective Inspections/Planning	8.0	6.0	7.0	7.0	9.0	6.0
Public Works						
Technical Services/Building	2.5	2.0	2.0	2.0	5.0	9.5
Road and Street Facilities	10.0	10.0	10.0	10.0	10.0	14.0
Utilities Maintenance	4.0	4.0	5.0	-	-	-
Water Distribution	11.0	12.0	12.0	17.0	12.0	12.0
Water Reclamation	9.0	9.0	9.0	14.0	14.0	14.0
Reclaimed Water	-	-	-	1.0	1.0	1.0
RO Water Treatment Plant	7.0	6.0	6.0	-	-	-
Solid Waste	1.0	1.0	2.0	2.0	2.0	2.0
Stormwater	4.0	4.0	4.0	4.0	4.0	-
Culture and recreation						
Library	11.5	11.5	12.0	12.0	12.0	12.0
Parks	18.4	16.9	15.9	15.9	17.9	17.9
Recreation	7.8	8.3	8.3	8.3	8.8	9.8
Facilities	5.0	5.0	5.0	5.0	-	-
Cultural Affairs	-	-	-	-	-	-
	<u>142.7</u>	<u>141.2</u>	<u>145.2</u>	<u>145.2</u>	<u>142.7</u>	<u>146.7</u>

\* Note: The City contracts for Law Enforcement Services through a contract with the Pinellas County Sheriff's Office.

2008	2007	2006	2005
2.5	3.5	3.5	3.5
17.5	16.5	15.5	15.5
4.5	4.5	4.0	4.0
23.0	23.0	20.0	20.0
*	*	*	*
6.0	5.5	5.5	5.5
9.5	9.5	9.5	9.0
14.0	14.0	14.0	13.0
-	-	-	-
11.0	11.0	11.0	11.0
15.0	15.0	15.0	14.0
1.0	1.0	1.0	1.0
-	-	-	-
1.0	1.0	-	-
-	-	-	-
12.0	12.0	11.5	12.5
17.9	17.9	17.0	17.0
11.8	10.8	10.8	9.8
-	-	-	-
-	1.0	1.0	1.0
146.7	146.2	139.3	136.8

City of Oldsmar  
Schedule 17  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Police						
Physical arrests	601	633	219	552	504	491
Parking violations	307	565	895	751	704	329
Traffic violations	7,355	6,835	7,214	5,049	4,264	3,660
Fire						
Total Responses	1,531	1,526	1,562	1,656	1,722	1,526
EMS Responses	1,316	1,315	1,323	1,387	1,400	1,224
Fire Responses	215	211	239	269	322	302
Inspections	562	564	1,032	1,401	1,708	1,717
Recreation						
Memberships	1,456	1,957	2,038	1,779	893	759
Library						
Volumes in collection	59,398	61,155	68,410	60,450	60,139	60,809
Water						
Number of connections	5,359	5,332	5,305	5,334	5,584	5,649
Average daily consumption (mgd)	1.236	1,221	1.327	1.296	1.320	1.525
Sewer						
Number of connections	5,214	5,215	5,215	5,251	5,301	5,316
Average daily flow (mgd)	1.524	1,460	1.672	1.274	1.620	1.653
Reclaimed water						
Number of connections	1,726	1,701	1,656	1,641	1,615	1,576

Notes:

N/A = not available

2008	2007	2006	2005
698	293	N/A	N/A
218	71	N/A	N/A
5,610	2,492	N/A	N/A
1,661	1,551	N/A	N/A
1,350	1,291	N/A	N/A
311	260	N/A	N/A
1,772	1,495	N/A	N/A
1,977	2,232	1311	1837
56,035	53,600	51,618	49,864
5,660	5,422	5,362	5,309
1.525	1.538	1.496	1.534
5,310	5,289	5,240	5,213
1.653	1.605	1.667	1.797
1,520	1,493	1,430	1,373



City of Oldsmar  
Schedule 18  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Police						
Stations	-	-	-	-	-	-
Fire						
Stations	1	1	1	1	1	1
Public works						
Streets (miles)	49.21	51.63	51.63	51.63	51.63	49.80
Recreation						
Number of parks	9	9	9	8	8	8
Playgrounds	8	8	8	8	8	8
Recreation Centers	1	1	1	1	1	2
Community Centers	1	1	1	1	1	1
Baseball Fields	7	8	8	9	9	9
Softball Fields	3	3	3	3	3	3
Tennis Courts	4	4	4	4	4	4
Basketball Courts	3	3	3	3	3	3
Soccer and Football fields	3	3	3	3	3	3
Picnic Areas	25	25	25	25	24	24
Boat Ramps	2	2	2	2	2	2
Fishing Areas	4	4	4	4	4	4
BMX Track	1	1	1	1	1	1
Sprayground	1	1	1	1	1	1
Preserve	1	1	1	1	1	1

2008	2007	2006	2005
-	-	-	-
1	1	1	1
49.80	49.80	49.77	49.60
8	8	8	8
8	8	8	8
2	2	2	2
1	1	1	1
9	9	9	9
3	3	3	3
4	4	4	4
3	3	3	3
3	3	3	3
24	20	20	16
2	2	2	2
4	4	4	4
1	1	1	1
1	1	1	1
1	-	-	-

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## **OTHER REPORTS**

CITY OF OLDSMAR  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
For the fiscal year ended September 30, 2014

Federal/State Agency Pass-through entity Federal Program/State Project	CFDA/ CSFA No.	Contract or grant number	Expenditures
<b>FEDERAL AWARDS</b>			
U.S. Environmental Protection Agency (indirect) Florida Department of Environmental Protection State Revolving Loan	66.458	669090	\$ -
Capitalization Grant for Drinking Water State Revolving Fund Loan	66.468	DW5214 000	-
American Recovery & Reinvestment Act (ARRA) Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW5214020	-
U.S. Department of Justice (indirect) Florida Department of Law Enforcement Justice Assistance Grant (JAG) Program Traffic Enforcement Equipment	16.738	2014-JAGD-PINE-9-E6-076	2,699
Federal Highway Administration U.S. Department of Transportation (indirect) Florida Department of Environmental Protection Recreational Trails Program Mobbly Bayou Wilderness Preserve Park Phase II	20.219	T11019	47,420
U.S. Department of Transportation (indirect) Florida Department of Transportation Local Agency Program (LAP) Oldsmar Trail Program - Progress Energy Trail Phase 1 Phase 2 Phase 3 Phase 4 Phase 5	20.205 20.205 20.205 20.205 20.205	FPN#415738 25 801 FPN#415738 35 801 FPN#415738 45 801 FPN#415738 55 801 FPN#415738 65 801	37,633 378,270 241,539 241,298 440,401
U.S. Department of Housing and Urban Development Pinellas County Community Development Department Community Development Block Grant St. Petersburg Drive Streetscape	14.218	CD13OLDS	87,500

(continued)

CITY OF OLDSMAR  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
For the fiscal year ended September 30, 2014

Federal/State Agency Pass-through entity Federal Program/State Project	CFDA/ CSFA No.	Contract or grant number	Expenditures
U.S. Department of Interior National Park Service Florida Department of Environmental Protection Land and Water Conservation Fund Grans Mobley Bayou Wilderness Preserve	15.916	LW593/12-00593	\$ 131,231
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 1,607,991</u>
<b>STATE FINANCIAL ASSISTANCE</b>			
Florida Department of Transportation District Seven Highway Landscape Grant SR580	55.023	AQ600	\$ 82,966
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<u>\$ 82,966</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

September 30, 2014

Basis of Accounting: Federal awards and State financial assistance programs for the City of Oldsmar, Florida (the City) are accounted for in the Statement of Net Position as increases in long-term debt; in the Statement of Activities as operating and capital grants; in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds as intergovernmental revenues; and in the Statement of Revenues, Expenses and Changes in Net Position – Business Type Activities – Enterprise Funds as intergovernmental revenue, as applicable. The accompanying schedule of expenditures of federal awards and state financial assistance has been prepared on the same basis of accounting as the financial statements of the City of Oldsmar.

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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*

The Honorable Mayor  
and City Council Members  
City of Oldsmar, 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 Oldsmar, Florida (the City) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 5, 2015.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



Wells, Houser & Schatzel, P.A.  
St. Petersburg, FL  
February 5, 2015



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor  
and City Council Members  
City of Oldsmar, Florida

**Report on Compliance for Each Major Federal Program**

We have audited the City of Oldsmar, Florida's (the City's) compliance with the types of compliance requirements described in the *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, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the City of Oldsmar, Florida, 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, 2014.

**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 material weaknesses or significant deficiencies. 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.

A handwritten signature in blue ink that reads "Wells, Houser & Schatzel, P.A.".

Wells, Houser & Schatzel, P.A.  
St. Petersburg, FL  
February 5, 2015

CITY OF OLDSMAR, FLORIDA

SUMMARY OF FINDINGS AND QUESTIONED COSTS

For the fiscal year ended September 30, 2014

SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

The auditor's report expresses an unmodified opinion on the financial statements of the City of Oldsmar, Florida.

Internal control over financial reporting:

Material weakness identified?	<u>          </u> Yes	<u>      X      </u> No
Significant deficiency identified?	<u>          </u> Yes	<u>      X      </u> None reported
Noncompliance material to financial statements noted?	<u>          </u> Yes	<u>      X      </u> No

**Federal Awards**

Internal control over major programs:

Material weakness identified?	<u>          </u> Yes	<u>      X      </u> No
Significant deficiency identified?	<u>          </u> Yes	<u>      X      </u> None reported

The auditor's report on compliance for the major federal award program for the City of Oldsmar, Florida expresses an unmodified opinion on all major federal programs.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB A-133?

<u>          </u> Yes	<u>      X      </u> No
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Local Agency Program (LAP)

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

<u>          </u> Yes	<u>      X      </u> No
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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and  
City Council Members  
City of Oldsmar, Florida

**Report on the Financial Statements**

We have audited the financial statements of the City of Oldsmar, Florida, as of and for the fiscal year ended September 30, 2014 and have issued our report thereon dated February 5, 2015.

**Auditor's Responsibility**

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

**Other Reports and Schedule**

We have issued our Independent Auditors' Reports 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 Report on Internal Control over Compliance in Accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 5, 2015, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Oldsmar, Florida, a municipal corporation, operates under Chapter 51-27687, Laws of Florida. The City of Oldsmar, Florida included the following component unit: the Community Redevelopment Agency (CRA) was created pursuant to Florida Statute 163.356 and City Resolution 95-25. The CRA is the only component unit identified by the City and is appropriately blended in the financial statements as a special revenue fund.

**Financial Condition**

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City of Oldsmar, Florida'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 the same.



## **Annual Financial Report**

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

## **Special District Component Units**

Section 10.554(1)(i)5.d. Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

## **Other Matters**

Sections 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida  
February 5, 2015

INDEPENDENT AUDITOR'S REPORT  
REGARDING COMPLIANCE REQUIREMENTS IN RULES  
OF THE AUDITOR GENERAL 10.556(10)

Honorable Mayor and  
City Council Members  
City of Oldsmar, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of Oldsmar, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.



Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida

February 5, 2015