

CITY OF OLDSMAR, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Fiscal Year Ended
SEPTEMBER 30, 2016**

CITY COUNCIL

DOUG BEVIS, Mayor

ERIC SEIDEL, Vice-Mayor

DAN SARACKI, Councilmember

GABBY MCGEE, Councilmember

JERRY BEVERLAND, 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, 2016

ELECTED OFFICIALS

MAYOR

DOUG BEVIS

VICE-MAYOR

ERIC SEIDEL

COUNCILMEMBER

DAN SARACKI

COUNCILMEMBER

GABBY MCGEE

COUNCILMEMBER

JERRY BEVERLAND

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

Nan Bennett

Planning & Redevelopment Director

Marie Dauphinais

Fire & EMS Chief

Dean O'Nale

Library Director

Susan Hurley

Leisure Services Director

Lynn Rives

CITY OF OLDSMAR, FLORIDA

INTRODUCTORY SECTION

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CERTIFICATE OF ACHIEVEMENT

ORGANIZATION CHART

CITY OF OLDSMAR, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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City of Oldsmar

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

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

April 4, 2017

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, 2016 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 completion of the last fiscal year marked several milestones for the City. First and foremost, the City enjoyed its Centennial Celebration, with special events throughout the year, culminated by a tremendous concert at Tampa Bay Downs, on the first day of the new fiscal. Also, the City enjoyed its status in becoming the fourth BMX Supercross Olympic training facility to be completed in the United States, and was christened by hosting the Gator Winter Nationals, a Bicycle Motocross event that showcased the City at its finest, while playing host to athletes from over 25 countries, several of whom went on to win medals in the Rio Olympic games. While those accomplishments were significant, focus for the future turns to maintenance of facilities, roadways and existing city assets, as growth opportunities moderate.

Major repair work was completed on the Pier at R.E. Olds Park, a landmark that displays some of the great natural beauty one can find along our shoreline. The Pier has existed for many years. Also completed were structural improvements to the Band Shell stage, enhanced by mural art completed by a local artist, paying special tribute to our founder, and our first fallen soldier. While the BMX Track was completed and operational, other improvements were started elsewhere in the park, such as upgrades made to the Concession Stands. Canal Park upgrades have become a Council priority, and improvements will continue for years to come. To that end, the City funded a Master Plan to chart improvement plans for the entire Park.

Honorable Mayor, Council Members and Citizens
April 4, 2017

At Bicentennial Park, relocation of the existing restroom facility was completed. Parking lot resurfacing was also completed at the Municipal Services Center.

In the technology arena, the City completed upgrades to our underground fiber network, at several key locations.

In the Community Redevelopment Agency (CRA), major improvements were made at the intersection of State Road 580 and State Street, effectively closing an existing side road connection between the two, and eliminating the need for the Railroad crossing at that location. Also, the annual Sign Program was completed, enhancing existing signs, and adding new ones where appropriate.

In the Enterprise Funds, multiple facilities were improved or repaired, and field assets were upgraded throughout the City. Our Lift Station improvement plan continued, and we completed the majority of an entire office remodeling at the Distribution & Collection building during the year. Significant upgrades were made to the Downtown area with Gravity Sewer Lining. Improvements were made to the Water Lines in the Downtown area, as well.

The City has long planned for a major upgrade to our water meters citywide, which began during the year, starting the process of converting all meters to the touch-read variety.

Significant work went into planning for Harbor Palms development improvements, specifically the Water Main replacement, Sewer Line improvements, Sidewalk and Curbing enhancements, Reclaimed Expansion (tentative), and Streetscaping improvements. The Aquifer Storage and Recovery project was almost completed by year-end, which will drastically expand the delivery system possibilities by making the supply more stable throughout the year. Another huge project was the improvement to our Biosolids Drying Facility, which was important and required by ever-changing environmental regulations.

Finally, our Stormwater Fund was very busy during the year. We worked towards completion of the Master Plan for Stormwater upgrades throughout the City. Drainage improvements were completed in the State St. and Wellington Outfall area, while planning for other areas of State Street, as well as Harbor Palms, was also completed.

While the momentum of the City's development effort has continued, the focus has shifted slightly towards the maintenance, upkeep, and improvement of what we already have. There is plenty of development still to be done, but Council wants to make sure that we do it the right way, without forgetting the quality of what we have created, and the responsibility that comes along with maintaining it.

FUTURE PROSPECTS

For fiscal year 2017, the Administration presented a budget that recommended a 1% reduction from the prior year's revised budget. The slight decrease indicates that the completion of capital projects is a tiny bit greater than the planned resources to be dedicated towards the completion of new ones. From a personnel perspective, the City maintains an equal number of Full-Time Equivalents (FTEs), although planning to move one FTE from Enterprise to General Fund.

Ad Valorem taxes increased for the fourth year in a row (approximately 5%), although we are still not at the highest level of assessed value ever attained, which was back in fiscal year 2009. No change is planned for the millage rate, which continues at 4.05, as it has for the

past 8 years. The City continues to plan for the utilization of grants wherever possible, while acknowledging that they are increasingly difficult to come by.

Future projects for fiscal year 2016/17 will include: the completion of land conveyance from City to Contractor for a residential development (off Pine Ave North), as well as substantial completion of two other residential developments (along Pine Ave North). The City will start a community program for BMX riders, hoping to attract more local participants to our facility. The City has entered into a partnership agreement with a corporation that offers a Zip-Line attraction, and hopes to see the popularity of that activity explode during the fiscal year.

The largest project, currently in the planning stages, has become the Master Plan for Canal Park, which will present the guidelines for how the City will approach upgrading the remainder of the facility to match the World-Class BMX Supercross that is now fully operational.

Pinellas County has changed the term for Transportation Impact Fees, focusing towards Mobility management, now using the name “Multimodal Impact Fees.” The purpose was to recognize the change in public usage patterns towards all different modes of regional transport options. The City has followed suit, and will fund another Master Plan, to strategically design the future of our City as it relates to regional transportation issues.

In the Community Redevelopment Agency (CRA), property acquisition is still high on the City’s priority list. The development of the property next to City Hall continues to be desirable, with the next tangible planned step to be demolition of the Goodrich buildings. We hope that this will increase the likelihood of potential developers seeing the possibilities, offered by the entire property, once the whole tract is vacant.

In the Capital Projects Fund, the City has been saving funds for the completion of two major infrastructure improvements, possibly the largest in City history, when measured by cost.

First, funds have been committed towards the completion of needed improvements in the industrial section of the City, specifically the widening of Douglas Road, and the connection of Burbank, to Douglas Road, both badly needed improvements. The completion of these will provide additional access and improved roadways throughout the City’s primary business area, the Cypress Lakes Industrial Park. Additional trail options are also part of the plan.

The other large project in the planning stages is the Harbor Palms Infrastructure Improvement project, which contains multiple facets of infrastructure work, like Water and Sewer lines, Sidewalk and curbing improvements, along with Streetscaping and potentially Reclaimed expansion. These two projects will require a large commitment of city resources to complete, and will likely be in process for several years into the future.

In the Enterprise Funds, Capital Outlay will be mostly spent on the continuation of recently started projects, like the Meter upgrades and Downtown Water Line Distribution. In Stormwater, we have committed to completing the Master Plan, additional drainage work, and planning for the Harbor Palms project.

ECONOMIC CONDITION AND OUTLOOK

The City of Oldsmar continues to increase its popularity in the Tampa Bay region, with the completion of the BMX training facility, one of only four of its kind in the United States. The

Honorable Mayor, Council Members and Citizens
April 4, 2017

City is perfectly situated between the Tampa metropolitan area, and the beaches of Pinellas County. Tourists and visitors should not overlook the City's amenities, which include many incredible parks, a public beach, fishing pier and ten completed miles of recreational trail.

Other unique offerings include a Spray-ground for the kids, Recreation Center, Ice Skating facility, Flea Market, Picnic facilities throughout the city, and special events throughout the year that are held at our own waterfront park, complete with stage overlooking the water, rides for the kids, great music and fireworks.

In the immediate vicinity, you will find a thoroughbred race track that borders the city limits, and it hosts the Tampa Bay Derby, which usually produces an entrant to the Kentucky Derby. Within ten miles, two of the nation's highest ranked beaches are accessible, and there are two malls inside that perimeter for shoppers. The Tampa airport is within minutes of the city limits, and there are two minor league baseball stadiums within a ten-minute drive.

The City also proudly presents a Historical Museum, and the City Hall building doubles as an Art gallery. We offer bike and walking tours of our downtown residential areas, which are rich in character and history. We offer boat ramps, canoe trails and a Zip line attraction. There isn't anything you could think of that we don't offer, or you can't find within minutes of our city limits. Oldsmar is a great place to live, work and play, and we've had that motto since 1996, when our city won the Most Livable City award. The amazing thing about that is our amenities have more than doubled in the twenty years since we won that award.

The City Council understands the commitment required to attract new business and serve the needs of our existing businesses. During our "We Mean Business" program, the Mayor and City Manager visit the businesses on a regular basis around town, keeping in touch with their needs and listening to their concerns. The stability of our tax base has been a long standing trademark of our city, in large part due to the continuous effort placed on listening to the constituents, by our elected officials and administration.

Our economic outlook continues to be strong. We have two residential developments nearing completion, and the City's Gross Taxable Value has increased for the fourth consecutive year. The vision for the City-owned property on the east side of City Hall is being carefully considered, with continuous workshops among stakeholders to clarify the thoughts for the future.

City land continues to be a well-balanced mix, classified as (by % of land area): Preserve (47.9%), Residential (25%) Commercial/Industrial (20%), Recreational (4.6%) and Community Redevelopment area (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.

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.

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.

WATER AND SEWER FUND ACTIVITIES

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Operating Revenues	\$6,819,697	\$6,965,469	\$7,117,141
Operating Income	818,356	765,008	946,613
Add: Depreciation	1,875,694	1,899,509	1,896,417
Interest Income	43,710	89,121	71,456
Income Available for Debt Service	<u>2,737,760</u>	<u>2,753,638</u>	<u>2,914,486</u>
Annual Debt Service (Principal and Interest)	<u>1,238,815</u>	<u>1,238,795</u>	<u>1,241,439</u>
Coverage (Income available for debt service divided by annual debt service)	<u>2.21</u>	<u>2.22</u>	<u>2.35</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, 2015. 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.

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

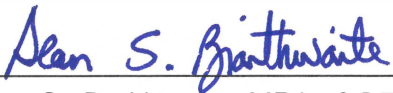
The timely preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Division. We would like to express appreciation to all members of the Division who assisted and contributed to its preparation, especially Cindy Nenno, Finance Administrator. We would like to thank

Honorable Mayor, Council Members and Citizens
April 4, 2017

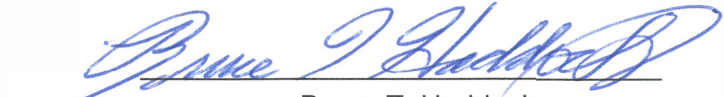
Wells, Houser & Schatzel, P.A., for their continued professional assistance. We express appreciation to the Mayor and the members of the City Council for their continued interest and support in planning and conducting the City's financial operations in a responsible and progressive manner.

Respectfully submitted,

Respectfully submitted,



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



Bruce T. Haddock
City Manager



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Financial Report
for the Fiscal Year Ended

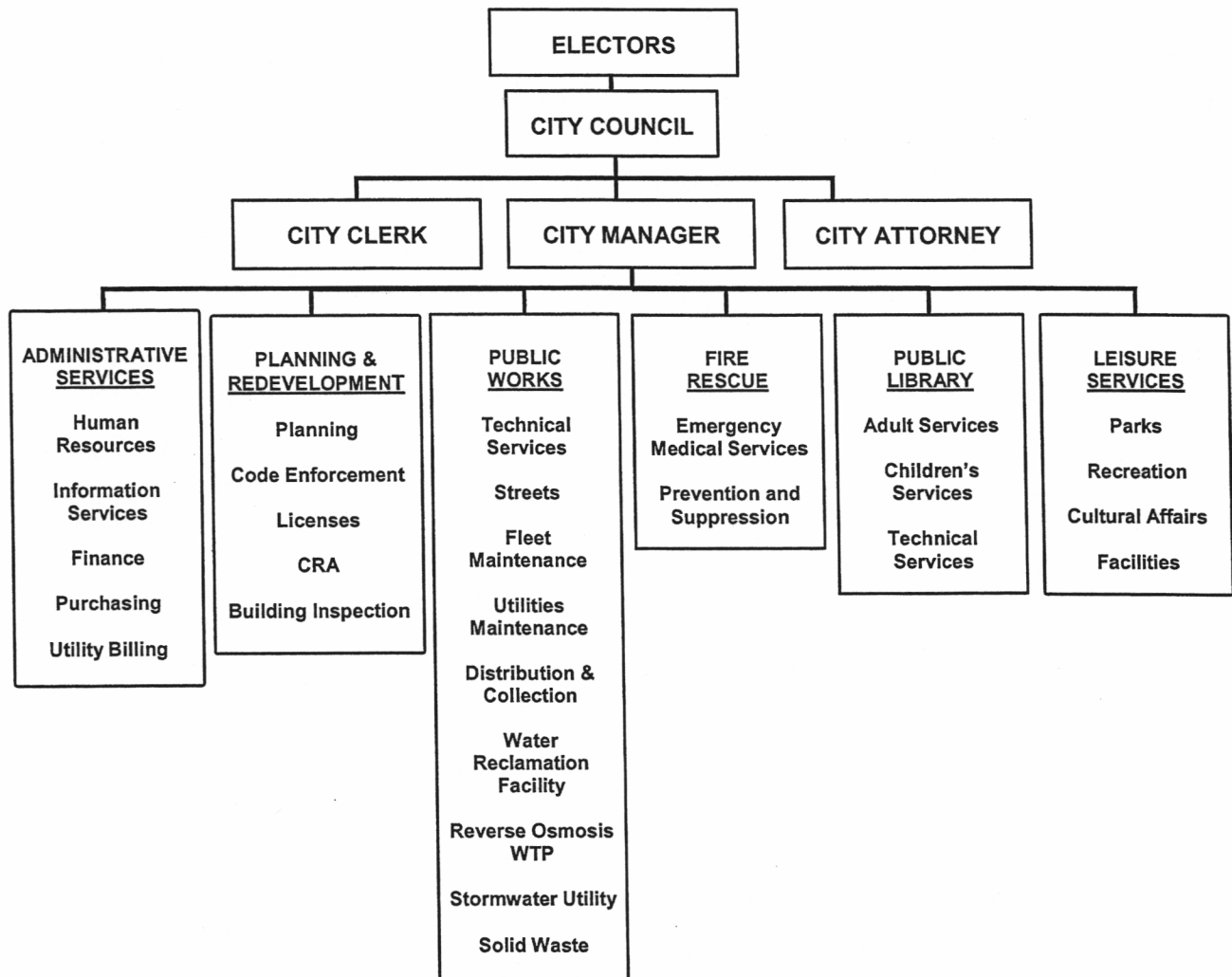
September 30, 2015

Executive Director/CEO

ORGANIZATION CHART

Fiscal Year-End September 30, 2016

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, 2016, 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, 2016, 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, 2016, 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, 2016, 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 56-57) 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 and state assistance is presented for purposes of additional analysis 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 3, 2017, 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 3, 2017

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, 2016. 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 and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of fiscal year 2016 by \$101,761,206 (net position). Of this amount, \$13,036,351 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position increased by \$1,815,327, or 16.2% from the prior year's net asset presentation. The City's total net position increased by 1.8% (\$1,756,270) from the prior year's total figure.
- As of the close of the fiscal year, the City's governmental funds reported combined ending total fund balances of \$12,102,657, an increase of \$1,678,383 when compared to the prior year. Of this amount, \$5,157,235 is available for spending at the government's discretion (unassigned fund balance). The remainder is either non-spendable, restricted, committed or assigned for open contracts, programs, or debt.
- At the end of the current fiscal year, the unassigned fund balance in the general fund was \$5,157,235, or 45% of the total general fund expenditures.
- The City's total debt decreased by \$1,016,362 (8.6%) during the 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 discussion and analysis serves as a generic introduction to the City's financial statements. 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: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Each is discussed below. This report also contains other supplementary information in addition to the basic financial statements themselves.

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. This section does not discuss individual Funds, and instead, focuses on Governmental Activities (all governmental funds) and Business-type Activities (all enterprise funds). There are two statements:

- a. **Statement of Net Position** (pg. 17). The Government-wide Statement of Net Position 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). The Government-wide Statement of Activities 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 are 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. The Community Redevelopment Agency (CRA) no longer qualifies as a major fund, but it has been maintained as such due to its overall importance to the City's economic development initiatives. 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 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 \$101,761,206 at the close of fiscal year ended September 30, 2016.

The largest portion of the City's net position continues to be investment in capital assets (81.2%), such as land, buildings, improvement other than buildings, machinery and equipment, and infrastructure. The fiscal year 2015/16 figure, \$82,608,405, represents the net capital assets total, minus related debt outstanding used to acquire the assets.

Capital assets are used to provide services to the citizens, and 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, 2016 and 2015
(000's)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and other assets	\$13,526	\$12,775	\$ 11,943	\$10,614	\$ 25,469	\$ 23,388
Capital assets	<u>49,952</u>	<u>51,248</u>	<u>41,898</u>	<u>42,576</u>	<u>91,850</u>	<u>93,825</u>
Total assets	63,478	64,023	53,841	53,190	117,319	117,213
Deferred outflows	<u>2,054</u>	<u>426</u>	<u>216</u>	<u>57</u>	<u>2,270</u>	<u>483</u>
Total assets & deferred outflows	<u>\$65,532</u>	<u>\$64,449</u>	<u>\$54,057</u>	<u>\$53,247</u>	<u>\$119,589</u>	<u>\$117,696</u>
Other liabilities	\$ 1,217	\$ 1,332	\$ 2,073	\$ 1,965	\$ 3,290	\$ 3,297
Long-term debt outstanding	<u>3,404</u>	<u>2,700</u>	<u>9,823</u>	<u>10,446</u>	<u>13,227</u>	<u>13,145</u>
Total liabilities	4,621	4,031	11,896	12,411	16,517	16,442
Deferred inflows	<u>1,286</u>	<u>1,186</u>	<u>25</u>	<u>62</u>	<u>1,311</u>	<u>1,248</u>
Total liabilities & deferred inflows	5,907	5,218	11,921	12,473	17,828	17,691
Net Position						
Net investment in capital assets	48,803	49,944	33,806	33,925	82,609	83,869
Restricted	4,342	3,270	1,774	1,645	6,117	4,915
Unrestricted (deficit)	<u>6,480</u>	<u>6,017</u>	<u>6,556</u>	<u>5,204</u>	<u>13,036</u>	<u>11,221</u>
Total net position	<u>59,625</u>	<u>59,231</u>	<u>42,136</u>	<u>40,774</u>	<u>101,761</u>	<u>100,005</u>
Total liabilities, deferred inflows & net position	<u>\$65,532</u>	<u>\$ 64,449</u>	<u>\$54,057</u>	<u>\$53,247</u>	<u>\$119,589</u>	<u>\$117,696</u>

6.0% of the City's total net position represents resources that are restricted on how they may be used. 12.8% of the total net position may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the 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 the Governmental and Business-type activities, individually. The City's total Primary Government unrestricted net position increased by \$463,289, to \$6,479,928 during the fiscal year. The City's Business-type unrestricted net position increased by \$1,352,038, to \$6,556,423, due to improved operations.

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)

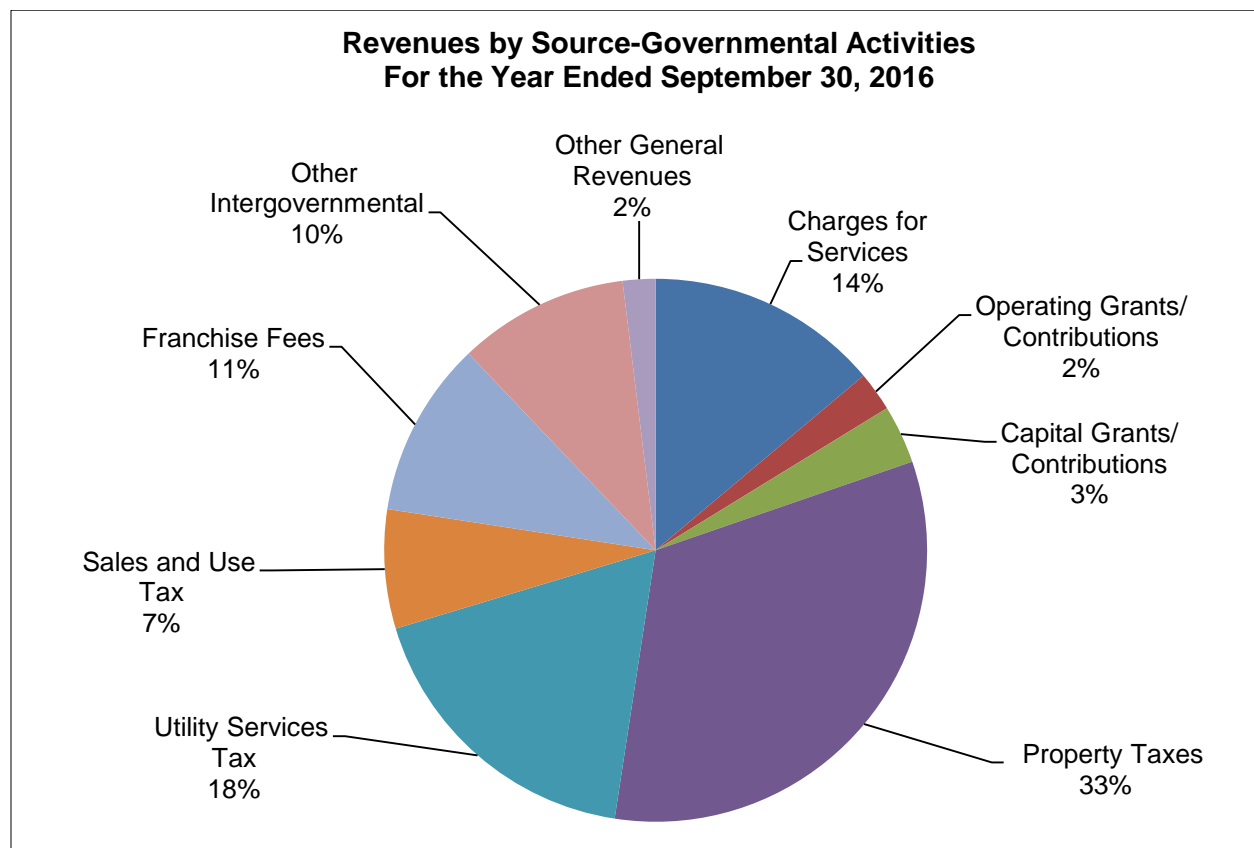
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
REVENUES						
Program Revenues:						
Charges for services	\$1,929	\$2,093	\$10,536	\$10,337	\$12,465	\$12,430
Operating Grants/Contributions	327	335	10	21	337	356
Capital Grants/Contributions	483	1,931	28	61	511	1,992
General Revenues:						
Property Taxes	4,545	4,670			4,545	4,670
Sales and Use Tax	985	910	532	533	1,517	1,443
Utility Services Tax	2,491	2,565			2,491	2,565
Franchise Fees	1,455	1,457			1,455	1,457
Other Intergovernmental	1,411	1,356			1,411	1,356
Investment Income	139	123	79	93	218	216
Other General Revenues	121	150	11	27	132	177
Gain on Disposal of Assets	11	-	-	-	11	-
Total Revenues	<u>\$13,897</u>	<u>\$15,590</u>	<u>\$11,196</u>	<u>\$11,072</u>	<u>\$25,093</u>	<u>\$26,662</u>
EXPENSES						
Program Activities:						
Primary Government						
Governmental Activities:						
General Government	3,631	3,596			3,631	3,596
Law Enforcement	1,619	1,809			1,619	1,809
Fire	2,112	1,909			2,112	1,909
Technical Services	210	193			210	193
Transportation and Drainage	1,677	1,675			1,677	1,675
Library	942	932			942	932
Parks & Recreation	2,959	2,537			2,959	2,537
Planning/Redevelopment	337	180			337	180
Interest on Long-Term Debt	16	18			16	18
Business-type Activities:						
Water & Wastewater						
Water Reclamation			3,559	3,501	3,559	3,501
Reverse Osmosis water plant			2,989	3,118	2,989	3,118
Stormwater Utility			683	694	683	694
Solid Waste			2,603	2,572	2,603	2,572
Total Expenses	<u>13,503</u>	<u>12,849</u>	<u>9,834</u>	<u>9,885</u>	<u>23,337</u>	<u>22,734</u>
Excess Revenue Over Expenses	394	2,741	1,362	1,187	1,756	3,928
Net Position, October 1	<u>\$59,231</u>	<u>\$56,490</u>	<u>\$40,774</u>	<u>\$39,587</u>	<u>\$100,005</u>	<u>\$96,077</u>
Ending Net Position	<u>\$59,625</u>	<u>\$59,231</u>	<u>\$42,136</u>	<u>\$40,774</u>	<u>\$101,761</u>	<u>\$100,005</u>

For more detailed information, see the Statement of Activities (page 18-19.)

Governmental Activities

Governmental Activities increased the City's total net position by \$393,965, accounting for 22.4% of the total growth in the net position of the City. Key elements to the increase in net position included:

- Overall, total Governmental Revenues decreased approximately 10.9%, with reduced capital grant revenue being the primary factor. General revenues were down slightly from the prior year, but still sufficient to cover the governmental program activities and provide a small increase in total net position.
- Total Governmental activity expenses increased slightly by about 5.1%. Depreciation charges on recently completed capital projects contributed to this increase.
- Total Governmental Capital Grants & Contributions decreased substantially by about \$1.5 million due to the conclusion of several large, multi-year projects including the Oldsmar Parks Connection Trail System and the BMX Supercross Track.

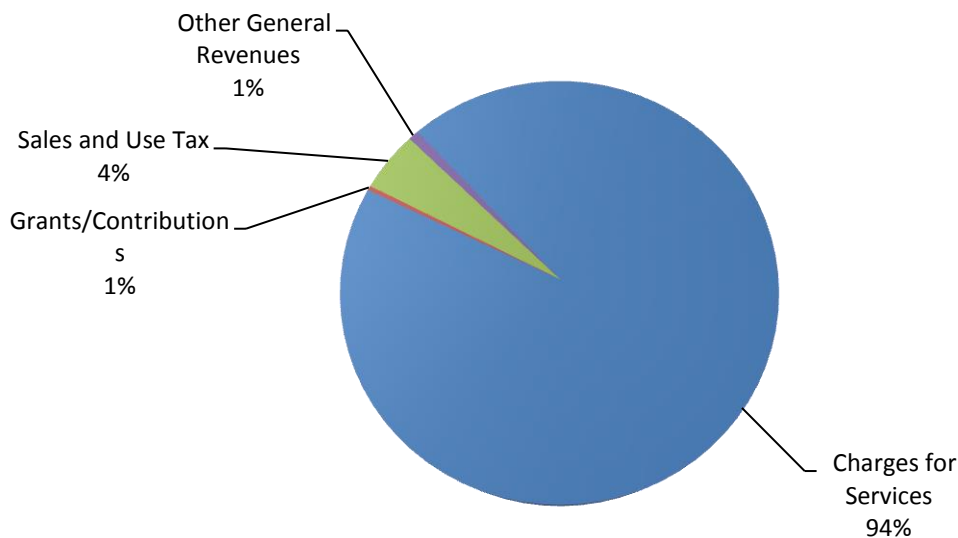


Business-type Activities

Business-type activities (enterprise funds) increased the City's total net position by \$1,362,305, accounting for 77.6% of the total growth in the government's net position. Key elements of the increase were:

- Increased user charges and improved operations allowed the Water and Sewer Operating Fund to save resources to fund vital system improvements in the coming years. Program revenues for Business-type activities were up due to new development and additional utility services provided. A rate increase will be implemented in January 2017 to promote stability in the fund and provide adequate resources for additional system maintenance needs. Total Business-type expenses also increased accordingly.
- New construction has continued to improve the overall health of the Stormwater Utility Fund and allowed the fund to maintain a steady position, contributing \$19,537 to the city's net position. The city is currently undergoing a revenue enhancement audit, which is expected to identify inconsistencies in impervious surface calculations and provide funding for future stormwater master plan improvements.
- The Solid Waste Fund has moved into a positive operating position, for the first time in many years. A slight rate increase for FY 15/16 and intergovernmental revenue allowed the fund to contribute \$33,427 to the city's net position.

Revenues by Source-Business Type Activities For the Year Ended September 30, 2016



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 fiscal year, the City's governmental funds reported a combined ending total fund balance of \$12,102,657, an increase of \$1,678,383 from the prior year. Unassigned fund balance constitutes \$5,157,235 of the total 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 - (\$250,000) for Advances to Other Funds, for the purchase of property in the CRA and (\$528,222) for prepaid items; Restricted (\$3,213,276) for Capital Projects, by external restrictions on Fund revenues; Committed to Capital Projects (\$318,790), by purchase orders not yet completed at year-end; and Assigned (\$2,607,427) 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 \$5,157,235, while total fund balance in the General Fund was \$7,760,537. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The General Fund's unassigned fund balance represents 45% of total fund expenditures for the current year, exceeding the 15% minimum as established by Resolution 2012-01.

The fund balance of the City's General Fund increased by \$630,791 during the current fiscal year. Key factors in this change were:

- Overall, the General Fund revenues decreased by \$460,434 from the prior year. Intergovernmental revenues were down by \$470,699, a direct result of the completion of grant-funded capital projects in the prior year. Franchise Fee revenues remained steady from the previous year, while Fines and Forfeitures were down \$48,735.
- General Fund expenditures decreased by \$486,850 from the prior fiscal year, primarily due to the completion of capital projects.

The City's Capital Improvement Fund experienced a fund balance increase of \$756,665, to a total of \$3,282,192. Since balances are restricted legally for capital projects, large changes in Capital Improvement fund balance are not necessarily good or bad. Increases normally suggest that funds are being saved for future capital project use, which is the case here. The increase for FY 15/16 is largely attributable to Local Infrastructure Tax (Penny for Pinellas) proceeds that

were reserved to fund the Douglas Road Improvement project, scheduled to begin in FY 2017/2018. Progress continued on the design work for the Burbank Road Extension and the Harbor Palms Infrastructure Improvement projects (\$49,688 and \$24,859 respectively), and \$50,069 was spent on the annual Sidewalk/Curb Improvement program. Additional improvements were completed at the BMX Supercross Track, for a total of \$411,498.

In the Community Redevelopment Agency Fund (CRA), the receipt of impact fees and timing of capital projects led to a \$407,275 increase in fund balance, to \$431,333.

Proprietary Funds

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

In the Water and Sewer Fund, progress made on the new biosolids project partially offset system-wide depreciation charges and debt repayments, however, the fund still realized a net decrease in Net Investment in Capital Assets of \$112,622. This decrease, along with a strong year of operations, resulted in a healthy increase of \$1,291,954 in unrestricted net assets, to a total of \$5,510,185. Total fund net position increased by \$1,309,341, to a total of \$36,219,131.

The unrestricted net position of the Stormwater Fund was \$570,442 at the end of the fiscal year, an increase of \$26,657 over the prior year. Although still posting a small operating loss, the health of the fund has improved over the past several years. Recent new construction has provided additional revenue, allowing funds to be allocated for future enhancements and maintenance to the stormwater system.

Unrestricted net position of the Solid Waste Fund was \$475,796 at year-end, an increase of \$33,427 from the prior year. Operating revenues increased by \$79,442 and the operating expenses increased overall by \$31,934. Growth in the solid waste revenue was primarily due to new development in the service area and a slight rate increase implemented on 10/1/15, to fund a contractual disposal cost increase.

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

Original budget compared to final budget.

- The difference between the original and the final amended budget for appropriations (expenditures) in the General Fund was an increase of \$72,372, comprised of the following components:
 - Encumbrance (Purchase Order) carryovers from prior fiscal year totaling \$57,372
 - Budgetary amendments required during the year to cover unexpected expenditures:
 - FEMA Hazard Mitigation grant revenue/related expenditures of \$15,000.
- In addition, City Council approved the following charges against the General Fund's contingency reserve, totaling \$165,000:
 - Promotional activities for the City's Centennial celebration (\$50,000)
 - Additional legal fees due to contract dispute (\$20,000)

- Replacement equipment for the fleet fueling station (\$25,000)
- Vehicle and building repairs for Fire Rescue (\$20,000)
- Additional training/registration fees (\$5,000)
- Re-budget of unused art improvement funding from FY 14/15 (\$45,000)

Final budget compared to actual results.

- The difference between the final amended budget for appropriations and actual expenditure in the General Fund was a positive variance of \$2,074,240. Of this amount, \$1,205,110 is unused contingency reserve. Other variances include: \$428,108 for personal services due to vacant positions (6% of budget), \$398,624 for operating expenditures (8% of budget), and \$292,398 for capital, mainly due to the timing/delays of projects (30% of budget).

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, 2016, amounts to \$91.85 million (net of accumulated depreciation). This investment in capital assets includes land and land rights, buildings, improvements, machinery and equipment, and infrastructure. The total decrease in the City's investment in capital assets for the fiscal year was 2.1 % (\$1,974,816). Depreciation charges and the sale of land through the Hayes Park development agreement are the predominant factors for this decrease.

Major capital asset events during the 2015/2016 fiscal year included the following:

- In the General Fund, improvements to the City's RE Olds Park pier were nearing completion, with a total of \$109,999 expended during FY 15/16. The improvements included reconstruction of aging pilings and other wood surfaces, as well as aesthetically pleasing nighttime LED lighting. Other FY 15/16 General Fund projects include \$64,622 expended to resurface the Municipal Services Center parking lot, and \$55,341 for the completion of Canal Park concession building improvements.
- The city received proceeds from the sale of an additional sixteen lots in Hayes Park Village, for a total of \$320,000. A total of forty of the fifty-two lots in Hayes Park had been sold through 9/30/16.
- An additional \$194,079 was expended out of the CRA Fund on the Exeter Street Railroad Crossing Closure Project during the fiscal year, for a total completed project cost of \$265,350. The project closed a problematic intersection at Exeter Street/SR 580 and removed the railroad crossing. The project was funded through the FDOT LAP program.
- In the Capital Improvement Fund, additional site improvements were completed at the Canal Park BMX Supercross track for a total of \$411,498. Oldsmar BMX Supercross track was the proud host of two international caliber BMX racing events, the 2015 and 2016 USA BMX Gator Nationals, held in October 2015, and February 2016.

- Also in the Capital Improvement Fund, progress continued on design work for the Burbank Road Extension Project, with a total of \$361,877 expended to date. Curb and sidewalk improvements were completed for a total of \$50,069, primarily funded through Local Option Gas Taxes.
- In the Water/Sewer Fund, the Water Reclamation Facility's Biosolids Drying Facility Project was nearing completion, with an additional \$736,117 spent on the installation of a new Mechanical Dewatering System (screw press), for a total of \$844,597 to date.
- The annual sewer relining project was completed for a total of \$148,532. Cycle testing continued on the city's Aquifer Storage and Recovery (ASR) project, with an additional \$51,945 dedicated to the project. In addition, lift station improvements were completed for a total of \$17,751.
- Touch-Read meter upgrades totaled \$70,810 for FY15/16. The new touch-read meter reading system will be phased in city-wide over the next several years, providing enhanced revenue and stability for the Water and Sewer system.
- Progress continued on the Master Plan update in the Stormwater Utility Fund, with a total of \$139,865 spent to date. The State Street/Wellington Outfall Improvement project was completed with an additional \$152,365 spent during the fiscal year, for a total of \$182,562.
- Design work began on the Harbor Palms Infrastructure Improvement project with a total of \$146,048 spent during FY 15/16. This multifaceted, multi-year project will bring much needed relief to the aging street and utility infrastructure in the Harbor Palms neighborhood. Construction is scheduled to begin in fiscal year 2018.

The City's investment in capital assets is summarized in the table below for the past two fiscal years, including additions and deletions.

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land and land rights	\$14.1	\$14.5	\$ 1.1	\$1.1	\$15.2	\$15.6
Buildings	17.6	17.5	23.9	24.0	41.5	41.5
Improvements other than						
Buildings	36.7	35.9	39.5	39.1	76.2	75.0
Equipment	6.6	6.4	2.9	2.8	9.5	9.2
Less:						
Accumulated Depreciation	<u>(25.8)</u>	<u>(23.7)</u>	<u>(28.1)</u>	<u>(25.9)</u>	<u>(53.9)</u>	<u>(49.6)</u>
Sub-Total	49.2	50.6	39.3	41.1	88.5	91.7
Work in Progress	<u>.7</u>	<u>.6</u>	<u>2.6</u>	<u>1.5</u>	<u>3.3</u>	<u>2.1</u>
Total	<u>\$49.9</u>	<u>\$51.2</u>	<u>\$41.9</u>	<u>\$42.6</u>	<u>\$91.8</u>	<u>\$93.8</u>

Additional information on all capital assets can be found in Note C of the notes to the financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$10,795,968 which comprises bonds and notes secured solely by specified revenue sources. The City continues to have no General Obligation (GO) debt. Additional information on the City's long-term debt can be found in Note E of the notes to the financial statements.

Table 4
Outstanding Debt, at Year-end

	<u>2016</u>	<u>Totals</u> <u>2015</u>
Governmental:		
Capital Improvement		
Refunding Note – 2012 Veterans Park	<u>\$1,116,000</u>	<u>\$1,266,000</u>
Sub-Total	<u>1,116,000</u>	<u>1,266,000</u>
Business Type:		
Water/Wastewater Bonds	1,854,469	2,242,536
State Revolving Loan – Water	933,449	1,061,445
State Revolving Loan – RO Plant ARRA	2,651,277	2,787,315
State Revolving Loan – RO Plant Secondary	<u>4,240,773</u>	<u>4,455,034</u>
Sub Total	<u>9,679,968</u>	<u>10,546,330</u>
Total	<u>\$10,795,968</u>	<u>\$11,812,330</u>

The City's balance of total debt decreased by \$1,016,362 (8.6%) during the 2015/2016 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 promoting economic development in the City (and in the CRA particular) in light of an improving economy. Increasing home values should continue to drive overall economic improvement, and assist the City in furthering 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.

STATEMENT OF NET POSITION

September 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash, pooled cash and cash equivalents	\$ 5,346,889	\$ 3,328,887	\$ 8,675,776
Investments	1,194,320	750,000	1,944,320
Receivables			
Accounts and other, net	86,701	791,355	878,056
Due from other governments	307,728	28,108	335,836
Inventories	27,707	-	27,707
Prepaid items	528,222	46,526	574,748
Total Current Assets	7,491,567	4,944,876	12,436,443
Noncurrent Assets			
Investments	5,849,596	4,513,450	10,363,046
Net pension asset	184,494	-	184,494
Restricted Assets			
Cash, pooled cash and cash equivalents	-	2,485,504	2,485,504
Capital Assets			
Nondepreciable	14,873,664	3,698,156	18,571,820
Depreciable, net of accumulated depreciation	35,078,073	38,199,817	73,277,890
Total Noncurrent Assets	55,985,827	48,896,927	104,882,754
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	2,054,397	205,559	2,259,956
Bond refunding discount	-	9,803	9,803
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 65,531,791	\$ 54,057,165	\$ 119,588,956
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 704,075	\$ 431,044	\$ 1,135,119
Retainage payable	7,040	64,262	71,302
Accrued items	315,794	60,223	376,017
Customer deposits	-	711,175	711,175
Due to other governments	40,102	-	40,102
Accrued interest payable	-	110,661	110,661
Current portion of long-term obligations	150,000	695,538	845,538
Total Current Liabilities	1,217,011	2,072,903	3,289,914
Long-Term Liabilities			
Other post employment benefits	585,000	183,000	768,000
Net pension liability	1,544,896	478,182	2,023,078
Noncurrent portion of long-term obligations	1,274,127	9,162,193	10,436,320
Total Long-Term Liabilities	3,404,023	9,823,375	13,227,398
Total Liabilities	4,621,034	11,896,278	16,517,312
DEFERRED INFLOWS OF RESOURCES			
Pension related	1,092,575	24,551	1,117,126
Unearned revenues	160,397	-	160,397
Bond refunding premium	32,915	-	32,915
Total Deferred Inflows of Resources	1,285,887	24,551	1,310,438
TOTAL LIABILITIES AND DEFERRED INFLOWS	5,906,921	11,920,829	17,827,750
NET POSITION			
Net investment in capital assets	48,802,822	33,805,583	82,608,405
Restricted for			
Capital projects	3,282,192	829,782	4,111,974
CRA	431,333	-	431,333
Debt service	147,276	944,548	1,091,824
Parkland dedication	316,976	-	316,976
Public safety	133,822	-	133,822
Transportation impact	30,521	-	30,521
Unrestricted	6,479,928	6,556,423	13,036,351
Total Net Position	59,624,870	42,136,336	101,761,206
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 65,531,791	\$ 54,057,165	\$ 119,588,956

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, 2016

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities				
General Government	\$ (3,630,907)	\$ 1,041,029	\$ 10,170	\$ -
Law Enforcement	(1,619,201)	-	-	2,748
Fire Protection	(2,112,052)	471,643	107,153	-
Technical Services	(209,890)	-	-	-
Transportation	(1,677,230)	58,789	-	(424)
Library	(941,772)	12,278	161,913	-
Parks and Recreation	(2,959,205)	308,822	47,635	3,769
Community Redevelopment	(336,643)	36,623	-	476,625
Interest on Long-Term Debt	(15,714)	-	-	-
Total Governmental Activities	(13,502,614)	1,929,184	326,871	482,718
Business-type Activities				
Water and Sewer				
Water reclamation	(3,559,372)	3,522,312	-	2,228
Reverse osmosis water plant	(2,989,204)	3,719,559	-	-
Stormwater Utility	(682,700)	673,829	-	25,881
Solid Waste	(2,603,487)	2,620,667	10,485	-
Total Business-type Activities	(9,834,763)	10,536,367	10,485	28,109
Total Primary Government	<u>\$ (23,337,377)</u>	<u>\$ 12,465,551</u>	<u>\$ 337,356</u>	<u>\$ 510,827</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
\$ (2,579,708)	\$ -	\$ (2,579,708)
(1,616,453)	-	(1,616,453)
(1,533,256)	-	(1,533,256)
(209,890)	-	(209,890)
(1,618,865)	-	(1,618,865)
(767,581)	-	(767,581)
(2,598,979)	-	(2,598,979)
176,605	-	176,605
(15,714)	-	(15,714)
(10,763,841)	-	(10,763,841)
-	(34,832)	(34,832)
-	730,355	730,355
-	17,010	17,010
-	27,665	27,665
-	740,198	740,198
(10,763,841)	740,198	(10,023,643)
4,545,289	-	4,545,289
984,964	532,397	1,517,361
1,492,720	-	1,492,720
998,257	-	998,257
1,454,907	-	1,454,907
1,410,558	-	1,410,558
139,540	78,732	218,272
120,916	10,978	131,894
10,655	-	10,655
11,157,806	622,107	11,779,913
393,965	1,362,305	1,756,270
59,230,905	40,774,031	100,004,936
\$ 59,624,870	\$ 42,136,336	\$ 101,761,206

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

CITY OF OLDSMAR, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2016

	General	Capital Improvement	Special Revenue Fund Community Redevelopment	Other Governmental Funds	Total
ASSETS					
Cash, pooled cash and cash equivalents	\$ 1,226,888	\$ 3,209,261	\$ 237,543	\$ 673,197	\$ 5,346,889
Investments	7,043,916	-	-	-	7,043,916
Receivables					
Accounts and other	86,701	-	-	-	86,701
Due from other funds	250,000	-	-	-	250,000
Due from other governments	113,886	-	193,842	-	307,728
Inventories	27,707	-	-	-	27,707
Prepaid items	92,376	170,000	265,846	-	528,222
TOTAL ASSETS	\$ 8,841,474	\$ 3,379,261	\$ 697,231	\$ 673,197	\$ 13,591,163
LIABILITIES AND FUND BALANCES					
Accounts payable	\$ 586,871	\$ 97,069	\$ 15,635	\$ 4,500	\$ 704,075
Retainage payable	7,040	-	-	-	7,040
Accrued items	315,531	-	263	-	315,794
Due to other governments	-	-	-	40,102	40,102
Due to other funds	-	-	250,000	-	250,000
TOTAL LIABILITIES	909,442	97,069	265,898	44,602	1,317,011
DEFERRED INFLOWS OF RESOURCES					
Local business tax receipts	146,212	-	-	-	146,212
Unearned special event revenue	14,185	-	-	-	14,185
Unearned assessment receivable	11,098	-	-	-	11,098
TOTAL DEFERRED INFLOWS	171,495	-	-	-	171,495
TOTAL LIABILITIES AND DEFERRED INFLOWS	1,080,937	97,069	265,898	44,602	1,488,506
FUND BALANCES					
Nonspendable					
Inventory	27,707	-	-	-	27,707
Prepaid items	92,376	170,000	265,846	-	528,222
Advances to other funds	250,000	-	-	-	250,000
Restricted for:					
Capital projects	-	2,678,494	-	147,176	2,825,670
CRA	-	-	165,487	-	165,487
Debt service	-	-	-	147,276	147,276
Fire suppression	-	-	-	44,322	44,322
Transportation improvements	-	-	-	30,521	30,521
Committed to:					
Capital projects	170,092	148,698	-	-	318,790
Assigned to:					
Insurance	563,127	-	-	-	563,127
Appropriated reserve	1,500,000	285,000	-	259,300	2,044,300
Unassigned	5,157,235	-	-	-	5,157,235
TOTAL FUND BALANCES	7,760,537	3,282,192	431,333	628,595	12,102,657
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,841,474	\$ 3,379,261	\$ 697,231	\$ 673,197	\$ 13,591,163

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, 2016

Fund balances - total governmental funds	\$ 12,102,657
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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	\$ 75,794,617	
Less accumulated depreciation	<u>(25,842,880)</u>	49,951,737

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	11,098
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Pension related items recognized pursuant to GASB 68 are not
reported in the governmental funds but will be recognized in pension
expense on a long-term basis and therefore are reported in the
Statement of Net Position

Net pension asset	184,494	
Deferred outflows of resources - Pension related	2,054,397	
Net pension liability	(1,544,896)	
Deferred inflows of resources - Pension related	<u>(1,092,575)</u>	(398,580)

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	(1,116,000)	
Unamortized bond premium	(32,915)	
Other post employment benefit obligations	(585,000)	
Compensated absences	<u>(308,127)</u>	<u>(2,042,042)</u>

Net position of governmental activities	<u><u>\$ 59,624,870</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, 2016

	General	Capital Improvement	Special Revenue Community Redevelopment	Other Governmental Funds	Total
REVENUES					
Property taxes	\$ 4,331,979	\$ -	\$ 213,310	\$ -	\$ 4,545,289
Sales taxes	-	984,964	-	-	984,964
Franchise fees	1,454,907	-	-	-	1,454,907
Utility taxes	1,321,520	-	-	171,200	1,492,720
Fire insurance premium tax	99,574	-	-	-	99,574
Communications service tax	998,257	-	-	-	998,257
Business tax receipts	184,924	-	-	-	184,924
Licenses, permits and fees	213,879	-	-	-	213,879
Intergovernmental revenues	2,017,030	-	476,625	3,769	2,497,424
Charges for services	416,964	-	-	-	416,964
Rents and royalties	85,867	-	35,095	-	120,962
Fines and forfeitures	143,321	-	-	-	143,321
Investment income	130,804	6,296	1,088	1,352	139,540
Impact fees	-	-	1,529	101,369	102,898
Special assessments	7,858	-	-	-	7,858
Other miscellaneous	489,226	-	-	-	489,226
TOTAL REVENUES	11,896,110	991,260	727,647	277,690	13,892,707
EXPENDITURES					
General Government	3,115,252	-	-	-	3,115,252
Law Enforcement	1,617,591	-	-	-	1,617,591
Fire Protection	1,960,742	-	-	-	1,960,742
Technical Services	198,303	-	-	-	198,303
Transportation	1,017,142	-	-	-	1,017,142
Library	797,581	-	-	-	797,581
Parks and Recreation	2,157,989	-	-	-	2,157,989
Community Redevelopment	-	-	113,793	-	113,793
Capital Outlay	591,942	559,595	206,579	47,838	1,405,954
Debt Service					
Principal retirement	-	-	-	150,000	150,000
Interest and other fiscal charges	-	-	-	21,200	21,200
TOTAL EXPENDITURES	11,456,542	559,595	320,372	219,038	12,555,547
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	439,568	431,665	407,275	58,652	1,337,160
OTHER FINANCING SOURCES (USES)					
Interfund transfers	(150,000)	325,000	-	(175,000)	-
Proceeds from sale of capital assets	341,223	-	-	-	341,223
TOTAL OTHER FINANCING SOURCES (USES)	191,223	325,000	-	(175,000)	341,223
NET CHANGE IN FUND BALANCES	630,791	756,665	407,275	(116,348)	1,678,383
FUND BALANCES BEGINNING	7,129,746	2,525,527	24,058	744,943	10,424,274
FUND BALANCES ENDING	\$ 7,760,537	\$ 3,282,192	\$ 431,333	\$ 628,595	\$ 12,102,657

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, 2016

Net change in fund balances - total governmental funds	\$ 1,678,383
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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	\$ 1,405,954	
Less current year depreciation	<u>(2,247,375)</u>	(841,421)

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	(341,223)	
Loss on disposal of capital assets	(124,470)	
Gain on disposal of capital assets	<u>10,655</u>	(455,038)

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	150,000
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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	(17,880)	
Pension expense - GASB 68	(65,222)	
Amortization of bond premium	5,486	
Current year special assessment unearned revenue	11,098	
Change in long-term compensated absences	8,559	
Change in OPEB	<u>(80,000)</u>	(137,959)

Change in net position of governmental activities	<u>\$ 393,965</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, 2016

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
ASSETS				
Current Assets				
Cash, pooled cash and cash equivalents	\$ 2,123,738	\$ 618,783	\$ 586,366	\$ 3,328,887
Investments	750,000	-	-	750,000
Receivables				
Accounts and other, net	699,051	17,385	74,919	791,355
Due from other governments	2,227	25,881	-	28,108
Prepaid items	32,991	3,973	9,562	46,526
Total Current Assets	3,608,007	666,022	670,847	4,944,876
Noncurrent Assets				
Investments	4,513,450	-	-	4,513,450
Restricted Assets				
Cash, pooled cash and cash equivalents	2,295,720	-	189,784	2,485,504
Capital Assets				
Nondepreciable	3,151,727	546,429	-	3,698,156
Depreciable, net of accumulated depreciation	33,875,279	4,324,538	-	38,199,817
Total Noncurrent Assets	43,836,176	4,870,967	189,784	48,896,927
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	205,559	-	-	205,559
Bond refunding discount	9,803	-	-	9,803
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 47,659,545	\$ 5,536,989	\$ 860,631	\$ 54,057,165
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 188,615	\$ 56,822	\$ 185,607	\$ 431,044
Retainage payable	64,262	-	-	64,262
Accrued items	56,106	3,145	972	60,223
Accrued interest payable	110,661	-	-	110,661
Customer deposits	521,391	-	189,784	711,175
Current portion of long-term obligations	686,798	6,621	2,119	695,538
Total Current Liabilities	1,627,833	66,588	378,482	2,072,903
Long-Term Liabilities				
Other post employment benefits	149,000	28,000	6,000	183,000
Net pension liability	478,182	-	-	478,182
Noncurrent portion of long-term obligations	9,160,848	992	353	9,162,193
Total Liabilities	11,415,863	95,580	384,835	11,896,278
DEFERRED INFLOWS OF RESOURCES				
Pension related	24,551	-	-	24,551
TOTAL LIABILITIES AND DEFERRED INFLOWS	11,440,414	95,580	384,835	11,920,829
NET POSITION				
Net investment in capital assets	28,934,616	4,870,967	-	33,805,583
Restricted for				
Debt Service	944,548	-	-	944,548
Capital Projects	829,782	-	-	829,782
Unrestricted	5,510,185	570,442	475,796	6,556,423
Total Net Position	36,219,131	5,441,409	475,796	42,136,336
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 47,659,545	\$ 5,536,989	\$ 860,631	\$ 54,057,165

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, 2016

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
OPERATING REVENUES				
User charges	\$ 6,872,966	\$ -	\$ 2,605,409	\$ 9,478,375
Fees	193,975	669,607	-	863,582
Other income	50,200	4,222	15,258	69,680
TOTAL OPERATING REVENUES	7,117,141	673,829	2,620,667	10,411,637
EXPENSES				
Salaries, wages and employee benefits	2,466,739	171,391	57,274	2,695,404
Contract services	484,953	79,868	-	564,821
Solid waste disposal	-	-	2,234,769	2,234,769
Utilities	484,434	-	-	484,434
Operating supplies	341,738	25,575	389	367,702
Repairs and maintenance	246,574	27,335	-	273,909
Other expense	249,673	35,536	60,095	345,304
Expense allocation	-	68,465	250,960	319,425
Depreciation	1,896,417	274,530	-	2,170,947
TOTAL EXPENSES	6,170,528	682,700	2,603,487	9,456,715
OPERATING INCOME (LOSS)	946,613	(8,871)	17,180	954,922
NONOPERATING REVENUES (EXPENSES)				
Investment income	72,443	2,527	3,762	78,732
Intergovernmental revenue	532,397	-	10,485	542,882
Miscellaneous income	8,978	-	2,000	10,978
Interest expense and fiscal charges	(378,048)	-	-	(378,048)
TOTAL NONOPERATING REVENUES (EXPENSES)	235,770	2,527	16,247	254,544
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,182,383	(6,344)	33,427	1,209,466
CONTRIBUTIONS AND TRANSFERS				
Capital grants	2,228	25,881	-	28,109
Capital contributions	124,730	-	-	124,730
CHANGE IN NET ASSETS	1,309,341	19,537	33,427	1,362,305
NET POSITION BEGINNING	34,909,790	5,421,872	442,369	40,774,031
NET POSITION ENDING	\$ 36,219,131	\$ 5,441,409	\$ 475,796	\$ 42,136,336

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, 2016

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 7,173,853	\$ 663,257	\$ 2,654,127	\$ 10,491,237
Cash paid to suppliers for goods and services	(1,778,527)	(104,246)	(2,302,083)	(4,184,856)
Cash payments to and for the benefit of employees	(2,473,528)	(164,292)	(56,657)	(2,694,477)
Cash paid for general government allocated expenses	-	(64,865)	(250,960)	(315,825)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,921,798	329,854	44,427	3,296,079
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental revenue	532,397	-	10,485	542,882
Miscellaneous nonoperating income	8,978	-	2,000	10,978
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	541,375	-	12,485	553,860
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on revolving loans	(478,299)	-	-	(478,299)
Interest paid on revolving loans	(213,554)	-	-	(213,554)
Intergovernmental revenue	2,228	25,881	-	28,109
Acquisition and construction of capital assets	(1,160,919)	(297,690)	-	(1,458,609)
Principal paid on revenue bonds	(83,119)	-	-	(83,119)
Interest paid on revenue bonds	(466,499)	-	-	(466,499)
Other interest costs paid on long-term debt	(1,125)	-	-	(1,125)
Capital contributed by developers, grantors and landowners	124,730	-	-	124,730
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,276,557)	(271,809)	-	(2,548,366)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(549,006)	-	-	(549,006)
Investment maturities	249,332	-	-	249,332
Earnings on investments	72,443	2,527	3,762	78,732
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(227,231)	2,527	3,762	(220,942)
NET INCREASE IN CASH AND CASH EQUIVALENTS	959,385	60,572	60,674	1,080,631
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	3,460,073	558,211	715,476	4,733,760
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,419,458	\$ 618,783	\$ 776,150	\$ 5,814,391
COMPOSED OF:				
Cash, pooled cash and cash equivalents	\$ 2,123,738	\$ 618,783	\$ 586,366	\$ 3,328,887
Noncurrent, Restricted cash, pooled cash and cash equivalents	2,295,720	-	189,784	2,485,504
	\$ 4,419,458	\$ 618,783	\$ 776,150	\$ 5,814,391

(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)	\$ 946,613	\$ (8,871)	\$ 17,180	\$ 954,922
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,896,417	274,530	-	2,170,947
Construction in progress project reclassification	-	30,280	-	30,280
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	2,085	2,794	17,787	22,666
(Increase) decrease in due from other governments	34,964	(13,366)	-	21,598
(Increase) decrease in prepaid expense	6,226	(287)	112	6,051
(Increase) decrease in deferred outflows - pension	(37,619)	-	-	(37,619)
Increase (decrease) in accounts payable	22,619	37,675	(6,942)	53,352
Increase (decrease) in accrued items	(55,941)	(710)	(1,312)	(57,963)
Increase (decrease) in compensated absences	4,497	3,809	929	9,235
Increase (decrease) in OPEB	19,433	4,000	1,000	24,433
Increase (decrease) in deferred inflows - pension	(161,311)	-	-	(161,311)
Increase (decrease) in net pension liability	224,152	-	-	224,152
Increase (decrease) in customer deposits	19,663	-	15,673	35,336
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,921,798</u>	<u>\$ 329,854</u>	<u>44,427</u>	<u>\$ 3,296,079</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Refunding and Improvement Revenue Bonds, Series 1990, include capital appreciation bonds. Interest accretion of \$304,947, is included in interest expense and fiscal charges of the Water and Sewer Fund for the year ended September 30, 2016.

An allowance for uncollectible accounts in the amount of \$2,315 has been provided for in the Water and Sewer Fund at September 30, 2016.

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, 2016

With comparative amounts for September 30, 2015

	Firefighters' Retirement Pension Trust Fund	
	2016	2015
ASSETS		
Cash and cash equivalents	\$ 40,886	\$ 37,516
Investments, at fair value		
Broad Market HQ Bond Fund	797,282	787,839
Core Plus Fixed Income Fund	1,216,367	1,078,589
Diversified Small to Mid Cap Fund	577,519	548,674
Diversified Value Fund	419,084	351,713
High Quality Growth Fund	388,420	370,472
Russell 1000 Index Fund	1,170,369	1,073,899
International Blend Fund	500,857	440,815
Total Investments, at fair value	5,069,898	4,652,001
Accounts receivable	3,142	-
TOTAL ASSETS	5,113,926	4,689,517
LIABILITIES		
Accounts payable	-	-
DEFERRED INFLOWS OF RESOURCES		
Advance employer contributions	50,404	95,475
TOTAL LIABILITES AND DEFERRED INFLOWS OF RESOURCES	50,404	95,475
NET POSITION		
Restricted for pension benefits	\$ 5,063,522	\$ 4,594,042

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, 2016

With comparative amounts for the year ended September 30, 2015

	Firefighters' Retirement Pension Trust Fund	
	2016	2015
ADDITIONS		
Contributions - employee	\$ 29,640	\$ 29,867
Contributions - city	45,071	31,298
Fire insurance premium tax	99,574	112,900
Investment return	383,825	252
Total additions	558,110	174,317
DEDUCTIONS		
Benefit payments	50,045	53,256
Administrative charges	38,585	36,563
Total deductions	88,630	89,819
NET INCREASE	469,480	84,498
NET POSITION RESTRICTED FOR PENSION BENEFITS - BEGINNING	4,594,042	4,509,544
NET POSITION RESTRICTED FOR PENSION BENEFITS - ENDING	\$ 5,063,522	\$ 4,594,042

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

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

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, 2016

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, 2016

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 \$250,000 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 one remaining payment of \$250,000 in fiscal 2017.

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 service billings. Accounts receivable in the Proprietary Funds are shown net of the allowance. The allowance at September 30, 2016 was \$2,315.

Prepaid Items: Payments made to vendors that will benefit periods beyond September 30, 2016 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, 2016

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 2016 in the General, Capital Improvement, CRA, Water and Sewer Operating, Stormwater 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, 2016 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 total direct millage rate in effect for the fiscal year ended September 30, 2016 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, 2016

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 \$2,247,375 in the Governmental activities and \$2,170,947 in the Business-type activities.

Deferred Outflows/Inflows of Resources: The Statement of Net Position reflects 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 difference between the re-acquisition price (new debt) and the net carrying value of the old debt on refunded debt transactions is recorded as a deferred outflow (inflow) of resources and recognized as an adjustment to interest expense over the life of the new debt issue.

Unearned revenues are reflected as a deferred inflow of resources as they represent a provision of net position that applies to a future period for business tax receipts.

Deferred outflows (inflows) of resources related to pensions are the difference between projected and actual earnings and are amortized to pension expense over a closed 5 year period. Differences between expected and actual experience with regard to economic or demographic factors in the pension plans total pension liability are amortized to pension expense over a closed period equal to the average of the expected remaining service lives of plan participants.

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.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

CRA: represents unexpended revenues legally restricted for the Community Redevelopment Agency Fund.

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.

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, 2016.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Net Pension Liability: The City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in fiscal year ended September 30, 2015. The Net Pension Liability as defined by GASB 68 is the difference between the actuarial present value of projected pension benefit payments attributable to a participant's past service and the respective pension plan's fiduciary net position. See Note I for the net pension liability as of September 30, 2016.

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 \$6,495,094.

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, 2016 was \$505,949.

The Local Government Surplus Funds Trust Fund (Florida PRIME) is 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. The carrying amount of the City's investments with the State Board of Administration Florida PRIME was \$3,108,932.

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, Overseas Private Investment Corporation, Hillsborough County Aviation Authority and JEA Florida District Energy System.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

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

The investments are held with Manning & Napier Exeter Trust Company and 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 \$10,855,948.

Interest Rate Risk: The City minimizes interest rate risk, relating to the decline in fair 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 September 29, 2016 was 67 days. The weighted average days to maturity of the Florida PRIME at September 30, 2016 was 50 days. Scheduled maturities of government sponsored enterprise bonds range from 8 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.

A summary of cash, pooled cash, cash equivalents and investments as reported in the accompanying Statement of Net Assets as of September 30, 2016, is summarized as follows:

	Carrying Amounts	Overall Credit Rating
Petty cash	\$ 1,820	N/A
Deposits	6,495,094	N/A
Certificates of deposit	1,500,000	N/A
Florida Surplus Asset Fund Trust (FL SAFE)	505,949	AAAm (S&P)
Florida Cooperative Liquid Assets Securities System (FLCLASS)	1,000,904	AAAm (S&P)
Government Sponsored Enterprises.		
Federal Home Loan Mortgage Corporation Bonds	2,741,585	AA+ (S&P)
Federal Home Loan Bank Bonds	898,252	AA+ (S&P)
Federal National Mortgage Association Bonds	2,662,698	AA+ (S&P)
Florida Hurricane Catastrophe Fund Fin Corp	1,034,305	Aa3 (Moody's)
JEA, FL District Energy System	250,000	Aa3 (Moody's)
Federal Farm Credit Bank	1,192,111	AA+ (S&P)
Polk County Florida Utilities	501,965	Aa3 (Moody's)
Hillsborough County Aviation Authority	1,024,560	A3 (Moody's)
Overseas Private Investment Corporation	501,890	Not rated
State Street Institutional Liquid Reserves Fund	48,581	AAAm (S&P)
State Board of Administration Florida PRIME	3,108,932	AAAm (S&P)
Total	<u>\$ 23,468,646</u>	

Cash, pooled cash, cash equivalents and investments as reported in the accompanying Statement of Net Position as of September 30, 2016, is summarized as follows:

Cash, pooled cash and cash equivalents, current	\$ 8,675,776
Investments, current	1,944,320
Investments, noncurrent	10,363,046
Cash pooled cash and cash equivalents, noncurrent restricted	2,485,504
	<u>\$ 23,468,646</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE C - CHANGE IN CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2016, was as follows:

	Beginning Balance 10/01/15	Additions	Transfers In (Out)	Deletions	Ending Balance 9/30/16
Governmental activities					
Non-Depreciable Assets					
Land and land rights	\$ 14,503,220	\$ -	\$ -	\$ (371,429)	\$ 14,131,791
Construction in progress	643,653	1,077,239	(905,980)	(73,041)	741,871
Depreciable Assets					
Buildings	17,468,085	-	119,963	-	17,588,048
Improvements	35,929,582	-	757,830	-	36,687,412
Equipment	6,445,613	328,715	24,882	(153,715)	6,645,495
Totals at historical cost	74,990,153	1,405,954	(3,305)	(598,185)	75,794,617
Less accumulated depreciation for					
Buildings	(4,682,346)	(466,262)	-	-	(5,148,608)
Improvements	(14,885,116)	(1,334,701)	-	-	(16,219,817)
Equipment	(4,174,495)	(446,412)	3,305	143,147	(4,474,455)
Total accumulated depreciation	(23,741,956)	(2,247,375)	3,305	143,147	(25,842,880)
Governmental activities capital assets, net	\$ 51,248,196	\$ (841,421)	\$ -	\$ (455,038)	\$ 49,951,737
Business-type activities					
Non-Depreciable Assets					
Land and land rights	\$ 1,095,512	\$ -	\$ -	\$ -	\$ 1,095,512
Construction in progress	1,553,199	1,428,570	(348,846)	(30,280)	2,602,643
Depreciable Assets					
Buildings	23,923,410	-	-	-	23,923,410
Improvements	39,124,459	348,846	-	-	39,473,305
Equipment	2,789,153	94,301	3,305	(3,077)	2,883,682
Totals at historical cost	68,485,733	1,871,717	(345,541)	(33,357)	69,978,552
Less accumulated depreciation for					
Buildings	(3,729,269)	(750,396)	-	-	(4,479,665)
Improvements	(20,790,125)	(1,201,573)	-	-	(21,991,698)
Equipment	(1,390,010)	(218,978)	(3,305)	3,077	(1,609,216)
Total accumulated depreciation	(25,909,404)	(2,170,947)	(3,305)	3,077	(28,080,579)
Business-type activities capital assets, net	\$ 42,576,329	\$ (299,230)	\$ (348,846)	\$ (30,280)	\$41,897,973

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 359,484
Law Enforcement	1,610
Fire Protection	146,144
Technical Services	3,378
Transportation	648,801
Library	137,763
Parks and Recreation	800,385
Community Redevelopment	149,810
Total depreciation expense	\$ 2,247,375

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE D - DUE FROM OTHER GOVERNMENTS

The amount of \$335,836 due from other governments as of September 30, 2016, consists of the following: September 2016 amounts collected on behalf of the City and not yet remitted that include Communications Service Tax in the amount of \$78,192 and fuel tax refund of \$645 from the State of Florida, fines and forfeitures in the amount of \$8,506, event refund of \$910, training reimbursement of \$2,688 and park mowing charges in the amount of \$10,272 from Pinellas County, EMS funding from Pinellas County in the amount of \$4,303 and grant funding from Florida Department of Emergency Management in the amount of \$8,370, Florida Department of Transportation in the amount of \$193,841, and from the Southwest Florida Water Management District in the amount of \$28,109. 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, 2016:

<u>Governmental Activities</u>	Balance October 1, 2015	Increases	Decreases	Balance September 30, 2016	Amount due within one year
Refunding Revenue Note, 2012	\$ 1,266,000	\$ -	\$ (150,000)	\$ 1,116,000	\$ 150,000
Accrued compensated absences	316,687	38,955	(47,514)	308,127	70,725
Governmental Activities Totals	<u>\$ 1,582,687</u>	<u>\$ 38,955</u>	<u>\$ (197,514)</u>	<u>\$ 1,424,127</u>	<u>\$ 220,726</u>

The following is a summary of changes in Business-type Activities long-term liabilities for the year ended September 30, 2016:

<u>Business-type Activities</u>	Balance October 1, 2015	Increases	Decreases	Balance September 30, 2016	Amount due within one year
1990 Water and Sewer System Refunding and Improvement Revenue Bonds	\$ 359,814	\$ -	\$ (83,120)	\$ 276,694	
Increase in book value of capital appreciation bonds due to interest accretion	1,882,722	161,552	(466,499)	1,577,775	
Subtotal	<u>2,242,536</u>	<u>161,552</u>	<u>(549,619)</u>	<u>1,854,469</u>	\$ 76,983
State revolving fund loan 2002	1,061,445	-	(127,996)	933,449	131,930
State revolving fund loan 2010	2,787,315	-	(136,038)	2,651,277	139,742
State revolving fund loan 2012	4,455,034	-	(214,261)	4,240,773	219,529
Accrued compensated absences	170,098	127,130	(119,464)	177,764	127,355
Business-type Activities Totals	<u>\$10,716,428</u>	<u>\$ 288,682</u>	<u>\$ (1,147,378)</u>	<u>\$ 9,857,732</u>	<u>\$ 695,539</u>
Totals all Activities	<u>\$12,299,115</u>	<u>\$ 327,637</u>	<u>\$ (1,344,892)</u>	<u>\$ 11,281,859</u>	<u>\$ 916,265</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

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, 2016:

<u>Refunding Revenue Note, Series 2012</u> , 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.	\$ 1,116,000
<u>Accrued compensated absences</u> , unused accrued vacation pay for governmental funds.	308,127
	<u>\$ 1,424,127</u>

The annual requirements to amortize the Governmental Activities long-term liabilities, exclusive of compensated absences, as of September 30, 2016, are as follows:

Refunding Revenue Note, Series 2012

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 150,000	\$ 18,530	\$ 168,530
2018	156,000	15,806	171,806
2019	156,000	13,029	169,029
2020	161,000	10,208	171,208
2021	160,000	7,351	167,351
	783,000	64,924	847,924
2022-2023	333,000	5,954	338,954
Totals	<u>\$ 1,116,000</u>	<u>\$ 70,878</u>	<u>\$ 1,186,878</u>

The Public Service Utility Tax revenues totaled \$1,472,143, of which \$171,200 provided a coverage ratio of 1.00:1 for the debt service refunding principal and interest payments on the 2012 Series totaling \$171,200. The revenues are pledged until the final debt maturity date of November 1, 2022.

Business-type Activities Debt: Business-type activities long-term liabilities are comprised of the following as of September 30, 2016:

<u>Refunding and Improvement Revenue Bonds - Series 1990</u> , 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, 2016 of \$1,577,776, secured by net revenues of the water and sewer system.	\$1,854,469
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CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

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.

933,449

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.

2,651,277

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.

4,240,773

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

177,764

\$9,857,732

The net revenues of the water and sewer system for the year were \$2,899,708 and provided a coverage ratio of 2.06:1 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, 2016 are as follows:

Refunding and Improvement Revenue Bonds - Series 1990

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 76,983	\$ 470,407	\$ 547,390
2018	71,405	474,618	546,023
2019	66,384	479,447	545,831
2020	61,922	485,764	547,686
Totals	<u>\$ 276,694</u>	<u>\$ 1,910,236</u>	<u>\$ 2,186,930</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

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>
2017	\$ 131,930	\$ 27,472	\$ 159,402
2018	135,984	23,417	159,401
2019	140,163	19,238	159,401
2020	144,471	14,930	159,401
2021	148,910	10,491	159,401
	701,458	95,548	797,007
2022-2023	231,991	7,111	239,102
Totals	<u>\$ 933,449</u>	<u>\$ 102,659</u>	<u>\$ 1,036,108</u>

State Revolving Fund Construction Loan 2010

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 39,742	\$ 70,877	\$ 210,619
2018	143,548	67,071	210,619
2019	147,457	63,162	210,619
2020	151,474	59,145	210,619
2021	155,602	55,017	210,619
	737,823	315,272	1,053,095
2022-2026	843,993	209,102	1,053,095
2027-2031	965,560	87,534	1,053,094
2032	103,901	1,409	105,310
Totals	<u>\$ 2,651,277</u>	<u>\$ 613,317</u>	<u>\$ 3,264,594</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>
2017	\$ 219,529	\$ 102,301	\$ 321,830
2018	224,926	96,903	321,829
2019	230,456	91,373	321,829
2020	236,122	85,708	321,830
2021	241,927	79,902	321,829
	1,152,960	456,187	1,609,147
2022-2026	1,301,840	307,307	1,609,147
2027-2031	1,469,947	139,200	1,609,147
2032	316,026	5,804	321,830
Totals	<u>\$ 4,240,773</u>	<u>\$ 904,498</u>	<u>\$ 5,149,271</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE E - LONG-TERM LIABILITIES (continued)

A summary of debt service requirements (all outstanding indebtedness) as of September 30, 2016 including interest payments and accreted interest on capital appreciation bonds of \$387,801 are as follows:

Year Ending September 30,	Revenue Bonds Debt Service	State Revolving Fund Construction Loans	Total
2017	\$ 715,920	\$ 691,851	\$ 1,407,771
2018	717,829	691,849	1,409,678
2019	714,860	691,849	1,406,709
2020	718,894	691,850	1,410,744
2021	167,351	691,849	859,200
	3,034,854	3,459,248	6,494,102
2022-2026	338,954	2,901,344	3,240,298
2027-2031	-	2,662,242	2,662,242
2032	-	427,140	427,140
Totals	\$ 3,373,808	\$ 9,449,774	\$ 12,823,782

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	\$ 594,335
(b) Water and sewer operating	
Principal and interest	138,006
Reserve account	554,109
Renewal and replacement	252,433
(c) Customer deposits	711,174
(d) State revolving loans	235,447
	<u>\$ 2,485,504</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE G – NET POSITION

The government wide statement of net position reports \$6,116,450 of restricted net position, of which \$2,645,392 is restricted by enabling legislation.

NOTE H - UNEARNED REVENUE

Unearned revenue at September 30, 2016 relates to business tax receipts in the amount of \$160,397.

NOTE I - RETIREMENT PLANS

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, 2016, 2015 and 2014 the City contributed \$343,595, \$323,692 and \$308,200 respectively, to the general employees plan. Contributions were equal to required contributions for all three years.

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. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two plans that include FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). 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 7.52% and 22.57% (both include the HIS Plan component rate of 1.6%) of eligible payroll for regular and special risk (firefighters) service classes, respectively. The City's contributions to FRS for the years ended September 30, 2016, 2015 and 2014 were \$177,650, \$144,407 and \$126,894, 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 21.77%.

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

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE I - RETIREMENT PLANS (continued)

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 12.99%.

Pension liabilities, Pension expense and Deferred Outflows (Inflows) of Resources related to pensions- At September 30, 2016, the City reported a liability of \$1,555,043 for the FRS Plan component and \$468,035 for the HIS Plan component for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportionate share at June 30, 2016 for the FRS Plan component was .006158568%. The City's proportionate share at June 30, 2016 for the HIS Plan component was .004015891%. The City's proportionate shares at June 30, 2015 were .004978129% and .003658693% for the FRS and HIS Plan components, respectively. For the fiscal year ended September 30, 2016 the City recognized pension expense of \$(257,450) and \$(33,434) for the FRS and HIS Plan components, respectively. Deferred Outflows and Inflows of resources related to pensions are from the following sources:

FRS Plan Component

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 119,066	\$ 14,479
Changes in assumptions	94,075	-
Net difference between projected and actual earnings on investments	401,960	-
Changes in proportion and differences between City contributions and proportionate share of contributions	140,296	21,586
Contributions subsequent to the measurement date	38,650	-
	<u>\$ 794,047</u>	<u>\$ 36,065</u>

HIS Plan Component

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 1,066
Changes in assumptions	73,447	-
Net difference between projected and actual earnings on investments	237	-
Changes in proportion and differences between City contributions and proportionate share of contributions	28,884	42,718
Contributions subsequent to the measurement date	5,202	-
	<u>\$ 107,770</u>	<u>\$ 43,784</u>

The deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the fiscal year ended September 30, 2017. Other amounts related to deferred outflows and (inflows) of resources will be recognized as pension expense as follows:

Fiscal year ending September 30,	FRS component	HIS component
2017	\$ 20,340	\$ 5,454
2018	20,340	5,454
2019	20,340	5,454
2020	20,340	5,454
2021	20,590	2,441
Thereafter	10,392	5,541

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE I - RETIREMENT PLANS (continued)Net Pension Liability –

	FRS component	HIS component
City's proportionate share of Total Pension Liability	\$ 10,286,718	\$ 472,608
City's proportionate share of Plan Fiduciary Net Position	(8,731,674)	(4,572)
City's proportionate share of Net Pension Liability	<u>\$ 1,555,043</u>	<u>\$ 468,035</u>
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	84.88%	.97%

Change in Net Pension Liability –

	FRS component	HIS component
Beginning balance – City's proportionate share	\$ 642,992	\$ 373,129
Service Cost	131,356	10,309
Interest on total pension liability	745,748	15,692
Effect of economic/demographic gain or loss	314,705	89,484
Employer contributions	(150,187)	(20,584)
Member contributions	(43,770)	-
Net investment income	(86,942)	(3)
Administrative expense	1,140	8
Ending balance – City's proportionate share	<u>\$ 1,555,043</u>	<u>\$ 468,035</u>

Actuarial Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

	FRS component	HIS component
Valuation date	July 1, 2016	July 1, 2016
Measurement date	June 30, 2016	June 30, 2016
Inflation	2.60%	2.60%
Salary increases	3.25%, average, includes inflation	3.25%, average, includes inflation
Investment rate of return	7.60%, net of expense, includes inflation	2.85%, Municipal Bond Rate
Mortality tables	Generation RP-2000 with Projection Scale BB tables	Generation RP-2000 with Projection Scale BB tables
Discount rate	7.60%	2.85%

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized as follows :

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE I - RETIREMENT PLANS (continued)

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.0%	3.0%	1.7%
Fixed Income	18%	4.7%	4.6%	4.6%
Global Equity	53%	8.1%	6.8%	17.2%
Real Estate	10%	6.4%	5.8%	12.0%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	11.1%
Total	100.00%			
Assumed Inflation – Mean			2.6%	1.9%

(1) As outlined in the Pension Plan's Investment Policy

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table represents the City's proportionate share of the net pension liability calculated at the respective discount rates and the proportionate share using a rate 1% less than and 1% more than the current rate.

FRS component	<u>1% Decrease (6.60%)</u>	<u>Current Discount Rate (7.60%)</u>	<u>1% Increase (8.60%)</u>
City's Proportionate share of the net pension liability	\$ 2,862,940	\$ 1,555,043	\$ 466,392
HIS component	<u>1% Decrease (1.85%)</u>	<u>Current Discount Rate (2.85%)</u>	<u>1% Increase (3.85%)</u>
City's Proportionate share of the net pension liability	\$ 536,943	\$ 468,035	\$ 410,846

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 5th 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 issued a stand-alone financial report for the September 30, 2015 fiscal year end that can be obtained by contacting the City of Oldsmar, Director of Administrative Services, 100 State St. W., Oldsmar, FL 34677.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE I - RETIREMENT PLANS (continued)

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/S4. 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 5.9 years and for the Core Plus Fixed Income Fund 6.84 year.

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 24.40% for the fiscal year ended 2016, 24.39% for the fiscal year ended 2015, and 29.47% for the fiscal year ended 2014. For fiscal 2016 the City contributed \$-0-, which along with available on behalf payments of state excise tax contributions in the amount of \$99,574 and available Advance Employer Payments in the amount of \$45,070 equaled the actuarially determined minimum contribution rate. The net pension liability is liquidated in the fund that incurs the respective liability, which is the General Fund.

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CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE I - RETIREMENT PLANS (continued)

Membership of the Plan: Membership of the plan consisted of the following at September 30, 2016. The date of the latest actuarial valuation was October 1, 2016.

Retirees and beneficiaries receiving benefits	2
Terminated plan members entitled to but not receiving benefits	5
Vested active plan members	5
Non vested active plan members	5
Total active participants	<u>17</u>

Deferred Outflows and Inflows of Resources

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Beginning balance – October 1, 2015	\$ 292,779	\$ 812,493
Changes due to:		
Amortization payments	(176,715)	(115,579)
Investment gain (loss)	-	93,742
Demographic gain (loss)	-	246,786
Assumption changes	1,242,240	-
Total change	<u>1,065,525</u>	<u>224,949</u>
Ending balance – September 30, 2016	<u>\$ 1,358,304</u>	<u>\$ 1,037,442</u>

Other amounts related to deferred outflows and inflows of resources will be recognized as pension expense as follows:

<u>Fiscal year ending September 30,</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
2017	\$ 176,715	\$ 115,579
2018	176,715	115,578
2019	176,714	101,875
2020	103,520	101,877
2021	103,520	83,127
Thereafter	103,520	83,127

Net Pension (Asset) Liability –

Total Pension Liability	\$ 4,429,432
Plan Fiduciary Net Position	(4,613,926)
Net Pension (Asset) Liability	<u>\$ (184,494)</u>

Plan Fiduciary Net Position as a Percentage of the Total
Net Pension Liability

104%

Change in Net Pension (Asset) Liability –

Beginning balance – October 1, 2015	\$ (1,002,213)
Service Cost	199,534
Expected interest growth	(64,218)
Effect of economic/demographic gain or loss	995,454
Employer contributions	(228,254)
Member contributions	(29,640)
Net investment income	(93,742)
Administrative expense	38,585
Ending balance – September 30, 2016	<u>\$ (184,494)</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE I - RETIREMENT PLANS (continued)

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

Total pension liability	\$ 4,429,432
Fiduciary net position	\$ 4,613,926
Net pension liability (asset)	\$ (184,494)
Measurement date	September 30, 2016
Actuarial valuation date	October 1, 2015
Employer's reporting date	September 30, 2016
Discount rate	7.00% per annum (2.92% 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	Since the prior measurement date, the discount rate was decreased from 9.08% per annum to 7.00% per annum

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

	<u>Discount rate minus 1%</u>	<u>Discount rate at 7.00%</u>	<u>Discount rate plus 1%</u>
Total pension liability	\$ 5,260,033	\$ 4,429,432	\$ 3,764,133
Less fiduciary net position	(4,613,926)	(4,613,926)	(4,613,926)
Net pension liability	<u>\$ 646,107</u>	<u>\$ (184,494)</u>	<u>\$ (849,793)</u>

Determination of the long-term expected rate of return:

	<u>Target allocation</u>	<u>Expected long-term real return</u>
Core bonds	16%	0.58% per annum
Multi-sector	24%	1.08% per annum
U.S. large cap equity	39%	6.08% per annum
U.S. small cap equity	11%	6.83% per annum
Non-U.S. equity	10%	6.83% per annum
Weighted arithmetic average	100%	4.08% per annum

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%.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE I - RETIREMENT PLANS (continued)

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 2015-09 adopted November 4, 2015 the Firefighter's Pension Plan was closed to new members. Effective October 1, 2015 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, 2016, the expected contribution for the City was \$31,000.

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 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 9/30/16
Annual Required Contribution (ARC)	\$ 168,000
Interest on net OPEB obligation	26,000
Adjustment to ARC	(57,000)
Annual OPEB cost	137,000
Expected employer contribution	(31,000)
Increase in net OPEB obligation	106,000
Net OPEB obligation beginning of year	662,000
Net OPEB obligation end of year	\$ 768,000

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE J – POSTEMPLOYMENT HEALTHCARE PLAN (continued)

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)
10/01/11	-	\$ 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%
10/01/15	-	910,000	910,000	0.0%	5,674,000	16.0%

Three-year trend information:

Year ending September 30,	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
2014	\$ 165,000	16%	\$ 559,000
2015	134,000	23%	662,000
2016	137,000	23%	768,000

Required Actuarial Information:

Actuarial valuation date	10/1/15
Annual OPEB Cost	\$ 137,000
Contributions made	\$ 31,000
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)	8.00%
Ultimate trend rate	5.00%

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, 2016 was \$99,574. 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.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

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, 2016, construction contract commitments in the Governmental Fund Types total \$288,789. The uncompleted commitments are included as fund balances committed to capital projects. Construction commitments in the Proprietary Fund Type for 2016 totaled \$1,129,217.

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, 2016 through September 30, 2017 in the amount of \$1,638,080. The expenditure for the year ended September 30, 2016 was \$1,586,673.

NOTE N – INTERFUND LOANS AND TRANSFERS

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

Transfers of \$150,000 and \$175,000 were made from the General Fund and Transportation Impact Funds during the year to the Capital Improvement Fund. The transfers were to assist in funding capital outlay projects.

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>
2017	\$ 16,958
2018	9,019
2019	3,501
2020	963
	<u>\$ 30,441</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

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, 2016, the refuse accounts receivable was \$74,919 with customer deposits of \$189,784 held as security for payment of the outstanding accounts receivable. The water, sewer and stormwater accounts receivable totaled \$716,436 with customer deposits in the amount of \$521,391 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, 2016, 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, 2016 are as follows:

	<u>State Revolving Fund Construction Loans</u>	
Loan repayment reserve	\$	89,855
Annual loan deposit		145,592
Total restricted assets	\$	<u>235,477</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 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, 2016, 2015 or 2014 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, 2016 and before the issuance of the financial statements that would have an impact on the City's financial condition as of September 30, 2016 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 3, 2017 which is the date the financial statements were available to be issued and determined there are no events that should be disclosed.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE T – FAIR VALUE OF INVESTMENTS

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles pursuant to *GASB No. 72, Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2016:

- Government Sponsored Enterprises of \$10,807,366 are valued using quoted market prices (Level 1 inputs)

The Firefighter's Retirement Pension Trust Fund has the following recurring fair value measurements as of September 30, 2016:

	<u>Level 2 inputs</u>	<u>Level 3 inputs</u>
Broad Market HQ Bond Fund	\$ 797,282	\$ -
Core Plus Fixed Income Fund	-	1,216,367
Diversified Small to Mid Cap Fund	577,519	-
Diversified Value Fund	419,084	-
High Quality Growth Fund	388,420	-
Russell 1000 Index Fund	1,170,369	-
International Blend Fund	500,857	-
	<u>\$ 3,853,531</u>	<u>\$ 1,216,367</u>

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REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes a budgetary comparison schedule for the General Fund and Community Redevelopment Special Revenue Fund, along with schedules depicting the funding progress and contributions for the defined benefit plans.

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS):				
Property taxes	\$ 4,333,000	\$ 4,333,000	\$ 4,331,979	\$ (1,021)
Franchise fees	1,475,000	1,475,000	1,454,907	(20,093)
Utility taxes	1,296,000	1,296,000	1,321,520	25,520
Fire insurance premium tax	117,000	117,000	99,574	(17,426)
Communications service tax	1,060,000	1,060,000	998,257	(61,743)
Business tax receipts	177,000	177,000	184,924	7,924
Licenses, permits and fees	233,000	233,000	213,879	(19,121)
Intergovernmental revenues	1,866,485	1,881,485	2,017,030	135,545
Charges for services	340,400	340,400	416,964	76,564
Rents and royalties	75,000	75,000	85,867	10,867
Fines and forfeitures	203,000	203,000	143,321	(59,679)
Investment income	60,000	60,000	130,804	70,804
Special assessments	10,000	10,000	7,858	(2,142)
Other miscellaneous	442,525	442,525	489,226	46,701
Interfund loan repayment	250,000	250,000	250,000	-
Proceeds from sale of capital assets	420,000	420,000	341,223	(78,777)
AMOUNTS AVAILABLE FOR APPROPRIATION	12,358,410	12,373,410	12,487,333	113,923
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government				
City Council	144,740	199,740	166,352	(33,388)
City Manager	387,195	387,195	274,976	(112,219)
City Clerk	414,575	414,575	379,541	(35,034)
Legal Counsel	133,795	153,795	112,064	(41,731)
Planning and Redevelopment	908,340	923,340	800,196	(123,144)
Administrative Services	1,051,410	1,059,281	964,122	(95,159)
Facilities	624,350	624,134	581,737	(42,397)
Total General Government	3,664,405	3,762,060	3,278,988	(483,072)
Public Safety				
Law Enforcement	1,621,905	1,621,905	1,620,339	(1,566)
Fire Rescue	2,015,595	2,035,595	1,974,573	(61,022)
Technical Services	206,770	213,956	204,168	(9,788)
Total Public Safety	3,844,270	3,871,456	3,799,080	(72,376)
Transportation				
Streets and Drainage	977,410	977,410	874,272	(103,138)
Fleet Maintenance	177,370	202,370	193,510	(8,860)
Total Transportation	1,154,780	1,179,780	1,067,782	(111,998)
Culture and Recreation				
Library	894,180	894,180	805,130	(89,050)
Parks	2,054,930	2,108,261	1,821,859	(286,402)
Recreation	725,735	759,935	683,703	(76,232)
Total Culture and Recreation	3,674,845	3,762,376	3,310,692	(451,684)

(continued)

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Final Budget
	Original	Final	(Budgetary Basis)	Over (Under)
Other Financing Uses				
Interfund transfers	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Interfund loan	-	-	250,000	250,000
Contingency	1,370,110	1,205,110	-	(1,205,110)
Total Other Financing Uses	1,520,110	1,355,110	400,000	(955,110)
TOTAL CHARGES TO APPROPRIATIONS	13,858,410	13,930,782	11,856,542	(2,074,240)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(1,500,000)	(1,557,372)	630,791	2,188,163
FUND BALANCE - BEGINNING OF YEAR	7,129,746	7,129,746	7,129,746	-
FUND BALANCE - END OF YEAR	\$ 5,629,746	\$ 5,572,374	\$ 7,760,537	\$ 2,188,163

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.	\$ 12,487,333
Differences - budget to GAAP:	
Interfund loan repayment	(250,000)
Proceeds from the sale of capital assets are inflows of budgetary resources not revenues for financial reporting purposes.	(341,223)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 11,896,110

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,856,542
Differences - budget to GAAP:	
Interfund loan	(250,000)
Interfund transfers are outflows of budgetary resources not expenditures for financial reporting purposes.	(150,000)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 11,456,542

CITY OF OLDSMAR, FLORIDA

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

For the year ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Ad valorem taxes	\$ 215,000	\$ 215,000	\$ 213,310	\$ (1,690)
Intergovernmental revenue	280,000	280,000	476,625	196,625
Impact fees	25,000	25,000	1,529	(23,471)
Rents and royalties	50,000	50,000	35,095	(14,905)
Investment income	1,000	1,000	1,088	88
AMOUNTS AVAILABLE FOR APPROPRIATION	571,000	571,000	727,647	156,647
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Operating	139,950	139,950	113,793	(26,157)
Capital outlay	322,500	518,061	206,579	(311,482)
Reserve for improvements	75,000	75,000	-	(75,000)
Interfund loan	250,000	250,000	250,000	-
TOTAL CHARGES TO APPROPRIATIONS	787,450	983,011	570,372	(412,639)
Other financing sources				
Interfund loan	-	-	250,000	250,000
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(216,450)	(412,011)	407,275	819,286
FUND BALANCE - BEGINNING OF YEAR	24,058	24,058	24,058	-
FUND BALANCE - END OF YEAR	\$ (192,392)	\$ (387,953)	\$ 431,333	\$ 819,286
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.				\$ 727,647
Differences - budget to GAAP:				
None				-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$ 727,647
USES/OUTFLOWS OF RESOURCES				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.				\$ 570,372
Differences - budget to GAAP:				
Interfund loan				(250,000)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$ 320,372

FIREFIGHTERS' PENSION TRUST FUND - PENSION SCHEDULES

September 30, 2016

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	3,039,133	2,714,391	324,742	89.31%	753,518	43.10%
9/30/2013	3,043,735	3,490,288	(446,553)	114.67%	764,280	N/A
9/30/2014	3,476,581	4,007,222	(530,641)	115.26%	764,280	N/A
9/30/2015	3,058,624	4,060,837	(1,002,213)	132.77%	663,716	N/A
9/30/2016	4,429,432	4,613,926	(184,494)	104.17%	577,978	N/A

Ten years of historical changes in the net pension liability (asset) are not available but will be presented as the information becomes 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 (2) as a % of Covered Payroll
2007	\$ 180,131	\$ 180,131	\$ -	\$ 495,562	36.35%
2008	229,532	229,532	-	640,541	35.83%
2009	251,537	251,537	-	N/A	N/A
2010	286,753	286,753	-	745,810	38.45%
2011	288,316	288,316	-	788,819	36.55%
2012	287,212	287,212	-	807,256	35.58%
2013	252,758	382,051	129,293	753,518	50.70%
2014	205,626	203,106	(2,520)	764,280	26.57%
2015	144,198	112,900	(31,298)	663,716	17.01%
2016	144,645	228,254	83,609	577,978	39.49%

Notes to Schedule

Employer's reporting date: September 30, 2016
Measurement date: September 30, 2016
Actuarial valuation date: October 1, 2015

Actuarial assumptions

Discount rate: 7.00% per annum (2.92% per annum is attributable to long-term inflation; this rate was used to discount all future benefit payments).

Salary increases: 4.50% per annum

Cost of living increases: 3.00% per annum

Mortality basis: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service for purposes of Internal Revenue Code section 430; future generational improvements in mortality have not been reflected.

Retirement: Retirement is assumed to occur at the most valuable retirement age.

Other decrements: None assumed.

Non-investment expenses: Liabilities have been loaded by 2.75% to account for non-investment expenses.

Future contributions: Contributions from the employer and employees are assumed to be made as legally required.

Changes: Since the prior measurement date, the discount rate was decreased from 9.08% to 7.00% per annum.

CITY OF OLDSMAR

FIREFIGHTER'S RETIREMENT PENSION TRUST FUND

SCHEDULE OF CHANGES TO THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

(Three years of data available for GASB 67 and 68)

September 30, 2016

	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability	\$ 4,429,432	\$ 3,058,624	\$ 3,476,581
Plan Fiduciary Net Position	(4,613,926)	(4,060,837)	(4,007,222)
Net Pension Liability (Asset)	<u>\$ (184,494)</u>	<u>\$ (1,002,213)</u>	<u>\$ (530,641)</u>
Plan Net Position as a Percentage of Total Net Pension Liability (Asset)	104%	133%	115%
Service Cost	\$ 199,534	\$ 139,774	\$ 211,501
Expected interest growth	(64,218)	(40,079)	(26,889)
Effect of economic/demographic gain or loss	(246,786)	(311,266)	-
Changes in assumptions	1,242,240	(585,238)	-
Amortization payments		3,070	13,704
Investment gain/loss	(93,742)	365,974	(68,519)
Employer contributions	(228,254)	(112,900)	(203,106)
Member contributions	(29,640)	(29,561)	(34,887)
Net investment income		59,491	(13,704)
Benefit payments and refunds		2,600	(2,894)
Administrative expense	<u>38,585</u>	<u>36,563</u>	<u>40,706</u>
Net change in net pension liability (asset)	817,719	(471,572)	(84,088)
Net pension liability (asset) - beginning	(1,002,213)	(530,641)	(446,553)
Net pension liability (asset) - ending	<u>\$ (184,494)</u>	<u>\$ (1,002,213)</u>	<u>\$ (530,641)</u>
Covered employee payroll	\$ 577,978	\$ 663,716	\$ 764,280
Net pension liability (asset) as a percentage of covered employee payroll	-32%	-151%	-69%

Ten years of historical changes in the net pension liability (asset) are not available but will be presented as the information becomes available.

CITY OF OLDSMAR

FLORIDA RETIREMENT SYSTEM - CITY'S PROPORTIONATE SHARE
SCHEDULE OF CHANGES TO THE NET PENSION LIABILITY AND RELATED RATIOS(Three years of data available for GASB 67 and 68)
September 30, 2016

	9/30/2016	9/30/2015	9/30/2014
FRS Pension Plan			
Total Pension Liability	\$ 10,286,718	\$ 8,033,243	\$ 7,958,852
Plan Fiduciary Net Position	(8,731,674)	(7,390,251)	(7,647,796)
Net Pension Liability	<u>\$ 1,555,044</u>	<u>\$ 642,992</u>	<u>\$ 311,056</u>
Plan Net Position as a Percentage of Total Net Pension Liability	85%	92%	96%
Service Cost	\$ 131,356	\$ 105,240	\$ 115,050
Interest on the total pension liability	745,748	583,515	585,761
Effect of economic/demographic gain or loss	314,705	61,166	41,153
Employer contributions	(150,187)	(121,371)	(128,501)
Member contributions	(43,770)	(34,762)	(34,795)
Net investment income	(86,942)	(262,752)	(1,162,982)
Administrative expense	<u>1,142</u>	<u>900</u>	<u>936</u>
Net change in net pension liability	912,052	331,936	(583,378)
Net pension liability - beginning	642,992	311,056	894,434
Net pension liability - ending	<u>\$ 1,555,044</u>	<u>\$ 642,992</u>	<u>\$ 311,056</u>
Covered employee payroll	\$ 1,285,583	\$ 1,092,785	\$ 1,077,366
Net pension liability as a percentage of covered employee payroll	121%	59%	29%
Retiree Health Insurance Subsidy (HIS Plan)			
Total Pension Liability	\$ 472,608	\$ 374,987	\$ 347,355
Plan Fiduciary Net Position	(4,572)	(1,858)	(3,435)
Net Pension Liability	<u>\$ 468,036</u>	<u>\$ 373,129</u>	<u>\$ 343,920</u>
Plan Net Position as a Percentage of Total Net Pension Liability	0.97%	0.50%	0.99%
Service Cost	\$ 10,309	\$ 7,958	\$ 7,002
Interest on the total pension liability	15,692	14,834	15,077
Effect of economic/demographic gain or loss	89,484	22,234	14,212
Employer contributions	(20,584)	(15,809)	(83,654)
Member contributions	-	-	-
Net investment income	(3)	(15)	(8)
Administrative expense	<u>9</u>	<u>7</u>	<u>2</u>
Net change in net pension liability	94,907	29,209	(47,369)
Net pension liability - beginning	373,129	343,920	391,289
Net pension liability - ending	<u>\$ 468,036</u>	<u>\$ 373,129</u>	<u>\$ 343,920</u>
Covered employee payroll	\$ 1,285,583	\$ 1,092,785	\$ 1,077,366
Net pension liability as a percentage of covered employee payroll	36%	34%	32%

Ten years of historical changes in the net pension liability (asset) are not available but will be presented as the information becomes available.

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, 2016

	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	\$ 133,822	\$ 321,476	\$ 70,623	\$ 147,276	\$ 673,197
TOTAL ASSETS	<u>\$ 133,822</u>	<u>\$ 321,476</u>	<u>\$ 70,623</u>	<u>\$ 147,276</u>	<u>\$ 673,197</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 4,500	\$ -	\$ -	\$ 4,500
Due to other governments	-	-	40,102	-	40,102
TOTAL LIABILITIES	-	4,500	40,102	-	44,602
FUND BALANCES					
Restricted for:					
Fire suppression	44,322	-	-	-	44,322
Capital projects	-	147,176	-	-	147,176
Debt Service	-	-	-	147,276	147,276
Transportation improvements	-	-	30,521	-	30,521
Assigned to:					
Subsequent years expenditures	89,500	169,800		-	259,300
TOTAL FUND BALANCES	<u>133,822</u>	<u>316,976</u>	<u>30,521</u>	<u>147,276</u>	<u>628,595</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 133,822</u>	<u>\$ 321,476</u>	<u>\$ 70,623</u>	<u>\$ 147,276</u>	<u>\$ 673,197</u>

CITY OF OLDSMAR, FLORIDA

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

For the year ended September 30, 2016

	Special Revenue Funds			Debt Service Fund	
	Public Safety	Parkland Dedication	Transportation Impact	Veteran's Park	Total Other Governmental Funds
REVENUES					
Intergovernmental revenue	\$ -	\$ 3,769	\$ -	\$ -	\$ 3,769
Utility taxes	-	-	-	171,200	171,200
Investment income	715	469	168	-	1,352
Impact fees	15,260	42,703	43,406	-	101,369
TOTAL REVENUES	15,975	46,941	43,574	171,200	277,690
EXPENDITURES					
Capital outlay	36,510	11,328	-	-	47,838
Debt service					
Principal retirement	-	-	-	150,000	150,000
Interest and other charges	-	-	-	21,200	21,200
TOTAL EXPENDITURES	36,510	11,328	-	171,200	219,038
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,535)	35,613	43,574	-	58,652
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	-	-	(175,000)	-	(175,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(175,000)	-	(175,000)
NET CHANGE IN FUND BALANCES	(20,535)	35,613	(131,426)	-	(116,348)
FUND BALANCES BEGINNING	154,357	281,363	161,947	147,276	744,943
FUND BALANCES ENDING	<u>\$ 133,822</u>	<u>\$ 316,976</u>	<u>\$ 30,521</u>	<u>\$ 147,276</u>	<u>\$ 628,595</u>

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND - CAPITAL IMPROVEMENT FUND

For the year ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Sales taxes	\$ 655,000	\$ 655,000	\$ 984,964	\$ 329,964
Interfund transfers	325,000	325,000	325,000	-
Investment income	5,000	5,000	6,296	1,296
AMOUNTS AVAILABLE FOR APPROPRIATION	985,000	985,000	1,316,260	331,260
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	745,000	1,272,255	559,595	(712,660)
Reserve for infrastructure	375,000	375,000	-	(375,000)
TOTAL CHARGES TO APPROPRIATIONS	1,120,000	1,647,255	559,595	(1,087,660)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(135,000)	(662,255)	756,665	1,418,920
FUND BALANCE - BEGINNING OF YEAR	2,525,527	2,525,527	2,525,527	-
FUND BALANCE - END OF YEAR	\$ 2,390,527	\$ 1,863,272	\$ 3,282,192	\$ 1,418,920

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.	\$ 1,316,260
Differences - budget to GAAP:	
Interfund transfers	(325,000)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 991,260

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 559,595
Differences - budget to GAAP:	
None	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 559,595

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
RESOURCES (INFLOWS)				Over
Utility taxes	\$ 171,200	\$ 171,200	\$ 171,200	(Under)
AMOUNTS AVAILABLE FOR APPROPRIATION	171,200	171,200	171,200	-
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Debt Service				
Principal retirement	150,000	150,000	150,000	-
Interest and other charges	21,200	21,200	21,200	-
TOTAL CHARGES TO APPROPRIATIONS	171,200	171,200	171,200	-
EXCESS (DEFICIENCY) OF RESOURCES				
OVER CHARGES TO APPROPRIATIONS	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	147,276	147,276	147,276	-
FUND BALANCE - END OF YEAR	\$ 147,276	\$ 147,276	\$ 147,276	\$ -

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.

\$ 171,200

Differences - budget to GAAP:

None

-

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

\$ 171,200

USES/OUTFLOWS OF RESOURCES

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

\$ 171,200

Differences - budget to GAAP:

None

-

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

\$ 171,200

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Over
				(Under)
RESOURCES (INFLOWS)				
Impact fees	\$ 20,000	\$ 20,000	\$ 15,260	\$ (4,740)
Investment income	500	500	715	215
AMOUNTS AVAILABLE FOR APPROPRIATION	20,500	20,500	15,975	(4,525)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	40,000	40,000	36,510	(3,490)
TOTAL CHARGES TO APPROPRIATIONS	40,000	40,000	36,510	(3,490)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(19,500)	(19,500)	(20,535)	(1,035)
FUND BALANCE - BEGINNING OF YEAR	154,357	154,357	154,357	-
FUND BALANCE - END OF YEAR	<u>\$ 134,857</u>	<u>\$ 134,857</u>	<u>\$ 133,822</u>	<u>\$ (1,035)</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.

\$ 15,975

Differences - budget to GAAP:

None

-

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

\$ 15,975

USES/OUTFLOWS OF RESOURCES

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

\$ 36,510

Differences - budget to GAAP:

None

-

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

\$ 36,510

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Intergovernmental revenues	\$ -	\$ -	\$ 3,769	\$ 3,769
Land dedication fees	50,000	50,000	42,703	(7,297)
Investment income	100	100	469	369
AMOUNTS AVAILABLE FOR APPROPRIATION	50,100	50,100	46,941	(3,159)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	20,000	20,000	11,328	(8,672)
Reserve for park improvements	30,100	30,100	-	(30,100)
TOTAL CHARGES TO APPROPRIATIONS	50,100	50,100	11,328	(38,772)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	-	35,613	35,613
FUND BALANCE - BEGINNING OF YEAR	281,363	281,363	281,363	-
FUND BALANCE - END OF YEAR	\$ 281,363	\$ 281,363	\$ 316,976	\$ 35,613

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.

\$ 46,941

Differences - budget to GAAP:

None

-

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

\$ 46,941

USES/OUTFLOWS OF RESOURCES

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

\$ 11,328

Differences - budget to GAAP:

None

-

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

\$ 11,328

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Impact fees	\$ 100,000	\$ 100,000	\$ 43,406	\$ (56,594)
Investment income	100	100	168	68
AMOUNTS AVAILABLE FOR APPROPRIATION	100,100	100,100	43,574	(56,526)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Interfund transfers	175,000	175,000	175,000	-
Reserve for street improvements	40,100	40,100	-	(40,100)
TOTAL CHARGES TO APPROPRIATIONS	215,100	215,100	175,000	(40,100)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(115,000)	(115,000)	(131,426)	(16,426)
FUND BALANCE - BEGINNING OF YEAR	161,947	161,947	161,947	-
FUND BALANCE - END OF YEAR	\$ 46,947	\$ 46,947	\$ 30,521	\$ (16,426)

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.

\$ 43,574

Differences - budget to GAAP:

None

-

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

\$ 43,574

USES/OUTFLOWS OF RESOURCES

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

\$ 175,000

Differences - budget to GAAP:

Interfund transfers

(175,000)

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

\$ -

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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, 2016

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
User charges	\$ 6,872,966	\$ 6,735,000	\$ 137,966
Fees	193,975	201,500	(7,525)
Other income	50,200	51,000	(800)
TOTAL OPERATING REVENUES	7,117,141	6,987,500	129,641
EXPENSES			
Salaries, wages and employee benefits	2,466,739	2,590,950	(124,211)
Contract services	484,953	702,437	(217,484)
Utilities	484,434	540,800	(56,366)
Operating supplies	341,738	551,625	(209,887)
Repairs and maintenance	246,574	285,420	(38,846)
Other expense	249,673	299,845	(50,172)
Capital outlay	1,225,181	3,583,293	(2,358,112)
TOTAL EXPENSES	5,499,292	8,554,370	(3,055,078)
OPERATING INCOME (LOSS)	1,617,849	(1,566,870)	3,184,719
NONOPERATING REVENUES (EXPENSES)			
Investment income	72,443	36,000	36,443
Intergovernmental revenue	532,397	532,500	(103)
Gain (loss) on disposal of capital assets	-	5,000	(5,000)
Miscellaneous income	8,978	1,100	7,878
Debt service principal retirement	(1,025,112)	(1,027,925)	2,813
Interest expense and fiscal charges	(213,695)	(214,765)	1,070
TOTAL NONOPERATING REVENUES (EXPENSES)	(624,989)	(668,090)	43,101
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	992,860	(2,234,960)	3,227,820
CONTRIBUTIONS AND TRANSFERS			
Intergovernmental revenue	2,228	385,000	(382,772)
Capital contributions	124,730	175,000	(50,270)
Net assets allocation	-	1,674,960	(1,674,960)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	1,119,818	\$ -	\$ 1,119,818
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
Depreciation	(1,896,417)		
Interest accretion	(161,552)		
Bond discount amortization	(2,801)		
Debt service principal retirement	1,025,112		
Capital outlay	1,225,181		
CHANGE IN NET POSITION - GAAP BASIS	\$ 1,309,341		

CITY OF OLDSMAR, FLORIDA

SCHEDULE OF OPERATIONS - ACTUAL AND BUDGET
STORMWATER UTILITY FUND

For the year ended September 30, 2016

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
Fees	\$ 669,607	\$ 660,000	\$ 9,607
Other income	4,222	4,000	222
TOTAL OPERATING REVENUES	673,829	664,000	9,829
EXPENSES			
Salaries, wages and employee benefits	171,391	194,980	(23,589)
Contract services	79,868	80,000	(132)
Operating supplies	25,575	52,100	(26,525)
Repairs and maintenance	27,335	29,500	(2,165)
Other expense	35,536	60,550	(25,014)
Capital outlay	297,690	531,309	(233,619)
Expense allocation	68,465	68,465	-
Reserve for infrastructure	-	24,015	(24,015)
TOTAL EXPENSES	705,860	1,040,919	(335,059)
OPERATING INCOME (LOSS)	(32,031)	(376,919)	344,888
NONOPERATING REVENUES (EXPENSES)			
Investment income	2,527	1,000	1,527
TOTAL NONOPERATING REVENUES (EXPENSES)	2,527	1,000	1,527
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(29,504)	(375,919)	346,415
CONTRIBUTIONS AND TRANSFERS			
Intergovernmental revenues	25,881	-	25,881
Net assets allocation	-	375,919	(375,919)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	(3,623)	\$ -	\$ (3,623)
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
Depreciation	(274,530)		
Capital outlay	297,690		
CHANGE IN NET POSITION - GAAP BASIS	\$ 19,537		

CITY OF OLDSMAR, FLORIDA

SCHEDULE OF OPERATIONS - ACTUAL AND BUDGET
SOLID WASTE FUND

For the year ended September 30, 2016

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
User charges	\$ 2,605,409	\$ 2,528,000	\$ 77,409
Other income	15,258	16,000	(742)
TOTAL OPERATING REVENUES	2,620,667	2,544,000	76,667
EXPENSES			
Salaries, wages and employee benefits	57,274	56,900	374
Solid waste disposal	2,234,769	2,237,600	(2,831)
Operating supplies	389	700	(311)
Other expense	60,095	63,430	(3,335)
Expense allocation	250,960	250,960	-
TOTAL EXPENSES	2,603,487	2,609,590	(6,103)
OPERATING INCOME (LOSS)	17,180	(65,590)	82,770
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenues	10,485	10,500	(15)
Miscellaneous income	2,000	-	2,000
Investment income	3,762	1,000	2,762
TOTAL NONOPERATING REVENUES (EXPENSES)	16,247	11,500	4,747
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	33,427	(54,090)	87,517
CONTRIBUTIONS AND TRANSFERS			
Net assets allocation	-	54,090	(54,090)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	\$ 33,427	\$ -	\$ 33,427
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
None	-		
CHANGE IN NET POSITION - GAAP BASIS	\$ 33,427		

CITY OF OLDSMAR, FLORIDA

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

September 30, 2016

	Total Governmental Funds	Long-term Assets, Liabilities	Reclasses & Eliminations	Statement of Net Position Totals
ASSETS				
Cash, pooled cash and cash equivalents	\$ 5,346,889	\$ -	\$ -	\$ 5,346,889
Investments	7,043,916	-	(5,849,596)	1,194,320
Receivables				
Accounts and other	86,701	-	-	86,701
Due from other governments	307,728	-	-	307,728
Due from other funds	250,000	-	(250,000)	-
Inventories	27,707	-	-	27,707
Prepaid items	528,222	-	-	528,222
Capital assets	-	75,794,617	-	75,794,617
Accumulated depreciation	-	(25,842,880)	-	(25,842,880)
Net pension asset	-	184,494	-	184,494
Investments, noncurrent	-	-	5,849,596	5,849,596
TOTAL ASSETS	13,591,163	50,136,231	(250,000)	63,477,394
DEFERRED OUTFLOWS OF RESOURCES				
Defined benefit pension plans	-	2,054,397	-	2,054,397
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 13,591,163	\$ 52,190,628	\$ (250,000)	\$ 65,531,791
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 704,075	\$ -	\$ -	\$ 704,075
Retainage payable	7,040	-	-	7,040
Accrued items	315,794	-	-	315,794
Due to other governments	40,102	-	-	40,102
Due to other funds	250,000	-	(250,000)	-
Current portion of long-term obligations	-	150,000	-	150,000
Compensated absences, long-term	-	308,127	-	308,127
Other post employment benefits	-	585,000	-	585,000
Net pension liability	-	1,544,896	-	1,544,896
Bonds payable, long-term	-	966,000	-	966,000
TOTAL LIABILITIES	1,317,011	3,554,023	(250,000)	4,621,034
DEFERRED INFLOWS OF RESOURCES				
Defined benefit pension plans	-	1,092,575	-	1,092,575
Local business tax receipts	146,212	-	-	146,212
Unearned special event revenue	14,185	-	-	14,185
Unearned assessment receivable	11,098	(11,098)	-	-
Unamortized bond refunding premium	-	32,915	-	32,915
TOTAL DEFERRED INFLOWS	171,495	1,114,392	-	1,285,887
TOTAL LIABILITIES AND DEFERRED INFLOWS	1,488,506	4,668,415	(250,000)	5,906,921
TOTAL FUND BALANCES / NET POSITION	12,102,657	47,522,213	-	59,624,870
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES / NET POSITION	\$ 13,591,163	\$ 52,190,628	\$ (250,000)	\$ 65,531,791

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, 2016

	Total Governmental Funds	Capital Related Items	Long-term Pension, Debt Transactions	Rounding, Reclasses & Eliminations	Statement of Activities Totals
REVENUES					
Taxes					
Property taxes	\$ 4,545,289	\$ -	\$ -	\$ -	\$ 4,545,289
Sales and use taxes	984,964	-	-	-	984,964
Franchise fees	1,454,907	-	-	-	1,454,907
Utility taxes	1,492,720	-	-	-	1,492,720
Fire insurance premium tax	99,574	-	-	(99,574)	-
Communications service tax	998,257	-	-	-	998,257
Business tax receipts	184,924	-	-	(184,924)	-
Licenses, permits and fees	213,879	-	-	(213,879)	-
Intergovernmental revenue/State revenue sharing	2,497,424	-	-	(1,086,866)	1,410,558
Charges for services	416,964	-	-	1,512,220	1,929,184
Rents and royalties	120,962	-	-	(120,962)	-
Operating grants and contributions	-	-	-	326,871	326,871
Capital grants and contributions	-	-	-	482,718	482,718
Fines and forfeitures	143,321	-	-	(143,321)	-
Investment income	139,540	-	-	-	139,540
Impact fees	102,898	-	-	(102,898)	-
Special assessments	7,858	-	(6,782)	(1,076)	-
Gain from sale of capital assets	-	10,655	-	-	10,655
Miscellaneous revenues	489,226	-	-	(368,310)	120,916
TOTAL REVENUES	13,892,707	10,655	(6,782)	(1)	13,896,579
EXPENDITURES					
Current					
General Government	3,115,252	410,913	104,742		3,630,907
Law Enforcement	1,617,591	1,610	-		1,619,201
Fire Protection	1,960,742	146,143	5,167		2,112,052
Technical Services	198,303	3,378	8,209		209,890
Transportation	1,017,142	648,802	11,286		1,677,230
Library	797,581	137,763	6,428		941,772
Parks and Recreation	2,157,989	800,385	831		2,959,205
Planning and Redevelopment	113,793	222,850	-		336,643
Capital Outlay	1,405,954	(1,405,954)	-		-
Debt service					
Principal retirement	150,000	-	(150,000)		-
Interest and fiscal charges	21,200	-	(5,486)	-	15,714
TOTAL EXPENDITURES	12,555,547	965,890	(18,823)	-	13,502,614
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	341,223	(341,223)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	341,223	(341,223)	-	-	-
NET CHANGE IN FUND BALANCE / NET POSITION	\$ 1,678,383	(1,296,458)	\$ 12,041	\$ (1)	\$ 393,965

CITY OF OLDSMAR

SCHEDULE OF EMS ALLOWABLE COSTS - ACTUAL AND BUDGET

For the year ended September 30, 2016

	Budgetary Basis Actual	Budget	Variance Over (Under)
REVENUES			
EMS reimbursement	\$ 430,381	\$ 430,381	\$ -
Reflected in the Statement of Activities on page 18 as:			
Fire Protection - Charges for Services	\$ 471,643		
Composed of:			
EMS reimbursement	\$ 430,381		
City excess FY093015 funding repayment	(7,874)		
Allowable Overhead and Station Cost FY 093016	4,304		
Fire protection service	28,372		
Infrastructure inspections fees	1,200		
Public safety impact fees	15,260		
Total Fire Protection - Charges for Services	\$ 471,643		
EXPENSES			
Salaries, wages and employee benefits	\$ 428,508	\$ 396,080	\$ 32,428
Medical services	1,215	1,475	(260)
Accounting and auditing	2,100	3,700	(1,600)
Insurance	4,399	5,666	(1,267)
Repairs and maintenance	12,019	12,500	(481)
Fuel	4,586	7,000	(2,414)
Uniforms	1,625	2,270	(645)
Licenses, permits and certifications	1,458	1,690	(232)
Station/overhead	4,304	-	4,304
	\$ 460,214	\$ 430,381	\$ 29,833
Reflected in the Statement of Activities on page 18 as:			
Fire Protection - Expenses	\$ 2,112,052		
Composed of:			
EMS expenses	\$ 460,214		
Fire expenses	1,651,838		
Total Fire Protection - Expenses	\$ 2,112,052		

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

	2007	2008	2009	2010
Governmental activities				
Net investment in capital assets	\$ 39,037,062	\$ 41,059,826	\$ 42,602,328	\$ 43,206,962
Restricted	3,131,825	3,795,461	3,146,936	3,389,922
Unrestricted	3,907,526	3,986,292	4,708,735	5,139,687
Total governmental activities net position	<u>\$ 46,076,413</u>	<u>\$ 48,841,579</u>	<u>\$ 50,457,999</u>	<u>\$ 51,736,571</u>
Business-type activities				
Net investment in capital assets	\$ 17,428,704	\$ 21,349,983 (1)	\$ 23,285,098	\$ 21,591,556
Restricted	3,317,834	3,016,898	2,167,049	7,301,155
Unrestricted	3,639,982	832,567 (1)	1,061,347	82,191
Total business-type activities net position	<u>\$ 24,386,520</u>	<u>\$ 25,199,448</u>	<u>\$ 26,513,494</u>	<u>\$ 28,974,902</u>
Primary Government				
Net investment in capital assets	\$ 56,465,766	\$ 62,409,809	\$ 65,887,426	\$ 64,798,518
Restricted	6,449,659	6,812,359	5,313,985	10,691,077
Unrestricted	7,547,508	4,818,859	5,770,082	5,221,878
Total primary government activities net position	<u>\$ 70,462,933</u>	<u>\$ 74,041,027</u>	<u>\$ 76,971,493</u>	<u>\$ 80,711,473</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.

2011	2012	2013	2014	2015	2016
\$ 44,918,527	\$44,789,124	\$47,442,048	\$48,951,705	\$ 55,250,819	\$ 48,802,822
1,838,919	2,103,146	1,115,915	2,101,705	3,270,470	4,342,120
5,488,222	6,067,486	5,843,262	5,840,837	709,616	6,479,928
<u>\$ 52,245,668</u>	<u>\$52,959,756</u>	<u>\$54,401,225</u>	<u>\$56,894,247</u>	<u>\$ 59,230,905</u>	<u>\$ 59,624,870</u>
\$ 24,746,198	\$36,368,932	\$34,576,558	\$34,804,657	\$ 33,912,721	\$ 33,805,583
4,231,692	1,418,506	1,512,571	1,493,037	1,644,321	1,774,330
3,836,700	97,146	2,882,636	3,582,913	5,216,989	6,556,423
<u>\$ 32,814,590</u>	<u>\$37,884,584</u>	<u>\$38,971,765</u>	<u>\$39,880,607</u>	<u>\$ 40,774,031</u>	<u>\$ 42,136,336</u>
\$ 69,664,725	\$81,158,056	\$82,018,606	\$83,756,362	\$ 89,163,540	\$ 82,608,405
6,070,611	3,521,652	2,628,486	3,594,742	4,914,791	6,116,450
9,324,922	6,164,632	8,725,898	9,423,750	5,926,605	13,036,351
<u>\$ 85,060,258</u>	<u>\$90,844,340</u>	<u>\$93,372,990</u>	<u>\$96,774,854</u>	<u>\$ 100,004,936</u>	<u>\$ 101,761,206</u>

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

	2007	2008	2009	2010	2011	2012
Expenses						
Governmental activities:						
General government	\$ 2,675,633	\$ 2,735,204	\$ 2,774,771	\$ 2,838,167	\$ 3,046,763	\$ 3,162,820
Law enforcement	1,307,645	1,362,283	1,439,311	1,508,378	1,534,252	1,566,145
Fire protection	2,147,697	2,388,250	2,339,090	2,465,409	2,460,618	2,251,609
Technical Services/Community Redevelop	63,434	127,514	581,558	307,380	348,023	286,762
Public works/Transportation	2,225,991	2,384,792	1,900,789	1,670,302	1,690,844	1,608,024
Culture and recreation/Library, Parks and Rec	3,079,588	3,386,270	3,387,322	3,359,810	3,188,818	3,209,888
Interest and fiscal charges on long-term debt	135,720	122,175	108,153	92,669	87,649	82,745
Total governmental activities expenses	<u>11,635,708</u>	<u>12,506,488</u>	<u>12,530,994</u>	<u>12,242,115</u>	<u>12,356,967</u>	<u>12,167,993</u>
Business-type activities:						
Water/Distribution and Collection	3,178,200	3,287,032	3,263,815	3,286,483	3,390,235	3,503,772
Sewer/Water Reclamation	2,753,308	2,855,232	2,838,036	2,872,311	2,710,024	2,471,037
Reclaimed water/Reverse Osmosis water plant	192,939	214,625	225,467	224,390	209,758	287,949
Stormwater utility	268,698	273,404	352,463	524,216	578,322	640,495
Solid waste	1,977,595	1,964,948	2,209,242	2,314,173	2,240,027	2,308,691
Total business-type activities expenses	<u>8,370,740</u>	<u>8,595,241</u>	<u>8,889,023</u>	<u>9,221,573</u>	<u>9,128,366</u>	<u>9,211,944</u>
Total primary government expenses	<u>\$20,006,448</u>	<u>\$21,101,729</u>	<u>\$ 21,420,017</u>	<u>\$ 21,463,688</u>	<u>\$ 21,485,333</u>	<u>\$21,379,937</u>
Program Revenues						
Governmental activities:						
Charges for services	\$ 1,565,058	\$ 1,565,299	\$ 1,383,570	\$ 1,501,580	\$ 1,551,116	\$ 1,809,498
Operating grants and contributions	451,620	466,216	388,239	391,376	317,553	349,696
Capital grants and contributions	1,144,159	1,200,318	252,028	296,097	505,400	487,144
Total governmental activities program revenues	<u>\$ 3,160,837</u>	<u>\$ 3,231,833</u>	<u>\$ 2,023,837</u>	<u>\$ 2,189,053</u>	<u>\$ 2,374,069</u>	<u>\$ 2,646,338</u>
Business-type activities:						
Charges for services	\$ 9,332,180	\$ 9,130,937	\$ 9,085,997	\$ 8,884,152	\$ 9,389,910	\$ 9,612,355
Operating grants and contributions	20,161	20,588	10,506	23,147	23,167	35,827
Capital grants and contributions	-	51,695	1,070,676	2,055,994	2,726,800	3,824,234
Total business-type activities program revenues	<u>9,352,341</u>	<u>9,203,220</u>	<u>10,167,179</u>	<u>10,963,293</u>	<u>12,139,877</u>	<u>13,472,416</u>
Total primary government program revenues	<u>\$12,513,178</u>	<u>\$12,435,053</u>	<u>\$ 12,191,016</u>	<u>\$ 13,152,346</u>	<u>\$ 14,513,946</u>	<u>\$16,118,754</u>
Net (Expense)/Revenue						
Governmental activities net expense	\$ (8,474,871)	\$ (9,274,655)	\$ (10,507,157)	\$ (10,053,062)	\$ (9,982,898)	\$ (9,521,655)
Business-type activities net expense	981,601	607,979	1,278,156	1,741,720	3,011,511	4,260,472
Total primary government net expense	<u>\$ (7,493,270)</u>	<u>\$ (8,666,676)</u>	<u>\$ (9,229,001)</u>	<u>\$ (8,311,342)</u>	<u>\$ (6,971,387)</u>	<u>\$ (5,261,183)</u>
General Revenues and Other Changes in Net Position						
Governmental activities:						
Taxes						
Property taxes	\$ 5,924,556	\$ 5,674,765	\$ 5,449,452	\$ 5,084,504	\$ 4,500,720	\$ 4,287,547
Franchise fees	1,444,701	1,450,292	1,633,039	1,549,092	1,477,506	1,420,070
Utility taxes	1,130,065	1,209,603	1,325,357	1,472,798	1,438,663	1,394,453
Communication services tax	1,146,714	1,272,994	1,587,502	1,497,240	1,415,554	1,304,078
Sales and use taxes	771,199	1,010,125	949,216	458,748	403,112	459,997
State revenue sharing	1,257,602	1,192,289	1,040,548	1,030,890	1,073,065	1,116,138
Investment income	568,978	152,351	66,628	129,203	73,015	110,911
Miscellaneous and transfers	170,907	77,402	71,835	109,159	110,360	142,549
Total governmental activities	<u>12,414,722</u>	<u>12,039,821</u>	<u>12,123,577</u>	<u>11,331,634</u>	<u>10,491,995</u>	<u>10,235,743</u>
Business-type activities						
Sales and use taxes	194,912	-	-	565,511	750,000	750,000
Investment income	442,480	141,131	23,003	99,669	59,584	53,927
Miscellaneous	-	63,818	12,887	54,508	18,593	5,595
Total business-type activities	<u>637,392</u>	<u>204,949</u>	<u>35,890</u>	<u>719,688</u>	<u>828,177</u>	<u>809,522</u>
Total primary government	<u>\$13,052,114</u>	<u>\$12,244,770</u>	<u>\$ 12,159,467</u>	<u>\$ 12,051,322</u>	<u>\$ 11,320,172</u>	<u>\$11,045,265</u>
Change in Net Position						
Governmental activities	\$ 3,939,851	\$ 2,765,166	\$ 1,616,420	\$ 1,278,572	\$ 509,097	\$ 714,088
Business-type activities	1,618,993	812,928	1,314,046	2,461,408	3,839,688	5,069,994
Total primary government	<u>\$ 5,558,844</u>	<u>\$ 3,578,094</u>	<u>\$ 2,930,466</u>	<u>\$ 3,739,980</u>	<u>\$ 4,348,785</u>	<u>\$ 5,784,082</u>

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.

2013	2014	2015	2016
\$ 3,254,536	\$ 3,370,916	\$ 3,595,857	\$ 3,630,907
1,767,674	1,764,468	1,809,188	1,619,201
2,184,053	2,021,776	1,909,404	2,112,052
363,053	346,331	372,674	546,533
1,569,245	1,646,974	1,675,173	1,677,230
3,281,618	3,364,435	3,468,799	3,900,977
103,112	20,849	18,322	15,714
<u>12,523,291</u>	<u>12,535,749</u>	<u>12,849,417</u>	<u>13,502,614</u>
-	-	-	-
3,575,192	3,461,871	3,501,209	3,559,372
3,087,764	2,995,966	3,117,614	2,989,204
674,956	742,922	694,281	682,700
2,297,004	2,381,572	2,571,553	2,603,487
<u>9,634,916</u>	<u>9,582,331</u>	<u>9,884,657</u>	<u>9,834,763</u>
<u>\$22,158,207</u>	<u>\$22,118,080</u>	<u>\$22,734,074</u>	<u>\$ 23,337,377</u>
\$ 2,244,671	\$ 2,197,517	\$ 2,092,515	\$ 1,929,184
328,608	302,852	335,320	326,871
1,286,131	1,664,180	1,931,041	482,718
<u>\$ 3,859,410</u>	<u>\$ 4,164,549</u>	<u>\$ 4,358,876</u>	<u>\$ 2,738,773</u>
\$ 9,666,398	\$ 9,779,848	\$10,337,154	\$ 10,536,367
23,113	23,136	21,036	10,485
425,020	161,321	61,203	28,109
<u>10,114,531</u>	<u>9,964,305</u>	<u>10,419,393</u>	<u>10,574,961</u>
<u>\$13,973,941</u>	<u>\$14,128,854</u>	<u>\$14,778,269</u>	<u>\$ 13,313,734</u>
\$ (8,663,881)	\$ (8,371,200)	\$ (8,490,541)	\$ (10,763,841)
479,615	381,974	534,736	740,198
<u>\$ (8,184,266)</u>	<u>\$ (7,989,226)</u>	<u>\$ (7,955,805)</u>	<u>\$ (10,023,643)</u>
\$ 4,236,658	\$ 4,355,617	\$ 4,669,724	\$ 4,545,289
1,376,347	1,432,786	1,456,699	1,454,907
1,396,466	1,458,828	1,472,143	1,492,720
1,242,248	1,149,968	1,093,287	998,257
518,172	877,289	910,282	984,964
1,138,481	1,275,061	1,356,324	1,410,558
37,258	14,241	123,499	139,540
189,719	300,432	149,860	131,571
<u>10,135,349</u>	<u>10,864,222</u>	<u>11,231,818</u>	<u>11,157,806</u>
750,000	467,495	532,500	532,397
16,672	48,588	92,977	78,732
17,147	10,785	26,693	10,978
<u>783,819</u>	<u>526,868</u>	<u>652,170</u>	<u>622,107</u>
<u>\$10,919,168</u>	<u>\$11,391,090</u>	<u>\$11,883,988</u>	<u>\$ 11,779,913</u>
\$ 1,471,468	\$ 2,493,022	\$ 2,741,277	\$ 393,965
1,263,434	908,842	1,186,906	1,362,305
<u>\$ 2,734,902</u>	<u>\$ 3,401,864</u>	<u>\$ 3,928,183</u>	<u>\$ 1,756,270</u>

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

	2007	2008	2009	2010	(1) 2011
General Fund					
Reserved	\$ 423,447	\$ 163,208	\$ 109,924	\$ 133,492	\$ -
Unreserved	3,879,369	4,310,256	4,905,865	5,382,882	-
Nonspendable	-	-	-	-	95,476
Restricted	-	-	-	-	-
Committed to capital projects	-	-	-	-	109,856
Assigned to:					
CERT	-	-	-	-	15,000
Insurance	-	-	-	-	511,630
Appropriated reserve	-	-	-	-	1,556,549
Unassigned	-	-	-	-	3,585,464
Total general fund	<u>\$ 4,302,816</u>	<u>\$ 4,473,464</u>	<u>\$ 5,015,789</u>	<u>\$ 5,516,374</u>	<u>\$ 5,873,975</u>
All Other Governmental Funds					
Reserved	\$ 2,085,050	\$ 881,503	\$ 842,232	\$ 1,998,680	\$ -
Unreserved					
Special revenue funds	1,260,371	993,975	790,073	720,849	-
Debt service fund	112,089	724,407	408,592	329,111	-
Capital project fund	(464,303)	1,073,210	989,638	224,881	-
Nonspendable	-	-	-	-	-
Restricted for:					
Capital projects	-	-	-	-	469,339
CRA	-	-	-	-	5,049
Debt service	-	-	-	-	43,296
Fire suppression	-	-	-	-	230,344
Transportation improvements	-	-	-	-	-
Committed to:					
Capital projects	-	-	-	-	708,500
Assigned to:					
Transportation improvements	-	-	-	-	245,577
Appropriated reserve	-	-	-	-	136,815
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 2,993,207</u>	<u>\$ 3,673,095</u>	<u>\$ 3,030,535</u>	<u>\$ 3,273,521</u>	<u>\$ 1,838,920</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.

2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
144,977	1,159,871	853,292	619,069	370,083
-	-	-	-	-
222,907	983,342	942,740	57,371	170,092
7,000	-	-	-	-
529,345	539,294	525,293	541,489	563,127
1,506,006	1,500,000	1,500,000	1,500,000	1,500,000
4,130,595	2,291,170	3,130,890	4,411,817	5,157,235
<u>\$ 6,540,830</u>	<u>\$ 6,473,677</u>	<u>\$ 6,952,215</u>	<u>\$ 7,129,746</u>	<u>\$ 7,760,537</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	435,846
786,855	807,745	1,394,859	2,144,636	2,825,670
378,478	-	-	24,058	165,487
139,715	139,864	141,549	147,276	147,276
165,637	170,998	55,589	134,857	44,322
-	70,200	96,785	46,947	30,521
155,715	448,083	45,423	527,254	148,698
285,676	-	-	-	-
191,070	148,000	367,500	269,500	544,300
-	(668,975)	(414,247)	-	-
<u>\$ 2,103,146</u>	<u>\$ 1,115,915</u>	<u>\$ 1,687,458</u>	<u>\$ 3,294,528</u>	<u>\$ 4,342,120</u>

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

	2007	2008	2009	2010
Revenues				
Taxes	\$ 10,527,991	\$ 10,747,159	\$ 11,072,772	\$ 10,181,596
Licenses, permits and charges for services	640,707	520,206	541,751	593,628
Intergovernmental revenue	2,933,907	2,629,630	1,702,135	1,920,810
Fines and forfeitures	160,144	203,212	134,082	185,191
Miscellaneous revenue	1,232,524	1,147,944	581,073	666,113
Total revenues	<u>15,495,273</u>	<u>15,248,151</u>	<u>14,031,813</u>	<u>13,547,338</u>
Expenditures				
General government	2,513,628	2,546,136	2,495,243	2,572,221
Public safety	3,775,231	4,138,526	4,113,289	4,049,532
Physical environment	1,177,800	1,226,391	1,281,725	1,036,985
Culture and recreation	2,628,856	2,818,706	2,736,377	2,709,375
Capital outlay	7,325,355	3,329,137	3,140,502	2,264,288
Debt service				
Principal retirement	308,221	136,164	138,599	100,000
Interest and fiscal charges	108,042	226,220	227,151	96,570
Total expenditures	<u>17,837,133</u>	<u>14,421,280</u>	<u>14,132,886</u>	<u>12,828,971</u>
Excess of revenues over (under) expenditures	(2,341,860)	826,871	(101,073)	718,367
Other Financing Sources (Uses)				
Refunding bonds proceeds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	132,488	23,665	838	25,204
Transfers in	1,487,500	340,000	280,000	908,013
Transfers out	(1,487,500)	(340,000)	(280,000)	(908,013)
Total other financing sources (uses)	<u>132,488</u>	<u>23,665</u>	<u>838</u>	<u>25,204</u>
Net change in fund balances	(2,209,372)	850,536	(100,235)	743,571
Fund balances - beginning of year	<u>9,505,395</u>	<u>7,296,023</u>	<u>8,146,559</u>	<u>8,046,324</u>
Fund balances - end of year	<u>\$ 7,296,023</u>	<u>\$ 8,146,559</u>	<u>\$ 8,046,324</u>	<u>\$ 8,789,895</u>
Debt service as a percentage of noncapital expenditures	4.0%	3.3%	3.3%	1.9%

2011	2012	2013	2014	2015	2016
\$ 9,345,265	\$ 8,976,565	\$ 8,616,629	\$ 9,391,492	\$ 9,449,002	\$ 9,575,711
592,741	707,290	734,139	903,538	809,964	815,767
2,128,755	2,189,075	3,276,563	3,383,897	4,166,542	2,497,424
183,928	267,524	601,194	436,436	192,056	143,321
626,737	754,863	733,500	763,864	966,163	860,484
<u>12,877,426</u>	<u>12,895,317</u>	<u>13,962,025</u>	<u>14,879,227</u>	<u>15,583,727</u>	<u>13,892,707</u>
2,703,988	2,726,600	2,110,427	2,931,858	3,153,244	3,115,252
3,844,218	3,693,101	3,831,140	3,622,629	3,586,594	3,578,333
1,293,887	1,175,027	1,860,695	1,235,254	1,274,888	1,329,238
2,518,328	2,528,643	2,584,740	2,679,704	2,712,822	2,955,570
3,410,447	1,656,716	4,516,543	3,727,798	3,409,149	1,405,954
100,000	110,000	-	141,000	143,000	150,000
91,550	86,645	63,663	26,335	23,808	21,200
<u>13,962,418</u>	<u>11,976,732</u>	<u>14,967,208</u>	<u>14,364,578</u>	<u>14,303,505</u>	<u>12,555,547</u>
(1,084,992)	918,585	(1,005,183)	514,649	1,280,222	1,337,160
-	-	1,550,000	-	-	-
-	-	(1,649,735)	-	-	-
7,992	12,496	50,534	535,432	504,379	341,223
35,000	-	-	100,000	740,000	325,000
(35,000)	-	-	(100,000)	(740,000)	(325,000)
<u>7,992</u>	<u>12,496</u>	<u>(49,201)</u>	<u>535,432</u>	<u>504,379</u>	<u>341,223</u>
(1,077,000)	931,081	(1,054,384)	1,050,081	1,784,601	1,678,383
<u>8,789,895</u>	<u>7,712,895</u>	<u>8,643,976</u>	<u>7,589,592</u>	<u>8,639,673</u>	<u>10,424,274</u>
<u>\$ 7,712,895</u>	<u>\$ 8,643,976</u>	<u>\$ 7,589,592</u>	<u>\$ 8,639,673</u>	<u>\$10,424,274</u>	<u>\$12,102,657</u>
1.8%	1.9%	0.6%	1.6%	1.5%	1.5%

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

	2007	2008	2009
Function / Program			
Governmental activities :			
Charges for services			
General government	\$ 585,166	\$ 665,813	\$ 619,211
Law enforcement	-	-	-
Fire Protection	351,445	405,438	411,253
Technical services/Community Redevelopment	196,633	163,171	78,352
Public Works/Transportation and Drainage	191,839	172,405	74,519
Culture and Recreation	239,975	158,472	200,235
Total charges for services	<u>1,565,058</u>	<u>1,565,299</u>	<u>1,383,570</u>
Operating grants and contributions			
General government	695	-	110
Fire Protection	126,918	171,462	136,026
Culture and Recreation	324,007	294,754	252,103
Total operating grants and contributions	<u>451,620</u>	<u>466,216</u>	<u>388,239</u>
Capital grants and contributions			
General Government	83,561	48,300	-
Law Enforcement	3,972	6,769	2,120
Fire Protection	-	-	-
Public Works/Transportation	150,000	356,502	184,372
Community redevelopment	-	-	-
Culture and Recreation	906,626	788,747	65,536
Total capital grants and contributions	<u>1,144,159</u>	<u>1,200,318</u>	<u>252,028</u>
Sub-total governmental activities	<u>3,160,837</u>	<u>3,231,833</u>	<u>2,023,837</u>
Business-type activities:			
Charges for services			
Water/Distribution and Collection	3,414,157	3,445,612	3,312,562
Sewer/Water Reclamation	2,774,942	2,852,063	2,733,157
Reclaimed/Reverse Osmosis water plant	393,492	367,362	355,877
Stormwater Utility	568,602	383,080	384,864
Solid Waste	2,180,987	2,082,820	2,299,537
Total charges for services	<u>9,332,180</u>	<u>9,130,937</u>	<u>9,085,997</u>
Operating grants and contributions			
Water recalculation	-	-	-
Stormwater Utility	9,744	10,231	-
Solid Waste	10,417	10,357	10,506
Total operating grants and contributions	<u>20,161</u>	<u>20,588</u>	<u>10,506</u>
Capital grants and contributions			
Water/Reverse Osmosis water plant	-	-	1,070,676
Water reclamation	-	-	-
Reclaimed	-	51,695	-
Stormwater Utility	-	-	-
Total capital grants and contributions	<u>-</u>	<u>51,695</u>	<u>1,070,676</u>
Sub-total business-type activities	<u>9,352,341</u>	<u>9,203,220</u>	<u>10,167,179</u>
Total primary government revenues	<u>\$ 12,513,178</u>	<u>\$ 12,435,053</u>	<u>\$ 12,191,016</u>

Note: 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.

In 2016 Community Redevelopment Agency Fund ad valorem taxes from Pinellas County are reflected as a capital grant.

2010	2011	2012	2013	2014	2015	2016
\$ 731,442	\$ 713,598	\$ 717,813	\$ 1,476,041	\$ 1,339,577	\$ 1,129,586	\$ 1,041,029
-	-	85,295	-	-	-	-
423,257	401,944	427,134	447,356	483,145	474,678	471,643
111,910	91,474	149,035	26,977	71,506	77,886	36,623
30,074	94,943	140,356	45,857	33,446	71,075	58,789
204,897	249,157	289,865	248,440	269,843	339,290	321,100
<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>	<u>2,092,515</u>	<u>1,929,184</u>
-	500	15,115	3,400	3,178	26,135	10,170
140,429	115,945	120,106	122,786	125,441	120,970	107,153
250,947	201,108	214,475	202,422	174,233	188,215	209,548
<u>391,376</u>	<u>317,553</u>	<u>349,696</u>	<u>328,608</u>	<u>302,852</u>	<u>335,320</u>	<u>326,871</u>
-	-	-	-	143,102	-	-
6,100	5,248	3,841	2,684	2,699	2,343	2,748
3,135	-	-	-	-	8,238	-
140,747	90,921	369,211	3,199	172,812	84,921	193,417
-	-	-	-	-	-	282,784
<u>146,115</u>	<u>409,231</u>	<u>114,092</u>	<u>1,280,248</u>	<u>1,345,567</u>	<u>1,835,539</u>	<u>3,769</u>
<u>296,097</u>	<u>505,400</u>	<u>487,144</u>	<u>1,286,131</u>	<u>1,664,180</u>	<u>1,931,041</u>	<u>482,718</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>	<u>4,358,876</u>	<u>2,738,773</u>
3,187,492	3,423,459	3,832,550	-	-	-	-
2,677,226	2,823,148	2,960,689	3,124,453	3,222,036	3,478,925	3,522,312
302,261	367,302	-	3,778,087	3,673,009	3,662,741	3,719,559
385,469	490,027	578,122	513,380	516,084	654,263	673,829
2,331,704	2,285,974	2,240,994	2,250,478	2,368,719	2,541,225	2,620,667
<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>	<u>10,337,154</u>	<u>10,536,367</u>
-	-	12,640	-	-	-	-
12,667	12,667	12,667	12,667	12,667	10,556	-
10,480	10,500	10,520	10,446	10,469	10,480	10,485
<u>23,147</u>	<u>23,167</u>	<u>35,827</u>	<u>23,113</u>	<u>23,136</u>	<u>21,036</u>	<u>10,485</u>
1,901,192	2,685,122	3,824,234	199,171	-	-	-
-	-	-	225,849	156,507	31,588	2,228
127,479	-	-	-	-	-	-
27,323	41,678	-	-	4,814	29,615	25,881
<u>2,055,994</u>	<u>2,726,800</u>	<u>3,824,234</u>	<u>425,020</u>	<u>161,321</u>	<u>61,203</u>	<u>28,109</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>10,419,393</u>	<u>10,574,961</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>	<u>\$ 14,778,269</u>	<u>\$ 13,313,734</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
2016	\$4,545,289	\$ 1,454,907	\$ 984,964	\$ 1,492,720	\$ 998,257	\$ 99,574	\$ 9,575,711
2015	4,403,691	1,456,699	910,282	1,472,143	1,093,287	112,900	9,449,002
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

(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 2016, 2015, 2014, 2013, 2012, 2011 and 2010 budgets and amounted to \$532,397, \$532,500, \$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
2016	\$ 811,291,853	\$ 468,286,783	\$ 90,184,907	\$ 15,781,777	\$ 195,596,019
2015	738,199,233	452,915,793	89,810,363	15,476,261	199,277,455
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

Percentages					
2016	51.31%	29.62%	5.70%	1.00%	12.37%
2015	49.36%	30.28%	6.00%	1.03%	13.32%
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%

Source: Pinellas County Property Appraiser

Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 1,581,141,339	\$ 419,180,025	\$ 1,161,961,314	4.0500
1,495,679,105	373,109,335	1,122,569,770	4.0500
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

100.00%	26.51%	73.49%
100.00%	24.95%	75.05%
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%

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

Fiscal Year	Direct City	County Operating			Total County Operating	Transit District	Emergency Medical Services
		General Fund	Health Department	Mosquito Control			
2016	4.0500	5.2755	0.0622	-	5.3377	0.7305	0.9158
2015	4.0500	5.2755	0.0622	-	5.3377	0.7305	0.9158
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

Note:

The Ad Valorem tax rate for the City of Oldsmar pertains to operating expenditures only, and therefore no further breakdown of the direct rate can be show.

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					
5.0220	2.7480	7.7700	0.3488	0.8981	-	0.0160	20.0669
5.0930	2.7480	7.8410	0.3658	0.8981	-	0.0160	20.1549
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

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

Taxpayer	2016			2007		
	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	\$ 47,362,377	1	4.08%	\$ -	-	-
TNC (US) Holdings INC	44,829,421	2	3.86%	-	-	-
MT (2002) Statutory Trust	37,761,341	3	3.25%	-	-	-
Woodlands Square C R P LLC	29,095,000	4	2.50%	-	-	-
Pacifica Forest Lakes LLC	28,250,000	5	2.43%	-	-	-
PROLOGIS U S L V TRS S U B I LLC	18,340,820	6	1.58%	-	-	-
Wal-Mart Stores East LP	14,690,000	7	1.26%	19,660,410	4	1.55%
MT (2003) Statutory Trust	13,480,221	8	1.16%	-	-	-
T W C 79 LTD	13,470,300	9	1.16%	11,500,000	7	0.91%
Tampa Electric Company	11,589,652	10	1.00%	9,846,140	9	0.78%
Oldsmar Statutory Trust	-	-	-	71,571,000	1	5.66%
Nielsen Media Research, Inc.	-	-	-	55,790,110	2	4.41%
PPFL Woodlands LLC	-	-	-	35,100,000	3	2.77%
ICS Village	-	-	-	19,500,000	5	1.54%
580 Industrial, Ltd.	-	-	-	19,350,000	6	1.53%
Metal Industries, Inc.	-	-	-	11,142,910	8	0.88%
MTN Tampa Rd Partners	-	-	-	8,340,000	10	0.66%
Total Principal Taxpayers	258,869,132		22.28%	261,800,570		20.69%
All Other Taxpayers	903,092,182		77.72%	1,003,713,522		79.31%
Total	<u>\$ 1,161,961,314</u>		<u>100.00%</u>	<u>\$1,265,514,092</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
2016	\$ 4,788,526	\$ 4,491,523	93.80%	\$ 53,766	\$ 4,545,289	94.92%
2015	4,559,970	4,305,187	94.41%	98,504	4,403,691	96.57%
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%

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			
	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	SRF Loan Alternate Water Supply
2016	\$ -	\$ -	\$ 1,116,000	\$ 1,854,469	\$ -	\$ 933,449	\$ 2,651,277
2015	-	-	1,266,000	2,242,536	-	1,061,445	2,787,315
2014	-	-	1,409,000	2,602,645	-	1,185,624	2,919,748
2013	-	-	1,550,000	2,937,351	-	1,306,101	3,048,672
2012	-	1,590,000	-	3,248,720	-	1,422,986	2,125,942
2011	-	1,700,000	-	3,538,396	-	1,536,386	1,459,045
2010	-	1,800,000	-	3,805,381	-	1,646,405	986,984
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	-

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.

Water Revenue Bond - 2010	SRF Water Supply 2012	Total	Percentage of Personal Income	Per Capita
\$ -	\$ 4,240,773	\$ 10,795,968	1.76%	\$ 759
-	4,455,035	11,812,331	2.04%	844
-	4,664,154	12,781,171	2.28%	922
-	4,868,255	13,710,379	2.44%	999
-	4,609,353	12,997,001	2.44%	957
5,563,935	1,002,854	14,800,616	2.88%	1,089
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

City of Oldsmar
Schedule 12
Direct and Overlapping Governmental Activities Debt
As of September 30, 2016

<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	\$ 10,634,000		
Capital leases	7,340,960		
Pinellas County Governmental Activities Bonds	<u>11,208,241</u>		
Total overlapping debt (1)	\$ 29,183,201	1.827%	\$ 533,179
City direct debt			<u>1,116,000</u>
Total direct and overlapping debt			<u><u>\$ 1,649,179</u></u>

Notes:

Source: Pinellas County and Pinellas County School Board.

(1) The City's share is calculated based on the ratio of the 2015 City Taxable Value of \$1,161,961,314 to the County's Taxable Value of \$63,599,221,882

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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
2016	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
2015	-	-	-	-	-	-	-	-
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

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
\$ 171,200	\$ -	\$ -	-	\$ 150,000	\$ 21,200	1.00
172,535	-	-	-	143,000	23,808	1.03
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	-	-	-

(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
2016	\$7,188,597	\$4,288,889	\$2,899,708	\$ 83,120	\$ 466,499	\$ -	\$ -
2015	7,054,590	4,300,952	2,753,638	89,256	459,589	-	-
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

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
\$127,996	\$ 31,405	\$ 136,038	\$ 74,581	\$ 214,261	\$ 107,569	\$ 561,415	\$680,054	2.34
124,180	34,112	132,433	78,039	209,120	112,066	554,989	683,806	2.22
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

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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)
2016	14,230	\$ 612,003,840	\$ 43,008	37.5	1,264	4.4%
2015	13,993	577,854,928	41,296	35.7	1,282	4.7%
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%

Note:

Sources:

- (1) State of Florida Office of Economic and Demographic Research - Estimate for April 1, 2016
- (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 March 2016
- (4) U.S. Census Bureau, American Community Survey for Oldsmar, FL
(2011-2015 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 2016 Unemployment Rate for Pinellas County, FL

City of Oldsmar
Schedule 15
Principal Employers
Current Year and Nine Years Ago

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage Total City Employment
Nielsen Media Research (6)	1,800	#1	N/A	1,525	#1	N/A
United Health Care (6)	500	#2	N/A	650	#2	N/A
Walmart	399	#3	N/A	-		N/A
S&S Electrical Company (5)	172	#4	N/A	-		N/A
Osgood Industries	159	#5	N/A	-		N/A
City of Oldsmar	150	#6	N/A	150	#4	N/A
Knight Dental Group	130	#7	N/A	-		N/A
Micon Packaging	107	#8	N/A	82	#6	N/A
MI Metals	88	#9	N/A	57	#7	N/A
IC Intracom	41	#10	N/A	56	#8	N/A
Baycare Health Systems (4)	N/A	N/A	N/A	320	#3	N/A
Goodrich Lighting Systems (1,2)	N/A	N/A	N/A	131	#5	N/A
eAutoclaims (3)	N/A	N/A	N/A	53	#9	N/A
	<u>3,546</u>		<u>-</u>	<u>3,024</u>		<u>-</u>

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

(1) Formerly Goodrich-Hella Aero.

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

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

(4) Baycare Health Systems has temporarily relocated outside of Oldsmar City Limits, but is repurposing the facility for use in 2017.

(5) Formerly S&S Air Conditioning

(6) Pinellas County Business Summary 09/26/2016

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

Function/Program	Full-time Equivalent Employees as of September 30					
	2016	2015	2014	2013	2012	2011
General government						
City Manager	1.5	1.5	1.5	2.0	2.0	2.0
Administrative Services	18.0	18.0	17.5	17.0	17.5	17.5
City Clerk	5.0	5.0	4.5	4.5	4.5	4.5
Public Safety						
Fire	20.0	20.0	20.0	22.0	23.0	23.0
Police	*	*	*	*	*	*
Protective Inspections/Planning	7.0	7.0	8.0	6.0	7.0	7.0
Public Works						
Technical Services/Building	2.5	2.5	2.5	2.0	2.0	2.0
Road and Street Facilities	11.0	10.0	10.0	10.0	10.0	10.0
Utilities Maintenance	4.0	4.0	4.0	4.0	5.0	-
Water Distribution	12.0	11.0	11.0	12.0	12.0	17.0
Water Reclamation	9.0	9.0	9.0	9.0	9.0	14.0
Reclaimed Water	-	-	-	-	-	1.0
RO Water Treatment Plant	7.0	7.0	7.0	6.0	6.0	-
Solid Waste	1.0	1.0	1.0	1.0	2.0	2.0
Stormwater	4.0	4.0	4.0	4.0	4.0	4.0
Culture and recreation						
Library	12.0	12.0	11.5	11.5	12.0	12.0
Parks	22.9	19.9	18.4	16.9	15.9	15.9
Recreation	7.8	7.8	7.8	8.3	8.3	8.3
Facilities	5.0	5.0	5.0	5.0	5.0	5.0
Cultural Affairs	-	-	-	-	-	-
	<u>149.7</u>	<u>144.7</u>	<u>142.7</u>	<u>141.2</u>	<u>145.2</u>	<u>145.2</u>

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

Source: City of Oldsmar Budget

2010	2009	2008	2007
4.0	5.0	2.5	3.5
17.5	18.0	17.5	16.5
2.5	2.5	4.5	4.5
23.0	23.0	23.0	23.0
*	*	*	*
9.0	6.0	6.0	5.5
5.0	9.5	9.5	9.5
10.0	14.0	14.0	14.0
-	-	-	-
12.0	12.0	11.0	11.0
14.0	14.0	15.0	15.0
1.0	1.0	1.0	1.0
-	-	-	-
2.0	2.0	1.0	1.0
4.0	-	-	-
12.0	12.0	12.0	12.0
17.9	17.9	17.9	17.9
8.8	9.8	11.8	10.8
-	-	-	-
-	-	-	1.0
142.7	146.7	146.7	146.2

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

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Police (1)						
Physical arrests	501	448	601	633	219	552
Parking violations	117	228	307	565	895	751
Traffic violations	5,801	6,432	7,355	6,835	7,214	5,049
Fire (2)						
Total Responses	1,681	1,619	1,531	1,526	1,562	1,656
EMS Responses	1,415	1,385	1,316	1,315	1,323	1,387
Fire Responses	266	234	215	211	239	269
Inspections	314	300	562	564	1,032	1,401
Recreation (3)						
Memberships	1,171	1,744	1,456	1,957	2,038	1,779
Library (4)						
Volumes in collection	61,643	60,613	59,398	61,155	68,410	60,450
Water (5)						
Number of connections	5,384	5,372	5,359	5,332	5,305	5,334
Average daily consumption (mgd)	1.253	1.202	1.236	1,221	1.327	1.296
Sewer (6)						
Number of connections	5,211	5,213	5,214	5,215	5,215	5,251
Average daily flow (mgd)	1.520	1.471	1.524	1,460	1.672	1.274
Reclaimed water (7)						
Number of connections	1,791	1,770	1,726	1,701	1,656	1,641

Notes:

N/A = not available

Sources:

- (1) Pinellas County Sheriff's Office
- (2) City of Oldsmar Fire Department
- (3) City of Oldsmar Recreation Division
- (4) City of Oldsmar Library Department
- (5) City of Oldsmar Public Works Department
- (6) City of Oldsmar Public Works Department
- (7) City of Oldsmar Public Works Department

2010	2009	2008	2007
504	491	698	293
704	329	218	71
4,264	3,660	5,610	2,492
1,722	1,526	1,661	1,551
1,400	1,224	1,350	1,291
322	302	311	260
1,708	1,717	1,772	1,495
893	759	1,977	2,232
60,139	60,809	56,035	53,600
5,584	5,649	5,660	5,422
1.320	1.525	1.525	1.538
5,301	5,316	5,310	5,289
1.620	1.653	1.653	1.605
1,615	1,576	1,520	1,493

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

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Police (1)						
Stations	1	1	-	-	-	-
Fire (2)						
Stations	1	1	1	1	1	1
Public works (3)						
Streets (miles)	49.70	50.30	49.21	51.63	51.63	51.63
Recreation (4)						
Number of parks	11	9	9	9	9	8
Playgrounds	8	8	8	8	8	8
Recreation Centers	1	1	1	1	1	1
Community Centers	1	1	1	1	1	1
Baseball Fields	8	7	7	8	8	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	25	25
Boat Ramps	3	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

Sources:

- (1) Pinellas County Sheriff's Office
- (2) City of Oldsmar Fire Department
- (3) City of Oldsmar Administrative Services Department
- (4) City of Oldsmar Leisure Services Department

2010	2009	2008	2007
-	-	-	-
1	1	1	1
51.63	49.80	49.80	49.80
8	8	8	8
8	8	8	8
1	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	24	24	20
2	2	2	2
4	4	4	4
1	1	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, 2016

Federal/State Agency Pass-through entity Federal Program/State Project	CFDA/ CSFA No.	Contract or grant number	Expenditures
FEDERAL AWARDS			
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	2016-JAGD-PINE-1-H4-002	2,748
U.S. Department of Transportation (indirect) Florida Department of Transportation Local Agency Program (LAP) Exeter Street Railroad Crossing Closure	20.205	FPN#434308 1 58 6801	193,841
Federal Emergency Management Agency Florida Department of Emergency Management Flood Mitigation Assistance Grant	97.029	15FM-J2-08-62-02-401	<u>8,970</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 205,559</u></u>
STATE FINANCIAL ASSISTANCE			<u><u>\$ -</u></u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

CITY OF OLDSMAR, FLORIDA

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

September 30, 2016

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.

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, 2016, 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 3, 2017.

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 3, 2017

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, 2016 and have issued our report thereon dated February 3, 2017.

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 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*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 3, 2017, 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, 2016, 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, 2016. 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 3, 2017

INDEPENDENT ACCOUNTANT'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, 2016. 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, 2016.



Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
February 3, 2017