

CITY OF OLDSMAR, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Fiscal Year Ended
SEPTEMBER 30, 2017**

CITY COUNCIL

DOUG BEVIS, Mayor

DAN SARACKI, Vice-Mayor

ERIC SEIDEL, 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, 2017

ELECTED OFFICIALS

MAYOR

DOUG BEVIS

VICE-MAYOR

DAN SARACKI

COUNCILMEMBER

ERIC SEIDEL

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

Felicia Donnelly

CITY OF OLDSMAR, FLORIDA

INTRODUCTORY SECTION

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CERTIFICATE OF ACHIEVEMENT

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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

March 2018

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, 2017 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 last fiscal year was a mixture of celebration and sadness, anticipation and surprise, for our city at the Top of the Bay. First, of grand scale, was the successful execution of the City's Centennial celebration. The celebration finale was held on the first day of the fiscal year, a hugely successful concert held at Tampa Bay Downs, featuring several rock stars from years past. The fiscal year ended on a sad note, with the City Manager for the past thirty-one years retiring and saying good-bye. Bruce T. Haddock, legend amongst Florida City Managers, was predominantly responsible for the incredible growth and success of this small city, in no uncertain terms. While totally anticipated, sad nonetheless.

For those who prefer surprises, the City endured the effects of Hurricane Irma, three weeks prior to the end of the fiscal year. While largely spared from the devastating effects of the storm, this hurricane affected more Florida municipalities than any other storm in recorded history. The City incurred limited damage, but still had significant clean-up costs and had to prepare for the reporting requirements of the Federal government for months after the event, making the close of the fiscal year a greater challenge.

The City's Emergency Operations team handled the crisis with professionalism and skill. Council priorities were not impacted significantly, and many projects were completed, although some were slightly delayed.

Honorable Mayor, Council Members and Citizens
March 2018

Major road renovation work was completed on Lafayette Boulevard as part of our neighborhood street resurfacing project. Also completed were improvements to the parking lot at the Cypress Forest Recreation Center. Improvements to the Oldsmar Sports Complex and BMX Track continued. Oldsmar Sports Complex upgrades have become a Council priority, and improvements will continue for years to come. Sheffield Park and the Community also received the benefit of a new, professional grade Disc Golf course.

In the Community Redevelopment Agency (CRA), major improvements were made at the former Goodrich property, preparing it for developer consideration as part of Council's vision for the property east of City Hall. Also, the annual Sign Program was completed, enhancing existing signs, and adding new ones where appropriate.

In the Enterprise Funds, several facilities were improved or repaired (including access to the WRF for large vehicles), and field assets were upgraded throughout the City. Our Lift Station improvement plan continued as the Utilities Maintenance division identified rehabilitation needs throughout the year.

Significant effort went into planning for Harbor Palms development improvements, specifically the Water Main replacement, Sewer Line improvements, Sidewalk and Curbing enhancements. The Aquifer Storage and Recovery project was completed and will expand the delivery system possibilities by making the supply more stable throughout the year.

Finally, our Stormwater Fund remained very busy during the year. We worked towards completion of the Master Plan for stormwater upgrades throughout the City. Harbor Palm Drainage improvements were completed ahead of the planned overhaul of the neighborhood's infrastructure.

While the momentum of the City's development efforts have continued, the focus has shifted towards the maintenance, upkeep, and improvement of what we already have. Council wants to make sure that we do the remaining development 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 2018, the Administration presented a budget that recommended a 7.6% increase from the prior year's revised budget. The slight increase was attributable to anticipated progress in the completion of capital projects, specifically roadway improvements in the industrial sector and park improvements at the Oldsmar Sports Complex. From a personnel perspective, the City began an effort to incorporate more interns into the organization, both as a way to encourage public service by younger citizens and as a method to increase our services provided without expanding the number of full-time personnel. In total, the fiscal year 2018 budget was presented with an increase of less than 1/3 of a position.

Ad Valorem revenue increased for the fifth year in a row (approximately 4.3%), 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 9 years. The City continues to plan for the utilization of grants where possible, while acknowledging that they are increasingly difficult to receive and come with compliance and legacy costs.

Future projects for fiscal year 2017/18 will see the City focus on infrastructure and parks needs. As the community's resources continue to age and opportunities to expand become more limited, the focus for the future will turn to facility maintenance and improvement. To that end, high impact projects will become more targeted and maintenance tasks more broad-based. In the coming year specific projects, including the Burbank Road Extension project (funded in part via a grant from FDOT), the Harbor Palms Infrastructure Improvements project, and improvements to the Oldsmar Sports Complex will begin to take shape. The City will also continue to maintain and improve our medians, focusing this year on portions of State Road 580, with the assistance of an FDOT grant. Additionally, Fire/EMS radios will be replaced to help protect the safety of our first responders and ensure compatibility with countywide systems.

As one of the City's most visible assets, the Oldsmar Sports Complex will see a renewed focus, especially on fields, events, and teams. The City plans to pursue new partnerships with professional sports teams, invigorate our efforts on our most popular events (such as the USA BMX Gator Nationals), and thoughtfully review expansion plans with our local, regional, and state partners.

In the coming fiscal year, there are several large construction projects on the horizon, boosted by an improving economy. We anticipate these projects will bring a positive impact to the community, both in terms of financial footing (via an increased tax base) and sense of community, as these projects will breathe new life into areas ripe for revitalization.

In the Community Redevelopment Agency (CRA), property acquisition is still a priority. The development of the property next to City Hall continues to be a focus of the Council, with the next step (following the recent demolition of the Goodrich buildings) to be a renewed look to the development community. We hope potential developers, upon seeing the possibilities offered by the entire property, will present options congruent with the Council's goals.

In the Capital Projects Fund, the City has been saving funds for the completion of two major infrastructure improvements. First, Penny for Pinellas funds have been saved for 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. In addition to Penny funds, a State appropriation for Burbank and grant for Douglas will be utilized in this targeted improvement to the City's industrial base. The additional access and improved roadways throughout the City's primary business area, the Cypress Lakes Industrial Park, will improve access for businesses and safety for multimodal travel in the area.

Second, the other large project, the Harbor Palms Infrastructure Improvement project, currently in the final phases of design, will contain several important elements of infrastructure work, including replacement of failing water lines, stormwater lines and sidewalks. This project, along with the Douglas/Burbank project, will require a significant commitment of city resources and will likely be in progress 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 water meter upgrades and Downtown Water Line Distribution improvements. In the Stormwater fund, 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. The

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 a 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 fifth 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 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 with 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>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues	\$6,965,469	\$7,117,141	\$7,665,168
Operating Income	765,008	946,613	1,445,721
Add: Depreciation	1,899,509	1,896,417	1,895,501
Interest Income	89,121	71,456	54,356
Income Available for Debt Service	<u>2,753,638</u>	<u>2,914,486</u>	<u>3,395,578</u>
Annual Debt Service (Principal and Interest)	<u>1,238,795</u>	<u>1,241,439</u>	<u>1,239,240</u>
Coverage (Income available for debt service divided by annual debt service)	<u>2.22</u>	<u>2.35</u>	<u>2.74</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, 2016. 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

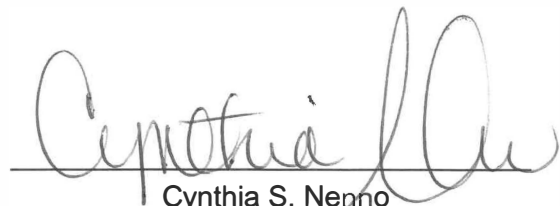
The timely preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Division. We would like to express appreciation to all members of the Division who assisted and contributed to its preparation, especially Amy Ratliff, Accounting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

Respectfully submitted,



Alan S. Braithwaite
City Manager

Respectfully submitted,



Cynthia S. Nenno
Director of Administrative Services

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September 30, 2016

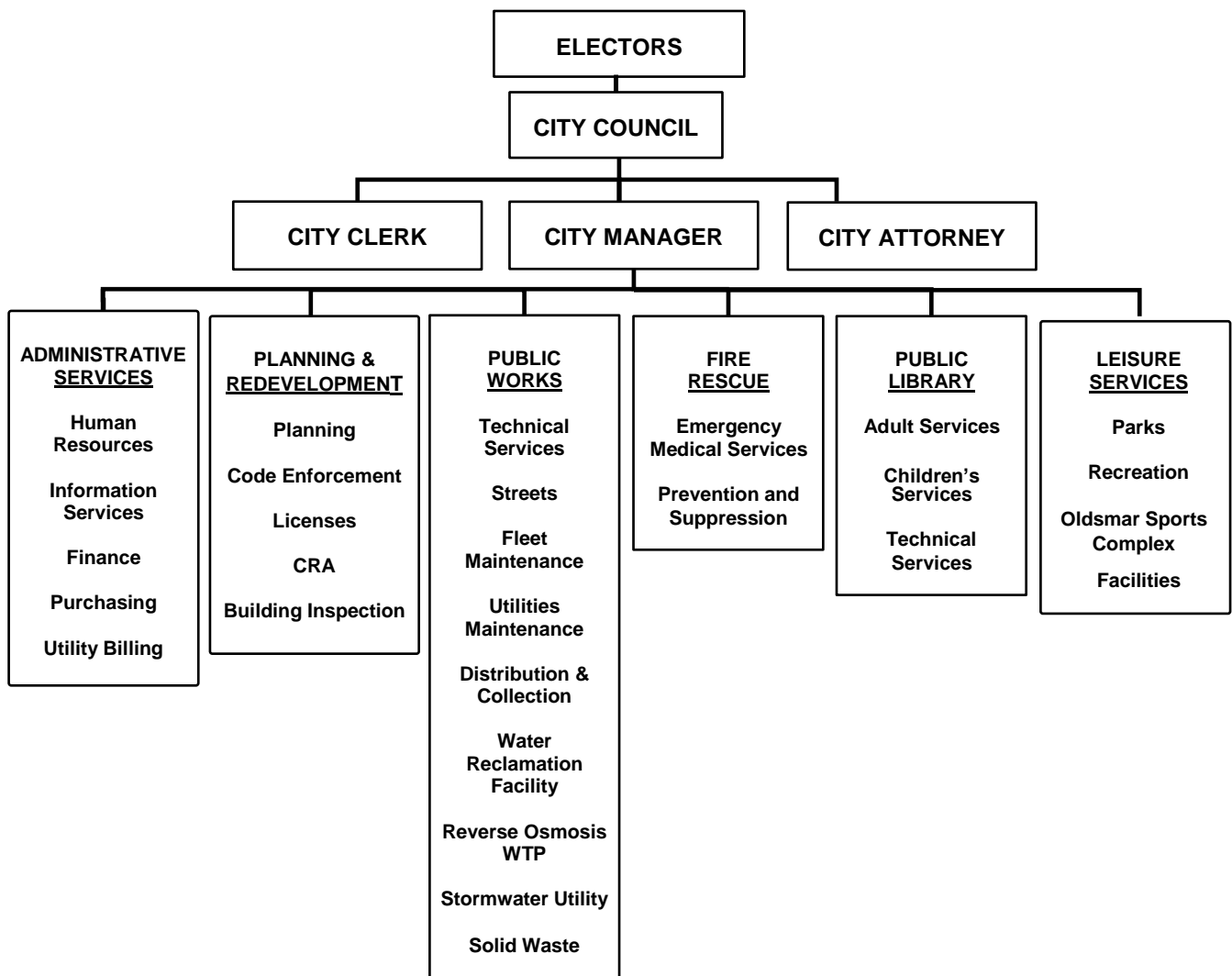
Christopher P. Morill

Executive Director/CEO

ORGANIZATION CHART

Fiscal Year-End September 30, 2017

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, 2017, 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, 2017, 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, 2017, 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, 2017, 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 59-60) and the required pension schedules (pages 62-65) are not a required part of the basic financial statements but are 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 the State of Florida Single Audit Act, 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 March 9, 2018, 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
March 9, 2018

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, 2017. 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 inflows of the City exceeded its liabilities and deferred outflows at the close of fiscal year 2017 by \$103,904,789 (net position). Of this amount, \$14,159,262 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position increased by \$2,275,805, or 8.6% from the prior year's net asset presentation. The City's total net position increased by 2.1% (\$2,275,805) from the prior year's total figure, as restated.
- As of the close of the fiscal year, the City's governmental funds reported combined ending total fund balances of \$13,159,370, an increase of \$1,056,713 when compared to the prior year. Of this amount, \$4,599,096 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 \$4,599,096, or 37% of the total general fund expenditures.
- The City's total debt decreased by \$1,056,278 (9.8%) 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 and is intended to help readers understand the elements of the City's financial statements. It 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 and deferred outflows minus liabilities and deferred inflows). 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 Improvement 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 Sewer 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 schedules for the General Fund and the Community Redevelopment Agency Fund (CRA), as well as the schedules of funding progress for the City's defined benefit plan obligations. 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 \$103,904,789 at the close of fiscal year ended September 30, 2017.

The largest portion of the City's net position continues to be investment in capital assets (79.0%), such as land, buildings, improvement other than buildings, machinery and equipment, and infrastructure. The fiscal year 2016/17 figure, \$82,092,346, 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, 2017 and 2016
(000's)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$14,914	\$13,526	\$ 14,039	\$11,943	\$ 28,953	\$ 25,469
Capital assets	<u>49,327</u>	<u>49,952</u>	<u>41,285</u>	<u>41,898</u>	<u>90,613</u>	<u>91,850</u>
Total assets	64,241	63,478	55,324	53,841	119,566	117,319
Deferred outflows	<u>2,255</u>	<u>2,054</u>	<u>232</u>	<u>216</u>	<u>2,487</u>	<u>2,270</u>
Total assets & deferred outflows	<u>\$66,496</u>	<u>\$65,532</u>	<u>\$55,556</u>	<u>\$54,057</u>	<u>\$122,053</u>	<u>\$119,589</u>
Other liabilities	\$ 1,748	\$ 1,217	\$ 2,359	\$ 2,073	\$ 4,107	\$ 3,290
Long-term debt outstanding	<u>3,544</u>	<u>3,404</u>	<u>8,962</u>	<u>9,823</u>	<u>12,506</u>	<u>13,227</u>
Total liabilities	5,292	4,621	11,321	11,896	16,613	16,517
Deferred inflows	<u>1,494</u>	<u>1,286</u>	<u>40</u>	<u>25</u>	<u>1,535</u>	<u>1,311</u>
Total liabilities & deferred inflows	6,786	5,907	11,361	11,921	18,148	17,828
Net Position						
Net investment in capital assets	48,334	48,803	33,758	33,806	82,092	82,609
Restricted	5,736	4,342	1,917	1,774	7,654	6,117
Unrestricted (deficit)	<u>5,640</u>	<u>6,480</u>	<u>8,519</u>	<u>6,556</u>	<u>14,159</u>	<u>13,036</u>
Total net position	<u>59,710</u>	<u>59,625</u>	<u>44,195</u>	<u>42,136</u>	<u>103,905</u>	<u>101,761</u>
Total liabilities, deferred inflows & net position	<u>\$66,496</u>	<u>\$ 65,532</u>	<u>\$55,556</u>	<u>\$54,057</u>	<u>\$122,053</u>	<u>\$119,589</u>

7.4% of the City's total net position represents resources that are restricted on how they may be used. 13.6% 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 decreased by \$839,681, to \$5,640,247 during the fiscal year. The City's Business-type unrestricted net position increased by \$1,962,592, to \$8,519,015, due to improved operations and temporary project delays.

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)

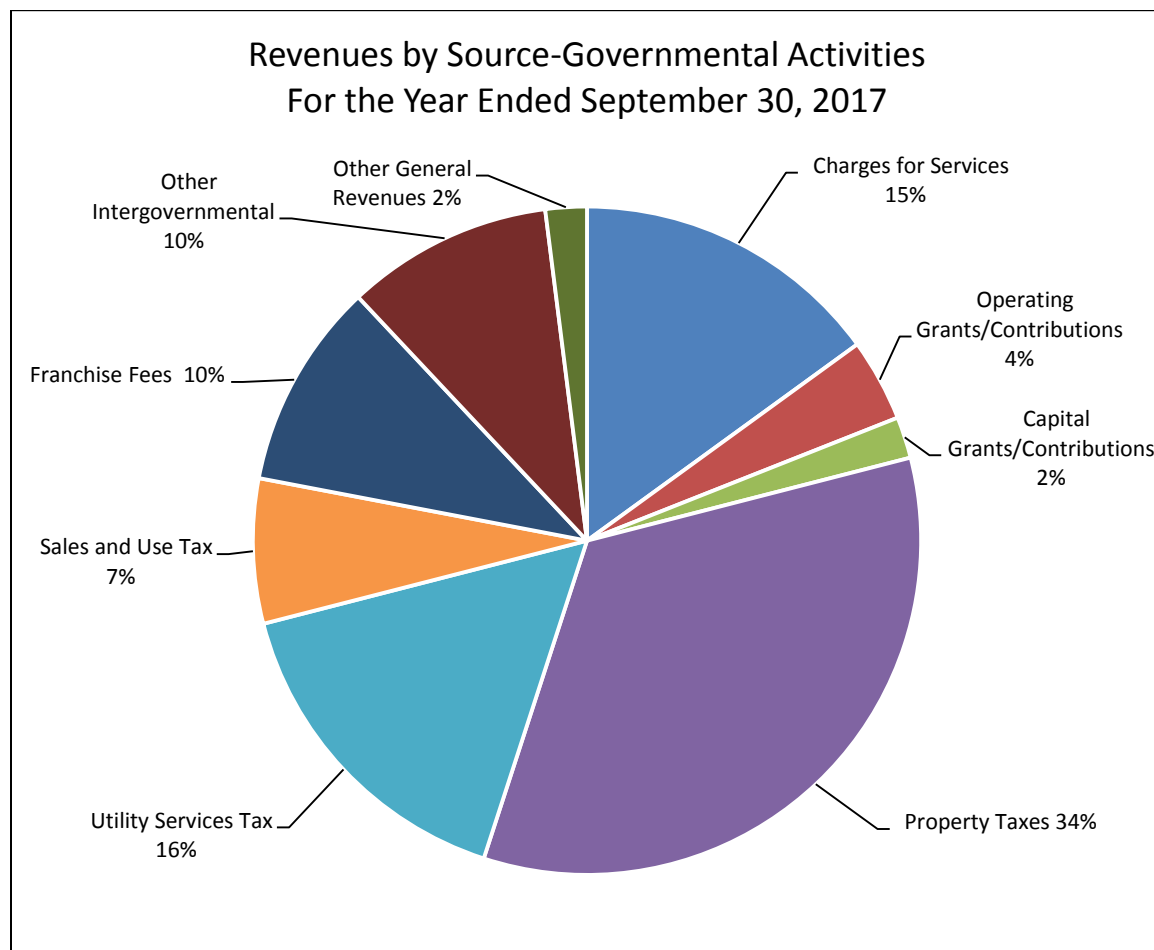
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
REVENUES						
Program Revenues:						
Charges for services	\$2,197	\$1,929	\$11,064	\$10,536	\$13,261	\$12,465
Operating Grants/Contributions	545	327	10	10	555	337
Capital Grants/Contributions	321	483	306	28	627	511
General Revenues:						
Property Taxes	4,861	4,545			4,861	4,545
Sales and Use Tax	1,026	985		532	1,558	1,517
Utility Services Tax	2,348	2,491			2,348	2,491
Franchise Fees	1,389	1,455			1,389	1,455
Other Intergovernmental	1,459	1,411	532		1,459	1,411
Investment Income	82	139	68	79	150	218
Other General Revenues	110	121	0	11	146	132
Gain on Disposal of Assets	43	11	36	-	43	11
Total Revenues	<u>\$14,381</u>	<u>\$13,897</u>	<u>\$12,016</u>	<u>\$11,196</u>	<u>\$26,397</u>	<u>\$25,093</u>
EXPENSES						
Program Activities:						
Primary Government						
Governmental Activities:						
General Government	4,120	3,631			4,120	3,631
Law Enforcement	1,643	1,619			1,643	1,619
Fire	2,240	2,112			2,240	2,112
Technical Services	329	210			329	210
Transportation and Drainage	1,696	1,677			1,696	1,677
Library	984	942			984	942
Parks & Recreation	2,943	2,959			2,943	2,959
Planning/Redevelopment	196	337			196	337
Interest on Long-Term Debt	13	16			13	16
Business-type Activities:						
Water & Wastewater						
Water Reclamation			3,336	3,559	3,336	3,559
Reverse Osmosis water plant			3,218	2,989	3,218	2,989
Stormwater Utility			722	683	722	683
Solid Waste			<u>2,682</u>	<u>2,603</u>	<u>2,682</u>	<u>2,603</u>
Total Expenses	<u>14,164</u>	<u>13,503</u>	<u>9,958</u>	<u>9,834</u>	<u>24,122</u>	<u>23,337</u>
Excess Revenue Over Expenses	217	394	2,058	1,362	2,275	1,756
Net Position, October 1	<u>\$59,625</u>	<u>\$59,231</u>	<u>\$42,136</u>	<u>\$40,774</u>	<u>\$101,761</u>	<u>\$100,005</u>
Prior Period Adjustment (OPEB)	<u>(132)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(132)</u>	<u>-</u>
Net Position, October 1 (Restated)	<u>\$59,493</u>	<u>\$59,231</u>	<u>\$42,136</u>	<u>\$40,774</u>	<u>\$101,629</u>	<u>\$100,005</u>
Ending Net Position	<u>\$59,710</u>	<u>\$59,625</u>	<u>\$44,194</u>	<u>\$42,136</u>	<u>\$103,905</u>	<u>\$101,761</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 \$217,456, accounting for 10.6% of the total growth in the net position of the City. Key elements to the increase in net position included:

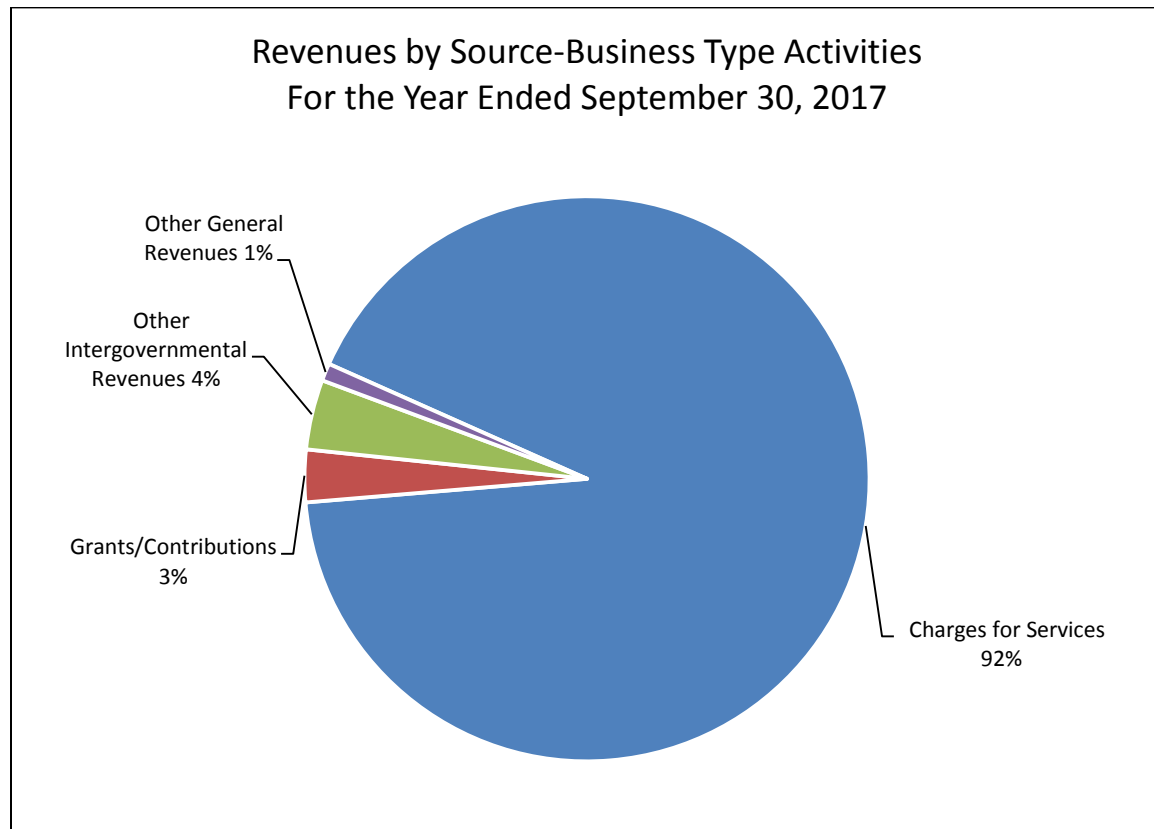
- Overall, total Governmental Revenues increased approximately 1.4%, with gains to the Ad Valorem proceeds partially offset by yet another downturn in Communications Services taxes and franchise fees. Program revenues increased slightly over the prior year, but general revenues were required to increase total net position.
- Total Governmental activity expenses increased slightly by about 4.9%, mostly due to depreciation charges on recently completed capital projects.
- Total Governmental Capital Grants & Contributions decreased due to the completion of the Exeter Street Closure project in the CRA and timing of other grant-funded capital projects.



Business-type Activities

Business-type activities (enterprise funds) increased the City's total net position by \$2,058,349, accounting for 90.4% of the total growth in the government's net position. Key elements of the increase were:

- Increased user charges and a delay in a large capital project has 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 increased slightly due to continued new development. Scheduled rate increases for the next several years will promote stability in the system and provide resources to fund future system improvements. A delayed capital project led to an increase of \$2,058,349 in the city's total net position.
- New construction and the results of a recent revenue enhancement audit has continued to improve the overall health of the Stormwater Utility Fund, contributing \$41,107 to the city's business-type net position.
- The Solid Waste Fund experienced an operating loss, however, intergovernmental revenue and investment earnings enabled the fund to end the fiscal year with a slight increase to net position.



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 \$13,159,370 , an increase of \$1,056,713 from the prior year. Unassigned fund balance, which is only in the General Fund, constitutes \$4,599,096 of the total governmental fund balance and is available for spending at the government's discretion. The remainder of governmental fund balances are either restricted, committed or assigned, which indicates that they are not available for spending. Major restrictions, commitments or assignments include: Nonspendable - (\$493,941) for prepaid items; Restricted (\$4,087,124) for Capital Projects, by external restrictions on Fund revenues; Committed to Capital Projects (\$198,563), by purchase orders not yet completed at year-end; and Assigned (\$2,046,000) 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 \$4,599,096, while total fund balance in the General Fund was \$7,423,420. 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 35% of total fund expenditures for the current year, exceeding the 15% minimum as established by Resolution 2012-01.

Total fund balance in the City's General Fund decreased by \$337,117 during the current fiscal year. Key factors in this change were:

- General Fund revenues totaled \$12,394,941, an increase of \$498,831 from the prior year. Ad Valorem proceeds increased by \$294,391 and intergovernmental revenues increased by \$265,452, due to an increase in operating grant revenue. Communications services taxes and franchise fee revenues were down by \$170,333 and \$103,201, respectively, over the previous fiscal year.
- General Fund expenditures totaled \$12,477,281, an increase of \$1,020,739 from last year. The increase is due to additional capital outlay and operating grant expenditures.
- A total of \$545,000 was transferred from the General Fund to the Capital Improvement Fund, setting aside funding for future capital projects. Partially offsetting the transfers, a total of \$290,223 was realized from the sale of general fund capital assets.

Fund balance in the City's Capital Improvement Fund increased by \$1,110,181, to a total of \$4,392,373. 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 16/17 is largely attributable to Local Infrastructure Tax (Penny for Pinellas) proceeds that were reserved to fund future improvement projects for Douglas Road and the Oldsmar Sports Complex. Citywide street resurfacing was completed (\$442,609) and progress continued on the design work for the Burbank Road Extension and the Harbor Palms Infrastructure Improvement projects (\$131,330 and \$51,305 respectively), and parking lot improvements at the Cypress Forest Recreation Center were completed (\$51,373).

In the Community Redevelopment Agency Fund (CRA), the receipt of impact fees and timing of capital projects led to a \$461,481 increase in fund balance.

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 various capital projects was partially offset by system-wide depreciation charges and debt repayments, increasing the Net Investment in Capital Assets by \$74,938. A strong year of operations, combined with an unanticipated delay in the Downtown Water Line Replacement project, resulted in an increase of \$1,798,991 in unrestricted net assets, to a total of \$7,309,176. Total fund net position increased by \$2,016,830, to a total of \$38,235,961.

The unrestricted net position of the Stormwater Fund was \$733,631 at the end of the fiscal year, an increase of \$163,189 over the prior year. Recent new construction and the results of a revenue enhancement audit 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 \$476,208 at year-end, an increase of \$412 from the prior year. Operating revenues increased by \$43,774 and the operating expenses increased overall by \$78,249. Growth in the solid waste revenue was primarily due to new development in the service area and additional commercial volume.

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 \$180,093, comprised of the following components:
 - Encumbrance (Purchase Order) carryovers from prior fiscal year totaling \$180,093
- In addition, City Council approved the following charges against the General Fund's contingency reserve, totaling \$528,000:
 - A promotion in the Planning Department and the conversion of a position to full-time in the Technical Services Division (\$8,000)

- Transfer of funds to the Capital Improvement Fund for future capital projects (\$500,000)
- Fire Department overtime during Hurricane Irma response (\$20,000)

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 \$1,206,602. Of this amount, \$490,265 is unused contingency reserve. Other variances include: \$247,738 for personal services due to vacant positions, \$241,327 for operating expenditures, and \$351,094 for capital, mainly due to the timing delays in completion of projects.

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, 2017, amounts to \$90.6 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 1.3 % (\$1,236,930). 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 2016/2017 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 \$63,892 expended during FY 16/17. The improvements included reconstruction of aging pilings and other wood surfaces, as well as aesthetically pleasing nighttime LED lighting. Other FY 16/17 General Fund projects include \$43,410 expended to renovate the city's Amphitheater at RE Olds Park, \$28,034 to refurbish aging playground equipment at Ryan's Hope Handicap Playground, \$37,105 to build the Disc Golf course at Sheffield Park, \$78,848 for renovation of the Harbor Palms Nature Park boardwalk, \$82,872 to add shade structures to the bleachers at Oldsmar Sports Complex, and \$144,694 for new hurricane strength windows at City Hall.
- The city received proceeds from the sale of the final twelve lots in Hayes Park Village, for a total of \$240,000 received for the fiscal year. A total of fifty-two lots in Hayes Park had been sold through 9/30/17, effectively closing out the city's stake in the project.
- In the CRA Fund, \$78,368 was spent to demolish the Goodrich Building, creating a clean slate for future development in the City's downtown area.
- Work progressed on a long range Master Plan in the Multi-Modal Impact Fund, with \$24,000 expended through the end of Fiscal 2017.
- In the Capital Improvement Fund, progress continued on design work for the Burbank Road Extension Project, with a total of \$493,207, expended to date. Progress continued on the Harbor Palms Infrastructure design, for a total of \$76,164, expended to date. Citywide Street Resurfacing improvements were completed for a total of \$442,609, funded through Local Option Gas Taxes.

- In the Water/Sewer Fund, the several projects were completed at the Water Reclamation Facility. The Biosolids Drying Facility Project was completed, with an additional \$611,212 spent on the installation of a new Mechanical Dewatering System (screw press), for a total project cost of \$1,455,809. Aeration system upgrades were also completed for \$49,500, as well as lift station improvements, totaling \$27,112.
- The entrance to the city's Water Reclamation Facility was improved with a new median cut, allowing easier access to the plant for a total of \$47,330. A building remodeling project was completed for a total of \$84,868.
- Progress continued on the annual gravity sewer relining project with an additional \$99,660 spent during the fiscal year.
- Touch-Read meter upgrades totaled \$134,559 for FY16/17. The new system will be phased in city-wide over the next several years, hoping the result will be enhanced revenue and stability for the Water and Sewer Operating fund.
- Progress continued on the Master Plan update in the Stormwater Utility Fund, with a total of \$186,520 spent to date. The Cutty Bay/Castle Bay drainage improvement project was completed for a total of \$24,800.
- Design work began on the Harbor Palms Infrastructure Improvement project with a total of \$30,850 spent during FY 16/17. 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 2019.

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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land and land rights	\$14.1	\$14.1	\$ 1.1	\$1.1	\$15.2	\$15.2
Buildings	17.5	17.6	24.0	23.9	41.5	41.5
Improvements other than						
Buildings	37.6	36.7	41.1	39.5	78.8	76.2
Equipment	6.8	6.6	2.9	2.9	9.7	9.5
Less:						
Accumulated Depreciation	<u>(27.5)</u>	<u>(25.8)</u>	<u>(30.2)</u>	<u>(28.1)</u>	<u>(57.7)</u>	<u>(53.9)</u>
Sub-Total	48.5	49.2	39.0	39.3	87.5	88.5
Work in Progress	<u>.8</u>	<u>.7</u>	<u>2.3</u>	<u>2.6</u>	<u>3.1</u>	<u>3.3</u>
Total	<u>\$49.3</u>	<u>\$49.9</u>	<u>\$41.3</u>	<u>\$41.9</u>	<u>\$90.6</u>	<u>\$91.8</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 \$9,739,691 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>2017</u>	<u>Totals</u> <u>2016</u>
Governmental:		
Capital Improvement		
Refunding Note – 2012 Veterans Park	<u>\$ 966,000</u>	<u>\$1,116,000</u>
Sub-Total	<u>966,000</u>	<u>1,116,000</u>
Business Type:		
Water/Wastewater Bonds	1,439,392	1,854,469
State Revolving Loan – Water	801,519	933,449
State Revolving Loan – RO Plant ARRA	2,511,535	2,651,277
State Revolving Loan – RO Plant Secondary	<u>4,021,244</u>	<u>4,240,773</u>
Sub Total	<u>8,773,690</u>	<u>9,679,968</u>
Total	<u>\$9,739,690</u>	<u>\$10,795,968</u>

The City's balance of total debt decreased by \$1,056,278 during the 2016/2017 fiscal year. No new debt was incurred and all scheduled debt service payments were made in a timely manner.

Readers seeking 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 other permitted taxes and fees (franchise, business tax receipts, etc.) for funding of their governmental activities. There are also a limited number of state-shared revenues, recurring and non-recurring (one-time) grants available from both 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.

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 especially in the CRA) in light of an improving economy. Increasing home values should continue to help 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 five 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, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash, pooled cash and cash equivalents	\$ 5,949,985	\$ 5,024,073	\$ 10,974,058
Investments	997,745	2,000,859	2,998,604
Receivables			
Accounts and other, net	97,927	797,202	895,129
Due from other governments	305,235	71,159	376,394
Inventories	29,542	-	29,542
Prepaid items	493,941	55,399	549,340
Total Current Assets	7,874,375	7,948,692	15,823,067
Noncurrent Assets			
Investments	7,001,982	3,460,271	10,462,253
Net pension asset	37,672	-	37,672
Restricted Assets			
Cash, pooled cash and cash equivalents	-	2,630,167	2,630,167
Capital Assets			
Nondepreciable	14,992,064	3,355,879	18,347,943
Depreciable, net of accumulated depreciation	34,335,272	37,929,567	72,264,839
Total Noncurrent Assets	56,366,990	47,375,884	103,742,874
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	2,254,905	225,025	2,479,930
Bond refunding discount	-	7,002	7,002
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 66,496,270	\$ 55,556,603	\$ 122,052,873
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 1,178,470	\$ 751,350	\$ 1,929,820
Retainage payable	44,261	-	44,261
Accrued items	314,744	97,447	412,191
Customer deposits	-	712,936	712,936
Due to other governments	54,982	-	54,982
Accrued interest payable	-	109,024	109,024
Current portion of long-term obligations	156,000	687,767	843,767
Total Current Liabilities	1,748,457	2,358,524	4,106,981
Long-Term Liabilities			
Other post employment benefits	718,791	221,076	939,867
Net pension liability	1,689,796	510,108	2,199,904
Noncurrent portion of long-term obligations	1,134,913	8,231,651	9,366,564
Total Long-Term Liabilities	3,543,500	8,962,835	12,506,335
Total Liabilities	5,291,957	11,321,359	16,613,316
DEFERRED INFLOWS OF RESOURCES			
Pension related	1,346,800	40,559	1,387,359
Deferred revenues	119,980	-	119,980
Bond refunding premium	27,429	-	27,429
Total Deferred Inflows of Resources	1,494,209	40,559	1,534,768
TOTAL LIABILITIES AND DEFERRED INFLOWS	6,786,166	11,361,918	18,148,084
NET POSITION			
Net investment in capital assets	48,333,907	33,758,439	82,092,346
Restricted for			
Capital projects	4,392,373	964,500	5,356,873
CRA	892,814	-	892,814
Debt service	147,276	952,731	1,100,007
Parkland dedication	182,689	-	182,689
Public safety	57,624	-	57,624
Multimodal impact	63,174	-	63,174
Unrestricted	5,640,247	8,519,015	14,159,262
Total Net Position	59,710,104	44,194,685	103,904,789
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 66,496,270	\$ 55,556,603	\$ 122,052,873

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, 2017

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities				
General Government	\$ (4,119,934)	\$ 1,239,965	\$ 224,698	\$ -
Law Enforcement	(1,643,239)	-	-	-
Fire Protection	(2,239,771)	466,427	91,256	-
Technical Services	(328,653)	-	-	-
Transportation	(1,695,784)	72,734	-	665
Library	(984,198)	12,883	167,794	-
Parks and Recreation	(2,943,100)	357,123	61,045	8,709
Community Redevelopment	(196,505)	48,163	-	311,373
Interest on Long-Term Debt	(13,044)	-	-	-
Total Governmental Activities	(14,164,228)	2,197,295	544,793	320,747
Business-type Activities				
Water and Sewer				
Water reclamation	(3,336,571)	3,659,091	-	179,228
Reverse osmosis water plant	(3,218,103)	4,006,076	-	102,621
Stormwater Utility	(721,802)	733,971	-	23,908
Solid Waste	(2,681,736)	2,664,441	10,435	-
Total Business-type Activities	(9,958,212)	11,063,579	10,435	305,757
Total Primary Government	<u>\$ (24,122,440)</u>	<u>\$ 13,260,874</u>	<u>\$ 555,228</u>	<u>\$ 626,504</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 (before restatement)

Restatement - Note U

Net Position Beginning (as restated)

Net Position Ending

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,655,271)	\$ -	\$ (2,655,271)
(1,643,239)	-	(1,643,239)
(1,682,088)	-	(1,682,088)
(328,653)	-	(328,653)
(1,622,385)	-	(1,622,385)
(803,521)	-	(803,521)
(2,516,223)	-	(2,516,223)
163,031	-	163,031
(13,044)	-	(13,044)
(11,101,393)	-	(11,101,393)
-	501,748	501,748
-	890,594	890,594
-	36,077	36,077
-	(6,860)	(6,860)
-	1,421,559	1,421,559
(11,101,393)	1,421,559	(9,679,834)
4,861,168	-	4,861,168
1,026,437	-	1,026,437
1,520,236	-	1,520,236
827,924	-	827,924
1,388,566	-	1,388,566
1,458,450	532,500	1,990,950
82,447	67,897	150,344
110,975	-	110,975
42,646	36,393	79,039
11,318,849	636,790	11,955,639
217,456	2,058,349	2,275,805
59,624,870	42,136,336	101,761,206
(132,222)	-	(132,222)
59,492,648	42,136,336	101,628,984
<u>\$ 59,710,104</u>	<u>\$ 44,194,685</u>	<u>\$ 103,904,789</u>

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

CITY OF OLDSMAR, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2017

	General	Capital Improvement	Special Revenue Fund Community Redevelopment	Other Governmental Funds	Total
ASSETS					
Cash, pooled cash and cash equivalents	\$ 1,179,316	\$ 3,361,497	\$ 897,752	\$ 511,420	\$ 5,949,985
Investments	7,012,383	987,344	-	-	7,999,727
Receivables					
Accounts and other	95,006	2,921	-	-	97,927
Due from other governments	305,235	-	-	-	305,235
Inventories	29,542	-	-	-	29,542
Prepaid items	97,547	396,394	-	-	493,941
TOTAL ASSETS	\$ 8,719,029	\$ 4,748,156	\$ 897,752	\$ 511,420	\$ 14,876,357
LIABILITIES AND FUND BALANCES					
Accounts payable	\$ 856,598	\$ 311,522	\$ 4,675	\$ 5,675	\$ 1,178,470
Retainage payable	-	44,261	-	-	44,261
Accrued items	314,481	-	263	-	314,744
Due to other governments	-	-	-	54,982	54,982
TOTAL LIABILITIES	1,171,079	355,783	4,938	60,657	1,592,457
DEFERRED INFLOWS OF RESOURCES					
Local business tax receipts	119,980	-	-	-	119,980
Deferred assessment receivable	4,550	-	-	-	4,550
TOTAL DEFERRED INFLOWS	124,530	-	-	-	124,530
TOTAL LIABILITIES AND DEFERRED INFLOWS	1,295,609	355,783	4,938	60,657	1,716,987
FUND BALANCES					
Nonspendable					
Inventory	29,542	-	-	-	29,542
Prepaid items	97,547	396,394	-	-	493,941
Restricted for:					
Capital projects	-	3,904,435	-	182,689	4,087,124
CRA	-	-	892,814	-	892,814
Debt service	-	-	-	147,276	147,276
Fire suppression	-	-	-	36,624	36,624
Transportation improvements	-	-	-	37,174	37,174
Committed to:					
Capital projects	106,019	66,544	-	26,000	198,563
Assigned to:					
Insurance	565,542	-	-	-	565,542
Art improvements	25,674	-	-	-	25,674
Appropriated reserve	2,000,000	25,000	-	21,000	2,046,000
Unassigned	4,599,096	-	-	-	4,599,096
TOTAL FUND BALANCES	7,423,420	4,392,373	892,814	450,763	13,159,370
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,719,029	\$ 4,748,156	\$ 897,752	\$ 511,420	\$ 14,876,357

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, 2017

Fund balances - total governmental funds	\$ 13,159,370
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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	\$ 76,872,324	
Less accumulated depreciation	<u>(27,544,988)</u>	49,327,336

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	4,550
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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	37,672	
Deferred outflows of resources - Pension related	2,254,905	
Net pension liability	(1,689,796)	
Deferred inflows of resources - Pension related	<u>(1,346,800)</u>	(744,019)

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	(966,000)	
Unamortized bond premium	(27,429)	
Other post employment benefit obligations	(718,791)	
Compensated absences	<u>(324,913)</u>	<u>(2,037,133)</u>

Net position of governmental activities	<u><u>\$ 59,710,104</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, 2017

	General	Capital Improvement	Special Revenue Community Redevelopment	Other Governmental Funds	Total
REVENUES					
Property taxes	\$ 4,626,370	\$ -	\$ 234,798	\$ -	\$ 4,861,168
Sales taxes	-	1,026,437	-	-	1,026,437
Franchise fees	1,388,566	-	-	-	1,388,566
Utility taxes	1,351,706	-	-	168,530	1,520,236
Fire insurance premium tax	81,623	-	-	-	81,623
Communications service tax	827,924	-	-	-	827,924
Business tax receipts	184,524	-	-	-	184,524
Licenses, permits and fees	326,800	-	-	-	326,800
Intergovernmental revenues	2,282,482	-	311,373	-	2,593,855
Charges for services	470,509	-	-	-	470,509
Rents and royalties	105,433	-	48,163	-	153,596
Fines and forfeitures	141,156	-	-	-	141,156
Investment income	64,765	15,593	807	1,282	82,447
Impact fees	-	-	-	143,662	143,662
Special assessments	7,214	-	-	-	7,214
Other miscellaneous	535,869	-	-	-	535,869
TOTAL REVENUES	12,394,941	1,042,030	595,141	313,474	14,345,586
CURRENT EXPENDITURES					
General Government	3,536,679	-	-	-	3,536,679
Law Enforcement	1,641,311	-	-	-	1,641,311
Fire Protection	1,919,811	-	-	-	1,919,811
Technical Services	293,511	-	-	-	293,511
Transportation	1,102,085	-	-	-	1,102,085
Library	845,886	-	-	-	845,886
Parks and Recreation	2,133,568	-	-	-	2,133,568
Community Redevelopment	-	-	42,372	-	42,372
Capital Outlay	1,004,430	676,849	91,288	122,776	1,895,343
Debt Service					
Principal retirement	-	-	-	150,000	150,000
Interest and other fiscal charges	-	-	-	18,530	18,530
TOTAL EXPENDITURES	12,477,281	676,849	133,660	291,306	13,579,096
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(82,340)	365,181	461,481	22,168	766,490
OTHER FINANCING SOURCES (USES)					
Interfund transfers	(545,000)	745,000	-	(200,000)	-
Proceeds from sale of capital assets	290,223	-	-	-	290,223
TOTAL OTHER FINANCING SOURCES (USES)	(254,777)	745,000	-	(200,000)	290,223
NET CHANGE IN FUND BALANCES	(337,117)	1,110,181	461,481	(177,832)	1,056,713
FUND BALANCES BEGINNING	7,760,537	3,282,192	431,333	628,595	12,102,657
FUND BALANCES ENDING	\$ 7,423,420	\$ 4,392,373	\$ 892,814	\$ 450,763	\$ 13,159,370

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, 2017

Net change in fund balances - total governmental funds	\$ 1,056,713
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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	\$ 1,895,343	
Less current year depreciation	<u>(2,237,599)</u>	(342,256)

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	(290,223)	
Loss on disposal of capital assets	(34,569)	
Gain on disposal of capital assets	<u>42,646</u>	(282,146)

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	(11,098)	
Pension expense - GASB 68	(213,217)	
Amortization of bond premium	5,486	
Current year special assessment unearned revenue	4,550	
Change in long-term compensated absences	(16,785)	
Change in OPEB	<u>(133,791)</u>	(364,855)

Change in net position of governmental activities	<u>\$ 217,456</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, 2017

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
ASSETS				
Current Assets				
Cash, pooled cash and cash equivalents	\$ 3,456,627	\$ 764,963	\$ 802,483	\$ 5,024,073
Investments	2,000,859	-	-	2,000,859
Receivables				
Accounts and other, net	691,135	18,645	87,422	797,202
Due from other governments	49,251	21,908	-	71,159
Prepaid items	39,741	4,917	10,741	55,399
Total Current Assets	6,237,613	810,433	900,646	7,948,692
Noncurrent Assets				
Investments	3,460,271	-	-	3,460,271
Restricted Assets				
Cash, pooled cash and cash equivalents	2,429,464	-	200,703	2,630,167
Capital Assets				
Nondepreciable	2,725,194	630,685	-	3,355,879
Depreciable, net of accumulated depreciation	33,811,367	4,118,200	-	37,929,567
Total Noncurrent Assets	42,426,296	4,748,885	200,703	47,375,884
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	225,025	-	-	225,025
Bond refunding discount	7,002	-	-	7,002
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 48,895,936	\$ 5,559,318	\$ 1,101,349	\$ 55,556,603
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 299,651	\$ 33,697	\$ 418,002	\$ 751,350
Accrued items	93,142	3,709	596	97,447
Accrued interest payable	109,024	-	-	109,024
Customer deposits	512,233	-	200,703	712,936
Current portion of long-term obligations	681,158	6,609	-	687,767
Total Current Liabilities	1,695,208	44,015	619,301	2,358,524
Long-Term Liabilities				
Other post employment benefits	182,801	32,435	5,840	221,076
Net pension liability	510,108	-	-	510,108
Noncurrent portion of long-term obligations	8,231,299	352	-	8,231,651
Total Liabilities	10,619,416	76,802	625,141	11,321,359
DEFERRED INFLOWS OF RESOURCES				
Pension related	40,559	-	-	40,559
TOTAL LIABILITIES AND DEFERRED INFLOWS	10,659,975	76,802	625,141	11,361,918
NET POSITION				
Net investment in capital assets	29,009,554	4,748,885	-	33,758,439
Restricted for				
Debt Service	952,731	-	-	952,731
Capital Projects	964,500	-	-	964,500
Unrestricted	7,309,176	733,631	476,208	8,519,015
Total Net Position	38,235,961	5,482,516	476,208	44,194,685
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 48,895,936	\$ 5,559,318	\$ 1,101,349	\$ 55,556,603

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, 2017

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
OPERATING REVENUES				
User charges	\$ 7,402,954	\$ -	\$ 2,647,717	\$ 10,050,671
Fees	210,236	729,967	-	940,203
Other income	51,978	4,004	16,724	72,706
TOTAL OPERATING REVENUES	7,665,168	733,971	2,664,441	11,063,580
EXPENSES				
Salaries, wages and employee benefits	2,587,890	180,902	41,274	2,810,066
Contract services	393,729	71,405	38,547	503,681
Solid waste disposal	-	-	2,288,123	2,288,123
Utilities	454,942	-	-	454,942
Operating supplies	191,452	29,893	302	221,647
Repairs and maintenance	255,050	22,303	-	277,353
Other expense	440,883	36,652	49,705	527,240
Expense allocation	-	98,855	263,785	362,640
Depreciation	1,895,501	281,792	-	2,177,293
TOTAL EXPENSES	6,219,447	721,802	2,681,736	9,622,985
OPERATING INCOME (LOSS)	1,445,721	12,169	(17,295)	1,440,595
NONOPERATING REVENUES (EXPENSES)				
Investment income	55,595	5,030	7,272	67,897
Intergovernmental revenue	532,500	-	10,435	542,935
Gain on sale of capital assets	36,393	-	-	36,393
Interest expense and fiscal charges	(335,228)	-	-	(335,228)
TOTAL NONOPERATING REVENUES (EXPENSES)	289,260	5,030	17,707	311,997
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,734,981	17,199	412	1,752,592
CONTRIBUTIONS AND TRANSFERS				
Capital grants	31,485	23,908	-	55,393
Capital contributions	250,364	-	-	250,364
TOTAL CONTRIBUTIONS AND TRANSFERS	281,849	23,908	-	305,757
CHANGE IN NET ASSETS	2,016,830	41,107	412	2,058,349
NET POSITION BEGINNING	36,219,131	5,441,409	475,796	42,136,336
NET POSITION ENDING	\$ 38,235,961	\$ 5,482,516	\$ 476,208	\$ 44,194,685

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, 2017

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	\$ 7,616,902	\$ 736,684	\$ 2,662,857	\$ 11,016,443
Cash paid to suppliers for goods and services	(1,631,770)	(184,322)	(2,145,461)	(3,961,553)
Cash payments to and for the benefit of employees	(2,517,497)	(176,555)	(44,282)	(2,738,334)
Cash paid for general government allocated expenses	-	(98,855)	(263,785)	(362,640)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,467,635	276,952	209,329	3,953,916
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental revenue	532,500	-	10,435	542,935
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	532,500	-	10,435	542,935
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on revolving loans	(491,200)	-	-	(491,200)
Interest paid on revolving loans	(200,650)	-	-	(200,650)
Intergovernmental revenue	31,485	23,908	-	55,393
Acquisition and construction of capital assets	(1,469,318)	(159,710)	-	(1,629,028)
Principal paid on revenue bonds	(76,983)	-	-	(76,983)
Interest paid on revenue bonds	(470,408)	-	-	(470,408)
Other interest costs paid on long-term debt	(1,100)	-	-	(1,100)
Proceeds from sale of capital assets	36,393	-	-	36,393
Capital contributed by developers, grantors and landowners	250,364	-	-	250,364
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,391,417)	(135,802)	-	(2,527,219)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(1,250,859)	-	-	(1,250,859)
Investment maturities	1,053,179	-	-	1,053,179
Earnings on investments	55,595	5,030	7,272	67,897
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(142,085)	5,030	7,272	(129,783)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,466,633	146,180	227,036	1,839,849
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	4,419,458	618,783	776,150	5,814,391
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,886,091	\$ 764,963	\$ 1,003,186	\$ 7,654,240
COMPOSED OF:				
Cash, pooled cash and cash equivalents	\$ 3,456,627	\$ 764,963	\$ 802,483	\$ 5,024,073
Noncurrent, Restricted cash, pooled cash and cash equivalents	2,429,464	-	200,703	2,630,167
	\$ 5,886,091	\$ 764,963	\$ 1,003,186	\$ 7,654,240

(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)	\$ 1,445,721	\$ 12,169	\$ (17,295)	\$ 1,440,595
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,895,501	281,792	-	2,177,293
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	7,916	(1,260)	(12,503)	(5,847)
(Increase) decrease in due from other governments	(47,024)	3,973	-	(43,051)
(Increase) decrease in prepaid expense	(6,750)	(944)	(1,179)	(8,873)
(Increase) decrease in deferred outflows - pension	(19,466)	-	-	(19,466)
Increase (decrease) in accounts payable	111,036	(23,125)	232,395	320,306
Increase (decrease) in accrued items	37,036	564	(376)	37,224
Increase (decrease) in compensated absences	(13,318)	(652)	(2,472)	(16,442)
Increase (decrease) in OPEB	18,207	4,435	(160)	22,482
Increase (decrease) in deferred inflows - pension	16,008	-	-	16,008
Increase (decrease) in net pension liability	31,926	-	-	31,926
Increase (decrease) in customer deposits	(9,158)	-	10,919	1,761
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,467,635</u>	<u>\$ 276,952</u>	<u>209,329</u>	<u>\$ 3,953,916</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Refunding and Improvement Revenue Bonds, Series 1990, include capital appreciation bonds. Interest accretion of \$338,094, is included in interest expense and fiscal charges of the Water and Sewer Fund for the year ended September 30, 2017.

An allowance for uncollectible accounts in the amount of \$9,455 has been provided for in the Water and Sewer Fund at September 30, 2017.

Capital assets with an original cost of \$21,172 and accumulated depreciation of \$21,172 were transferred from the General Fund to the Water and Sewer Fund during the year.

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, 2017

With comparative amounts for September 30, 2016

	Firefighters' Retirement Pension Trust Fund	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 23,271	\$ 40,886
Investments, at fair value		
Broad Market HQ Bond Fund	913,389	797,282
Core Plus Fixed Income Fund	1,343,904	1,216,367
Diversified Small to Mid Cap Fund	639,954	577,519
Diversified Value Fund	459,604	419,084
High Quality Growth Fund	465,421	388,420
Russell 1000 Index Fund	1,355,540	1,170,369
International Blend Fund	616,683	500,857
Total Investments, at fair value	5,794,495	5,069,898
Accounts receivable	55,445	3,142
TOTAL ASSETS	5,873,211	5,113,926
LIABILITIES		
Accounts payable	-	-
DEFERRED INFLOWS OF RESOURCES		
Advance employer contributions	-	50,404
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	-	50,404
NET POSITION		
Restricted for pension benefits	\$ 5,873,211	\$ 5,063,522

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, 2017

With comparative amounts for the year ended September 30, 2016

	Firefighters' Retirement Pension Trust Fund	
	2017	2016
ADDITIONS		
Contributions - employee	\$ 29,767	\$ 29,640
Contributions - city	102,397	45,071
Fire insurance premium tax	81,623	99,574
Investment return	686,134	383,825
Total additions	899,921	558,110
DEDUCTIONS		
Benefit payments	51,547	50,045
Administrative charges	38,685	38,585
Total deductions	90,232	88,630
NET INCREASE	809,689	469,480
NET POSITION RESTRICTED FOR PENSION BENEFITS - BEGINNING	5,063,522	4,594,042
NET POSITION RESTRICTED FOR PENSION BENEFITS - ENDING	<u>\$ 5,873,211</u>	<u>\$ 5,063,522</u>

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

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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 costs 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, 2017

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 not a major governmental fund, but the City has elected to reflect it as a major 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.

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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 loan repayment 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 interfund loan final repayment was made 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, 2017 was \$9,455.

Prepaid Items: Payments made to vendors that will benefit periods beyond September 30, 2017 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, 2017

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 2017 in the General, Capital Improvement, Water and Sewer Operating 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, 2017 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, 2017 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 millage 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, 2017

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 acquisition 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 \$2,237,599 in the Governmental activities and \$2,177,293 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, 2017

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.

Art improvements: represents amounts set aside to promote the furtherance of the Arts in Public Places program.

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, 2017.

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

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide statements.

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

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, 2017.

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 \$6,383,037.

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, 2017 was \$1,518,080.

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 \$3,142,700.

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.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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

Municipal debt issues include the Florida State Hurricane Catastrophe Fund Financial Corporation, Polk County, Florida Utilities, Overseas Private Investment Corporation and Hillsborough County Aviation Authority. The City is also invested in United States Treasury Notes.

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 \$12,504,852.

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 28, 2017 was 59 days. The weighted average days to maturity of the Florida PRIME at September 30, 2017 was 51 days. The weighted average days to maturity of the FL CLASS at October 17, 2017 was 73 days. Scheduled maturities of government sponsored enterprise bonds range from 5 to 58 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, 2017, is summarized as follows:

	Carrying Amounts	Overall Credit Rating
Petty cash	\$ 1,670	N/A
Deposits	6,383,037	N/A
Certificates of deposit	1,000,000	N/A
Florida Surplus Asset Fund Trust (FL SAFE)	1,518,080	AAAm (S&P)
Florida Cooperative Liquid Assets Securities System (FLCLASS)	2,514,745	AAAm (S&P)
Government Sponsored Enterprises.		
Federal Home Loan Mortgage Corporation Bonds	2,713,438	AA+ (S&P)
Federal Home Loan Bank Bonds	1,574,696	AA+ (S&P)
Federal National Mortgage Association Bonds	3,175,168	AA+ (S&P)
Florida Hurricane Catastrophe Fund Fin Corp	1,011,330	Aa3 (Moody's)
Federal Farm Credit Bank	1,490,539	AA+ (S&P)
Polk County Florida Utilities	500,000	Aa3 (Moody's)
Hillsborough County Aviation Authority	1,008,340	A3 (Moody's)
United States Treasury Notes	987,344	Aaa
State Street Institutional Liquid Reserves Fund	43,995	AAAm (S&P)
State Board of Administration Florida PRIME	3,142,700	AAAm (S&P)
Total	<u>\$ 27,065,082</u>	

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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

Cash, pooled cash, cash equivalents and investments as reported in the accompanying Statement of Net Position as of September 30, 2017, is summarized as follows:

Cash, pooled cash and cash equivalents, current	\$	10,974,058
Investments, current		2,998,604
Investments, noncurrent		10,462,253
Cash pooled cash and cash equivalents, noncurrent restricted		2,630,167
	\$	<u>27,065,082</u>

NOTE C - CHANGE IN CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2017, was as follows:

	Beginning Balance 10/01/16	Additions	Transfers In (Out)	Deletions	Ending Balance 9/30/17
Governmental activities					
Non-Depreciable Assets					
Land and land rights	\$ 14,131,791	\$ -	\$ 78,368	\$ (65,378)	\$ 14,144,781
Construction in progress	741,871	1,341,021	(1,235,610)	-	847,282
Depreciable Assets					
Buildings	17,588,048	-	208,854	(304,561)	17,492,341
Improvements	36,687,412	-	948,388	-	37,635,800
Equipment	6,645,495	554,322	(21,172)	(426,526)	6,752,119
Totals at historical cost	<u>75,794,617</u>	<u>1,895,343</u>	<u>(21,172)</u>	<u>(796,465)</u>	<u>76,872,323</u>
Less accumulated depreciation for					
Buildings	(5,148,608)	(464,712)	-	91,369	(5,521,951)
Improvements	(16,219,817)	(1,318,426)	-	-	(17,538,243)
Equipment	(4,474,455)	(454,461)	21,172	422,951	(4,484,793)
Total accumulated depreciation	<u>(25,842,880)</u>	<u>(2,237,599)</u>	<u>21,172</u>	<u>514,320</u>	<u>(27,544,987)</u>
Governmental activities capital assets, net	<u>\$ 49,951,737</u>	<u>\$ (342,256)</u>	<u>\$ -</u>	<u>\$ (282,145)</u>	<u>\$ 49,327,336</u>
Business-type activities					
Non-Depreciable Assets					
Land and land rights	\$ 1,095,512	\$ -	\$ -	\$ -	\$ 1,095,512
Construction in progress	2,602,643	1,397,302	(1,739,579)	-	2,260,366
Depreciable Assets					
Buildings	23,923,410	-	84,868	-	24,008,278
Improvements	39,473,305	-	1,654,711	-	41,128,016
Equipment	2,883,682	167,465	21,172	(125,607)	2,946,712
Totals at historical cost	<u>69,978,552</u>	<u>1,564,767</u>	<u>21,172</u>	<u>(125,607)</u>	<u>71,438,884</u>
Less accumulated depreciation for					
Buildings	(4,479,665)	(750,396)	-	-	(5,230,061)
Improvements	(21,991,698)	(1,205,689)	-	-	(23,197,387)
Equipment	(1,609,217)	(221,208)	(21,172)	125,607	(1,725,990)
Total accumulated depreciation	<u>(28,080,580)</u>	<u>(2,177,293)</u>	<u>(21,172)</u>	<u>125,607</u>	<u>(30,153,438)</u>
Business-type activities capital assets, net	<u>\$ 41,897,972</u>	<u>\$ (612,526)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,285,446</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE C - CHANGE IN CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 363,699
Law Enforcement	1,928
Fire Protection	159,866
Technical Services	3,593
Transportation	597,694
Library	134,702
Parks and Recreation	821,985
Community Redevelopment	154,132
Total depreciation expense	<u>\$ 2,237,599</u>

NOTE D - DUE FROM OTHER GOVERNMENTS

The amount of \$376,394 due from other governments as of September 30, 2017, consists of the following: September 2017 amounts collected on behalf of the City and not yet remitted that include Communications Service Tax in the amount of \$70,275 from the State of Florida, fines and forfeitures in the amount of \$6,582, training reimbursement of \$2,692, wastewater charges of \$17,766 and park mowing charges in the amount of \$10,272 from Pinellas County, EMS funding from Pinellas County in the amount of \$4,304 and utility taxes of \$5,835 from the City of Clearwater, grant funding from Florida Department of Emergency Management in the amount of \$198,925, from the Florida Department of Health in the amount of \$6,350 and from the Southwest Florida Water Management District in the amount of \$53,393. 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, 2017:

<u>Governmental Activities</u>	Balance October 1, 2016	Increases	Decreases	Balance September 30, 2017	Amount due within one year
Refunding Revenue Note, 2012	\$ 1,116,000	\$ -	\$ (150,000)	\$ 966,000	\$ 156,000
Accrued compensated absences	308,127	87,511	(70,725)	324,913	54,190
Governmental Activities Totals	<u>\$ 1,424,127</u>	<u>\$ 87,511</u>	<u>\$ (220,725)</u>	<u>\$ 1,290,913</u>	<u>\$ 210,190</u>

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CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE E – LONG-TERM LIABILITIES (continued)

The following is a summary of changes in Business-type Activities long-term liabilities for the year ended September 30, 2017:

<u>Business-type Activities</u>	<u>Balance October 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2017</u>	<u>Amount due within one year</u>
1990 Water and Sewer System Refunding and Improvement Revenue Bonds	\$ 276,694	\$ -	\$ (76,984)	\$ 199,710	
Increase in book value of capital appreciation bonds due to interest accretion	<u>1,577,775</u>	<u>132,314</u>	<u>(470,407)</u>	<u>1,239,682</u>	
Subtotal	<u>1,854,469</u>	<u>132,314</u>	<u>(547,391)</u>	<u>1,439,392</u>	\$ 71,405
State revolving fund loan 2002	933,449	-	(131,930)	801,519	135,984
State revolving fund loan 2010	2,651,277	-	(139,742)	2,511,535	143,547
State revolving fund loan 2012	4,240,773	-	(219,529)	4,021,244	224,926
Accrued compensated absences	<u>177,764</u>	<u>95,670</u>	<u>(127,708)</u>	<u>145,726</u>	<u>111,905</u>
Business-type Activities Totals	<u>\$ 9,857,732</u>	<u>\$ 227,984</u>	<u>\$ (1,166,300)</u>	<u>\$ 8,919,416</u>	<u>\$ 687,767</u>
Totals all Activities	<u>\$11,281,859</u>	<u>\$ 315,495</u>	<u>\$ (1,387,025)</u>	<u>\$ 10,210,329</u>	<u>\$ 897,957</u>

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, 2017:

Refunding Revenue Note, Series 2012, in the amount of \$1,550,000 were issued to refund the Revenue Bonds, Series 2002. Principal installments ranging from \$141,000 to \$168,000 from November 1, 2013 to November 1, 2022, plus interest at 1.78% payable semiannually on May 1 and November 1 of each year, secured by non-ad valorem revenues. \$ 966,000

Accrued compensated absences, unused accrued vacation pay for governmental funds. 324,913
\$ 1,290,913

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CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE E – LONG-TERM LIABILITIES (continued)

The annual requirements to amortize the Governmental Activities long-term liabilities, exclusive of compensated absences, as of September 30, 2017, are as follows:

Refunding Revenue Note, Series 2012

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2022	165,000	4,459	169,459
	798,000	50,853	848,853
2023	168,000	1,495	169,495
Totals	<u>\$ 966,000</u>	<u>\$ 52,348</u>	<u>\$ 1,018,348</u>

The Public Service Utility Tax revenues totaled \$1,428,034, of which \$168,530 provided a coverage ratio of 1.00:1 for the debt service refunding principal and interest payments on the 2012 Series totaling \$168,530. 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, 2017:

Refunding and Improvement Revenue Bonds – Series 1990, 6.40% - 6.90% current interest bonds with serial maturities due in annual principal installments ranging from \$480,000 to \$510,000 from July 1, 2000 to July 1, 2001; capital appreciation bonds with approximate yield to maturity ranging from 7.05% - 7.25% and having serial maturities due in annual installments of maturity amounts (original principal amount plus interest earned to date of maturity) ranging from \$200,000 to \$350,000 from January 1, 2002 to July 1, 2010; 7.40% term capital appreciation bonds in the maturity amount (original principal amount plus interest earned to date of maturity or prior mandatory redemption) of \$5,478,137 maturing on July 1, 2020; interest is payable semiannually on current interest bonds and at maturity (or prior mandatory redemption date) on capital appreciation bonds; in the case of the capital appreciation bonds, unearned accreted interest included in the maturity amount outstanding at September 30, 2017 of \$1,239,682, secured by net revenues of the water and sewer system.

\$1,439,392

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.

801,519

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE E – LONG-TERM LIABILITIES (continued)

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.

2,511,535

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.

4,021,244

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

145,726
<u>\$8,919,416</u>

The net revenues of the water and sewer system for the year were \$3,392,813 and provided a coverage ratio of 2.47:1 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, 2017 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>
2018	\$ 71,405	\$ 474,618	\$ 546,023
2019	66,384	479,447	545,831
2020	61,921	485,764	547,685
Totals	<u>\$ 199,710</u>	<u>\$ 1,439,829</u>	<u>\$ 1,639,539</u>

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CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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>
2018	\$ 135,984	\$ 23,417	\$ 159,401
2019	140,163	19,238	159,401
2020	144,471	14,931	159,402
2021	148,910	10,491	159,401
2022	153,487	5,914	159,401
	723,015	73,991	797,006
2023	78,504	1,197	79,701
Totals	<u>\$ 801,519</u>	<u>\$ 75,188</u>	<u>\$ 876,707</u>

State Revolving Fund Construction Loan 2010

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2022	159,842	50,777	210,619
	757,923	295,172	1,053,095
2023-2027	867,007	186,088	1,053,095
2028-2032	886,605	61,181	947,786
Totals	<u>\$ 2,511,535</u>	<u>\$ 542,441</u>	<u>\$ 3,053,976</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>
2018	\$ 224,926	\$ 96,903	\$ 321,829
2019	230,456	91,373	321,829
2020	236,122	85,707	321,829
2021	241,928	79,902	321,830
2022	247,876	73,954	321,830
	1,181,308	427,839	1,609,147
2023-2027	1,333,848	275,299	1,609,147
2028-2032	1,506,088	103,059	1,609,147
Totals	<u>\$ 4,021,244</u>	<u>\$ 806,197</u>	<u>\$ 4,827,441</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE E - LONG-TERM LIABILITIES (continued)

A summary of debt service requirements (all outstanding indebtedness) as of September 30, 2017 including interest payments and accreted interest on capital appreciation bonds of \$200,147 are as follows:

Year Ending September 30,	Revenue Bonds Debt Service	State Revolving Fund Construction Loans	Total
2018	\$ 717,829	\$ 691,849	\$ 1,409,678
2019	714,860	691,849	1,406,709
2020	718,893	691,850	1,410,743
2021	167,351	691,849	859,200
2022	169,459	691,849	861,308
	2,488,392	3,459,246	5,947,638
2023-2027	169,495	2,741,943	2,911,438
2028-2032	-	2,556,933	2,556,933
Totals	\$ 2,657,887	\$ 8,758,122	\$ 11,416,009

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	\$ 725,939
(b) Water and sewer operating	
Principal and interest	138,006
Reserve account	559,731
Renewal and replacement	254,994
(c) Customer deposits	712,936
(d) State revolving loans	238,561
	<u>\$ 2,630,167</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE G – NET POSITION

The government wide statement of net position reports \$7,658,119 of restricted net position, of which \$3,480,725 is restricted by enabling legislation.

NOTE H - DEFERRED REVENUE

Deferred revenue at September 30, 2017 relates to business tax receipts in the amount of \$119,980.

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, 2017, 2016 and 2015 the City contributed \$357,082, \$343,595 and \$323,692 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 7.92% and 23.27% (both include the HIS Plan component rate of 1.66%) of eligible payroll for regular and special risk (firefighters) service classes, respectively. The City's contributions to FRS for the years ended September 30, 2017, 2016 and 2015 were \$184,132, \$177,650 and \$144,407, 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 22.71%.

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, 2017

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 13.26%.

Pension liabilities, Pension expense and Deferred Outflows (Inflows) of Resources related to pensions- At September 30, 2017, the City reported a liability of \$1,789,757 for the FRS Plan component and \$410,147 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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportionate share at June 30, 2017 for the FRS Plan component was .006050705%. The City's proportionate share at June 30, 2017 for the HIS Plan component was .003835848%. The City's proportionate shares at June 30, 2016 were .006158568% and .004015891% for the FRS and HIS Plan components, respectively. For the fiscal year ended September 30, 2017 the City recognized pension expense of \$315,823 and \$23,280 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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 164,257	\$ 9,914
Changes in assumptions	601,485	-
Net difference between projected and actual earnings on investments	-	44,355
Changes in proportion and differences between City contributions and proportionate share of contributions	114,315	30,049
Contributions subsequent to the measurement date	42,622	-
	<u>\$ 922,679</u>	<u>\$ 84,318</u>

HIS Plan Component

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 853
Changes in assumptions	57,653	35,466
Net difference between projected and actual earnings on investments	227	-
Changes in proportion and differences between City contributions and proportionate share of contributions	24,225	47,781
Contributions subsequent to the measurement date	4,847	-
	<u>\$ 86,952</u>	<u>\$ 84,190</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, 2018. 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>FRS component</u>	<u>HIS component</u>
2018	\$ 17,728	\$ (7,916)
2019	17,728	(7,916)
2020	17,728	(7,916)
2021	19,598	(21)
2022	22,478	2,148
Thereafter	700,479	19,565

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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

	<u>FRS component</u>	<u>HIS component</u>
City's proportionate share of Total Pension Liability	\$ 11,111,066	\$ 416,987
City's proportionate share of Plan Fiduciary Net Position	(9,321,309)	(6,840)
City's proportionate share of Net Pension Liability	<u>\$ 1,789,757</u>	<u>\$ 410,147</u>
 Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	 83.89%	 1.64%

Change in Net Pension Liability –

	<u>FRS component</u>	<u>HIS component</u>
Beginning balance – City's proportionate share	\$ 1,555,043	\$ 468,035
Service Cost	125,477	11,682
Interest on total pension liability	755,380	12,945
Effect of economic/demographic gain or loss	716,736	(44,431)
Employer contributions	(174,232)	(38,026)
Member contributions	(45,068)	-
Net investment income	(1,144,689)	(65)
Administrative expense	1,110	7
Ending balance – City's proportionate share	<u>\$ 1,789,757</u>	<u>\$ 410,147</u>

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

	<u>FRS component</u>	<u>HIS component</u>
Valuation date	July 1, 2017	July 1, 2016
Measurement date	June 30, 2017	June 30, 2017
Inflation	2.60%	2.60%
Salary increases	3.25%, average, includes inflation	3.25%, average, includes inflation
Investment rate of return	7.10%, net of expense, includes inflation	3.58%, Municipal Bond Rate
Mortality tables	Generation RP-2000 with Projection Scale BB tables	Generation RP-2000 with Projection Scale BB tables
Discount rate	7.10%	3.58%

The actuarial assumptions that determined the total pension liability as of June 30, 2017, 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, 2017

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%	1.8%
Fixed Income	18%	4.7%	4.6%	4.2%
Global Equity	53%	8.1%	6.6%	17.0%
Real Estate	10%	6.6%	5.9%	12.8%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	9.7%
Total	100.00%			
Assumed Inflation – Mean			2.6%	1.9%

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

For the year ended June 30, 2017, the annual money-weighted rate of return on FRS pension plan investments, net of pension plan expense was 13.59%.

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 (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
City's Proportionate share of the net pension liability	\$ 3,360,368	\$ 1,789,757	\$ 586,261
HIS component	<u>1% Decrease (1.58%)</u>	<u>Current Discount Rate (2.58%)</u>	<u>1% Increase (3.58%)</u>
City's Proportionate share of the net pension liability	\$ 468,032	\$ 410,147	\$ 361,932

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, 2017 fiscal year end that can be obtained by contacting the City of Oldsmar, Director of Administrative Services, 100 State St. W., Oldsmar, FL 34677.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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 AAf/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 6.1 years and for the Core Plus Fixed Income Fund 7.4 years.

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 30.91% for the fiscal year ended 2017, 24.40% for the fiscal year ended 2016, and 24.39% for the fiscal year ended 2015. For fiscal 2017 the City contributed \$51,993, which along with available on behalf payments of state excise tax contributions in the amount of \$81,623 and available Advance Employer Payments in the amount of \$50,404 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, 2017

NOTE I - RETIREMENT PLANS (continued)

Membership of the Plan: Membership of the plan consisted of the following at September 30, 2017. The date of the latest actuarial valuation was October 1, 2017.

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, 2016	\$ 1,358,304	\$ 1,040,984
Changes due to:		
Amortization payments	(212,053)	(190,048)
Investment gain (loss)	-	367,915
Demographic gain (loss)	35,655	-
Assumption changes	288,393	-
Total change	<u>111,995</u>	<u>177,867</u>
Ending balance – September 30, 2017	<u>\$ 1,470,299</u>	<u>\$ 1,218,851</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>
2018	\$ 212,052	\$ 176,344
2019	138,858	176,344
2020	138,858	156,710
2021	138,858	83,127
2022	138,858	83,127
Thereafter	702,815	543,199

Net Pension (Asset) Liability –

Total Pension Liability	\$ 5,257,263
Plan Fiduciary Net Position	(5,294,935)
Net Pension (Asset) Liability	<u>\$ (37,672)</u>

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

101%

Change in Net Pension (Asset) Liability –

Beginning balance – October 1, 2016	\$ (55,814)
Service Cost	231,334
Expected interest growth	5,777
Effect of economic/demographic gain or loss	324,048
Employer contributions	(184,020)
Member contributions	(29,767)
Net investment income	(367,915)
Administrative expense	38,685
Ending balance – September 30, 2017	<u>\$ (37,672)</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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	\$ 5,257,263
Fiduciary net position	\$ 5,294,935
Net pension liability (asset)	\$ (37,672)
Measurement date	September 30, 2017
Actuarial valuation date	October 1, 2016
Employer's reporting date	September 30, 2017
Discount rate	7.00% per annum (2.92% attributed to long-term inflation)
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 Blue Collar Mortality Table w/full generational improvements in mortality using Scale BB
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 mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to the RP-2000 Blue Collar Mortality Table with full generational improvements in mortality using Scale BB

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	\$ 6,285,854	\$ 5,257,263	\$ 4,444,948
Less fiduciary net position	(5,294,935)	(5,294,935)	(5,294,935)
Net pension liability	<u>\$ 990,919</u>	<u>\$ (37,672)</u>	<u>\$ (849,987)</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, 2017

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.

Aggregate total amounts for the City retirement plans are as follows:

	FRS	HIS	Fire	Total
Net Pension Asset	\$ -	\$ -	\$ 37,672	\$ 37,672
Net Pension Liabilities	1,789,757	410,147	-	2,199,904
Deferred Outflows	922,679	86,952	1,470,299	2,479,930
Deferred Inflows	84,318	84,190	1,218,851	1,387,359
Pension expense/expenditure	154,336	3,335	84,014	241,685

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, 2017, the expected contribution for the City was \$35,396.

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:

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE J – POSTEMPLOYMENT HEALTHCARE PLAN (continued)

	Pay-As-You-Go Funding - Fiscal Year Ended 9/30/17
Annual Required Contribution (ARC)	\$ 227,743
Interest on net OPEB obligation	30,270
Adjustment to ARC	(51,200)
Annual OPEB cost	207,263
Expected employer contribution	(35,396)
Increase in net OPEB obligation	171,867
Net OPEB obligation beginning of year	768,000
Net OPEB obligation end of year	\$ 939,867

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)
10/01/13	-	\$ 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%
04/01/17		1,304,020	1,304,020	0.0%	5,942,308	21.94%

Three-year trend information:

Year ending September 30,	Annual OPEB Cost (AOC)	Employer Contribution	Percentage of AOC Contributed	Net OPEB Obligation
2015	\$ 134,000	\$ 31,000	23.13%	\$ 662,000
2016	137,000	31,000	22.63%	768,000
2017	207,263	35,396	17.08%	939,867

Required Actuarial Information:

Actuarial valuation date	04/01/17
Annual OPEB Cost	\$ 207,263
Contributions made	\$ 35,396
Actuarial cost method	Entry Age
Amortization method	Level % Closed
Remaining amortization period	15 years
Asset valuation method	Unfunded
Actuarial assumptions	
Investment rate of return	4.00%
Inflation rate	2.50%
Projected salary increases	3.70% - 7.80%
Health care cost trend rate (reduced .5% annually)	7.00%
Ultimate trend rate	4.80%

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

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE J – POSTEMPLOYMENT HEALTHCARE PLAN (continued)

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, 2017 was \$81,623. These amounts have been reported as revenues in the General Fund with a corresponding expenditure classified as part of personal services in the Fire department.

NOTE L - DEFERRED COMPENSATION PLAN

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

NOTE M - COMMITMENTS AND CONTINGENCIES

Commitment: At September 30, 2017, construction contract commitments in the Governmental Fund Types total \$198,563. The uncompleted commitments are included as fund balances committed to capital projects. Construction commitments in the Proprietary Fund Type for 2017 totaled \$354,735.

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, 2017 through September 30, 2018 in the amount of \$1,662,782. The expenditure for the year ended September 30, 2017 was \$1,616,665.

NOTE N – INTERFUND LOANS AND TRANSFERS

The prior year interfund loan balance 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. The final repayment of \$250,000 was made during the fiscal year.

Transfers of \$545,000 and \$200,000 were made from the General Fund and Parkland Dedication Funds, respectively, during the year to the Capital Improvement Fund. The transfers were to assist in funding capital outlay projects.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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>
2018	\$ 9,019
2019	3,501
2020	963
	<u>\$ 13,483</u>

NOTE P - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

The City provides refuse, water, sewer and stormwater service to businesses and residents of the City. As of September 30, 2017, the refuse accounts receivable was \$87,422 with customer deposits of \$200,703 held as security for payment of the outstanding accounts receivable. The water, sewer and stormwater accounts receivable totaled \$709,780 with customer deposits in the amount of \$512,233 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, 2017, 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, 2017 are as follows:

	<u>State Revolving Fund Construction Loans</u>
Loan repayment reserve	\$ 90,831
Annual loan deposit	147,730
Total restricted assets	<u>\$ 238,561</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

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE R - RISK FINANCING (continued)

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, 2017, 2016 or 2015 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, 2017 and before the issuance of the financial statements that would have an impact on the City's financial condition as of September 30, 2017 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 March 9, 2018 which is the date the financial statements were available to be issued and determined there was one event that should be disclosed.

The City adopted Ordinance 2018-01 at the January 16, 2018 City Council meeting. The Ordinance amends the retirement plan and trust for the firefighters of the City of Oldsmar thereby creating a defined contribution plan component that shall operate as an element of the plan and exist in conjunction with the defined benefit plan component. The plan will be funded with available excess Chapter 175/185 contributions that are held in reserve within the existing defined benefit plan.

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, 2017:

- Government Sponsored Enterprises of \$12,460,856 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, 2017:

	Level 2 inputs	Level 3 inputs
Broad Market HQ Bond Fund	\$ 913,389	\$ -
Core Plus Fixed Income Fund	-	1,343,904
Diversified Small to Mid Cap Fund	639,954	-
Diversified Value Fund	459,604	-
High Quality Growth Fund	465,421	-
Russell 1000 Index Fund	1,355,540	-
International Blend Fund	616,683	-
	<u>\$ 4,450,591</u>	<u>\$ 1,343,904</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE U - RESTATEMENT

The beginning net assets in the governmental funds have been restated to reflect a correction to the employer contributions and deferred inflows in the prior year Firefighter's Pension Plan GASB 67/68 valuation supplement. The effect of the restatement is to reduce the beginning net assets \$132,222 in the Government-wide financial statements. The reduction is a result of the prior year valuation decrease to the Net Pension Asset in the amount of \$128,860 and increase to the Deferred Inflows in the amount of \$3,542.

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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, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS):				
Property taxes	\$ 4,538,000	\$ 4,538,000	\$ 4,626,370	\$ 88,370
Franchise fees	1,468,000	1,468,000	1,388,566	(79,434)
Utility taxes	1,324,000	1,324,000	1,351,706	27,706
Fire insurance premium tax	115,000	115,000	81,623	(33,377)
Communications service tax	1,060,000	1,060,000	827,924	(232,076)
Business tax receipts	177,000	177,000	184,524	7,524
Licenses, permits and fees	216,000	216,000	326,800	110,800
Intergovernmental revenues	2,259,250	2,259,250	2,282,482	23,232
Charges for services	360,100	360,100	470,509	110,409
Rents and royalties	55,000	55,000	105,433	50,433
Fines and forfeitures	155,000	155,000	141,156	(13,844)
Investment income	89,000	89,000	64,765	(24,235)
Special assessments	8,000	8,000	7,214	(786)
Other miscellaneous	501,440	501,440	535,869	34,429
Interfund loan repayment	250,000	250,000	250,000	-
Proceeds from sale of capital assets	223,000	223,000	290,223	67,223
AMOUNTS AVAILABLE FOR APPROPRIATION	12,798,790	12,798,790	12,935,164	136,374
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government				
City Council	148,160	178,160	178,122	(38)
City Manager	303,225	313,225	308,401	(4,824)
City Clerk	410,905	410,905	410,274	(631)
Legal Counsel	148,845	148,845	122,794	(26,051)
Planning and Redevelopment	1,211,160	1,213,760	1,140,953	(72,807)
Administrative Services	1,035,270	1,047,006	979,022	(67,984)
Facilities	823,450	809,100	663,377	(145,723)
Total General Government	4,081,015	4,121,001	3,802,943	(318,058)
Public Safety				
Law Enforcement	1,671,420	1,671,420	1,647,817	(23,603)
Fire Rescue	1,983,765	2,003,765	1,924,809	(78,956)
Technical Services	296,005	301,405	293,511	(7,894)
Total Public Safety	3,951,190	3,976,590	3,866,137	(110,453)
Transportation				
Streets and Drainage	997,495	978,595	943,876	(34,719)
Fleet Maintenance	176,455	195,355	192,856	(2,499)
Total Transportation	1,173,950	1,173,950	1,136,732	(37,218)
Culture and Recreation				
Library	896,050	896,050	860,466	(35,584)
Parks	1,651,070	1,716,967	1,395,913	(321,054)
Canal Park sports complex	648,050	741,160	688,252	(52,908)
Recreation	834,200	817,900	726,838	(91,062)
Total Culture and Recreation	4,029,370	4,172,077	3,671,469	(500,608)

(continued)

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
Other Financing Uses				
Interfund transfers	\$ 45,000	\$ 545,000	\$ 545,000	\$ -
Interfund loan	-	-	250,000	250,000
Contingency	1,018,265	490,265	-	(490,265)
Total Other Financing Uses	1,063,265	1,035,265	795,000	(240,265)
TOTAL CHARGES TO APPROPRIATIONS	14,298,790	14,478,883	13,272,281	(1,206,602)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(1,500,000)	(1,680,093)	(337,117)	1,342,976
FUND BALANCE - BEGINNING OF YEAR	7,760,537	7,760,537	7,760,537	-
FUND BALANCE - END OF YEAR	\$ 6,260,537	\$ 6,080,444	\$ 7,423,420	\$ 1,342,976

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.	\$ 12,935,164
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.	(290,223)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 12,394,941

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 13,272,281
Differences - budget to GAAP:	
Interfund loan	(250,000)
Interfund transfers are outflows of budgetary resources not expenditures for financial reporting purposes.	(545,000)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 12,477,281

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE

MAJOR GOVERNMENTAL FUND - COMMUNITY REDEVELOPMENT AGENCY -
SPECIAL REVENUE FUND

For the year ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Ad valorem taxes	\$ 225,000	\$ 225,000	\$ 234,798	\$ 9,798
Intergovernmental revenue	295,000	295,000	311,373	16,373
Impact fees	15,000	15,000	-	(15,000)
Rents and royalties	43,800	43,800	48,163	4,363
Investment income	1,000	1,000	807	(193)
AMOUNTS AVAILABLE FOR APPROPRIATION	579,800	579,800	595,141	15,341
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Operating	95,000	95,000	42,372	(52,628)
Capital outlay	718,000	718,000	91,288	(626,712)
Interfund loan	250,000	250,000	250,000	-
TOTAL CHARGES TO APPROPRIATIONS	1,063,000	1,063,000	383,660	(679,340)
Other financing sources				
Interfund loan	-	-	250,000	250,000
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(483,200)	(483,200)	461,481	944,681
FUND BALANCE - BEGINNING OF YEAR	431,333	431,333	431,333	-
FUND BALANCE - END OF YEAR	\$ (51,867)	\$ (51,867)	\$ 892,814	\$ 944,681
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.				\$ 595,141
Differences - budget to GAAP:				
None				-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$ 595,141
USES/OUTFLOWS OF RESOURCES				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.				\$ 383,660
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.				\$ 133,660

FIREFIGHTERS' PENSION TRUST FUND - PENSION SCHEDULES

September 30, 2017

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	4,485,246	(55,814)	101.26%	577,978	N/A
9/30/2017	5,257,263	5,294,935	(37,672)	100.72%	619,479	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
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	99,574	(45,071)	577,978	17.23%
2017	184,020	184,020	-	619,479	29.71%

Notes to Schedule

Employer's reporting date: September 30, 2017
Measurement date: September 30, 2017
Actuarial valuation date: October 1, 2016

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 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB

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 mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to the RP-2000 Blue Collar Mortality Table with full generational improvements in mortality using Scale BB.

CITY OF OLDSMAR

FIREFIGHTER'S RETIREMENT PENSION TRUST FUND

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

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

September 30, 2017

	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability	\$ 5,257,263	\$ 4,429,432	\$ 3,058,624	\$ 3,476,581
Plan Fiduciary Net Position	(5,294,935)	(4,485,246)	(4,060,837)	(4,007,222)
Net Pension Liability (Asset)	<u>\$ (37,672)</u>	<u>\$ (55,814)</u>	<u>\$ (1,002,213)</u>	<u>\$ (530,641)</u>
Plan Net Position as a Percentage of Total Net Pension Liability (Asset)	101%	101%	133%	115%
Service Cost	\$ 231,334	\$ 199,534	\$ 139,774	\$ 211,501
Expected interest growth	5,777	(64,218)	(40,079)	(26,889)
Effect of economic/demographic gain or loss	35,655	(246,786)	(311,266)	-
Changes in assumptions	288,393	1,242,240	(585,238)	-
Amortization payments	-	-	3,070	13,704
Investment gain/loss	(367,915)	(93,742)	365,974	(68,519)
Employer contributions	(184,020)	(99,574)	(112,900)	(203,106)
Member contributions	(29,767)	(29,640)	(29,561)	(34,887)
Net investment income	-	-	59,491	(13,704)
Benefit payments and refunds	-	-	2,600	(2,894)
Administrative expense	<u>38,685</u>	<u>38,585</u>	<u>36,563</u>	<u>40,706</u>
Net change in net pension liability (asset)	18,142	946,399	(471,572)	(84,088)
Net pension liability (asset) - beginning	<u>(55,814)</u>	<u>(1,002,213)</u>	<u>(530,641)</u>	<u>(446,553)</u>
Net pension liability (asset) - ending	<u>\$ (37,672)</u>	<u>\$ (55,814)</u>	<u>\$ (1,002,213)</u>	<u>\$ (530,641)</u>
Covered employee payroll	\$ 619,479	\$ 577,978	\$ 663,716	\$ 764,280
Net pension liability (asset) as a percentage of covered employee payroll	-6%	-10%	-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(Four years of data available for GASB 67 and 68)
September 30, 2017

	9/30/2017	9/30/2016	9/30/2015	9/30/2014
FRS Pension Plan				
Total Pension Liability	\$ 11,111,066	\$ 10,286,718	\$ 8,033,243	\$ 7,958,852
Plan Fiduciary Net Position	(9,321,309)	(8,731,674)	(7,390,251)	(7,647,796)
Net Pension Liability	<u>\$ 1,789,757</u>	<u>\$ 1,555,044</u>	<u>\$ 642,992</u>	<u>\$ 311,056</u>
Plan Net Position as a Percentage of Total Net Pension Liability	84%	85%	92%	96%
Service Cost	\$ 125,477	\$ 131,356	\$ 105,240	\$ 115,050
Interest on the total pension liability	755,380	745,748	583,515	585,761
Effect of economic/demographic gain or loss	716,736	314,705	61,166	41,153
Employer contributions	(174,232)	(150,187)	(121,371)	(128,501)
Member contributions	(45,068)	(43,770)	(34,762)	(34,795)
Net investment income	(1,144,689)	(86,942)	(262,752)	(1,162,982)
Administrative expense	<u>1,110</u>	<u>1,142</u>	<u>900</u>	<u>936</u>
Net change in net pension liability	234,714	912,052	331,936	(583,378)
Net pension liability - beginning	<u>1,555,043</u>	<u>642,992</u>	<u>311,056</u>	<u>894,434</u>
Net pension liability - ending	<u>\$ 1,789,757</u>	<u>\$ 1,555,044</u>	<u>\$ 642,992</u>	<u>\$ 311,056</u>
Covered employee payroll	\$ 1,182,168	\$ 1,285,583	\$ 1,092,785	\$ 1,077,366
Net pension liability as a percentage of covered employee payroll	151%	121%	59%	29%
Retiree Health Insurance Subsidy (HIS Plan)				
Total Pension Liability	\$ 416,987	\$ 472,608	\$ 374,987	\$ 347,355
Plan Fiduciary Net Position	(6,840)	(4,572)	(1,858)	(3,435)
Net Pension Liability	<u>\$ 410,147</u>	<u>\$ 468,036</u>	<u>\$ 373,129</u>	<u>\$ 343,920</u>
Plan Net Position as a Percentage of Total Net Pension Liability	1.64%	0.97%	0.50%	0.99%
Service Cost	\$ 11,682	\$ 10,309	\$ 7,958	\$ 7,002
Interest on the total pension liability	12,945	15,692	14,834	15,077
Effect of economic/demographic gain or loss	(44,431)	89,484	22,234	14,212
Employer contributions	(38,026)	(20,584)	(15,809)	(83,654)
Member contributions	-	-	-	-
Net investment income	(65)	(3)	(15)	(8)
Administrative expense	<u>7</u>	<u>9</u>	<u>7</u>	<u>2</u>
Net change in net pension liability	(57,888)	94,907	29,209	(47,369)
Net pension liability - beginning	<u>468,035</u>	<u>373,129</u>	<u>343,920</u>	<u>391,289</u>
Net pension liability - ending	<u>\$ 410,147</u>	<u>\$ 468,036</u>	<u>\$ 373,129</u>	<u>\$ 343,920</u>
Covered employee payroll	\$ 1,182,168	\$ 1,285,583	\$ 1,092,785	\$ 1,077,366
Net pension liability as a percentage of covered employee payroll	35%	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.

CITY OF OLDSMAR

FLORIDA RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS(Four years of data available for GASB 67 and 68) *
September 30, 2017

	9/30/2017	9/30/2016	9/30/2015	9/30/2014
FRS Pension Plan				
Contractually required contribution	\$ 164,508	\$ 156,309	\$ 129,545	\$ 113,804
Contributions in relation to the contractually required contribution	(164,508)	(156,309)	(129,545)	(113,804)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,182,168	\$ 1,285,583	\$ 1,092,785	\$ 1,077,366
Contributions as a percentage of covered-employee payroll	13.92%	12.16%	11.85%	10.56%
Retiree Health Insurance Subsidy (HIS Plan)				
Contractually required contribution	\$ 19,624	\$ 21,341	\$ 14,862	\$ 13,090
Contributions in relation to the contractually required contribution	(19,624)	(21,341)	(14,862)	(13,090)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,182,168	\$ 1,285,583	\$ 1,092,785	\$ 1,077,366
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.36%	1.22%

* GASB 68 requires information for 10 years. Information is only available for the prior four years. Additional years info will be reflected as the information becomes available.

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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, 2017

	Special Revenue Funds			Debt Service Fund	
	Public Safety	Parkland Dedication	Multimodal Impact	Veteran's Park	Total Other Governmental Funds
ASSETS					
Cash, pooled cash and cash equivalents	\$ 57,624	\$ 182,689	\$ 123,831	\$ 147,276	\$ 511,420
TOTAL ASSETS	<u>\$ 57,624</u>	<u>\$ 182,689</u>	<u>\$ 123,831</u>	<u>\$ 147,276</u>	<u>\$ 511,420</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 5,675	\$ -	\$ 5,675
Due to other governments	<u>-</u>	<u>-</u>	<u>54,982</u>	<u>-</u>	<u>54,982</u>
TOTAL LIABILITIES	-	-	60,657	-	60,657
FUND BALANCES					
Restricted for:					
Fire suppression	36,624	-	-	-	36,624
Capital projects	-	182,689	-	-	182,689
Debt Service	-	-	-	147,276	147,276
Transportation improvements	-	-	37,174	-	37,174
Committed to:					
Capital projects	-	-	26,000	-	26,000
Assigned to:					
Subsequent years expenditures	<u>21,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,000</u>
TOTAL FUND BALANCES	<u>57,624</u>	<u>182,689</u>	<u>63,174</u>	<u>147,276</u>	<u>450,763</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 57,624</u>	<u>\$ 182,689</u>	<u>\$ 123,831</u>	<u>\$ 147,276</u>	<u>\$ 511,420</u>

CITY OF OLDSMAR, FLORIDA

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

For the year ended September 30, 2017

	Special Revenue Funds			Debt Service Fund	
	Public Safety	Parkland Dedication	Multimodal Impact	Veteran's Park	Total Other Governmental Funds
REVENUES					
Utility taxes	\$ -	\$ -	\$ -	\$ 168,530	\$ 168,530
Investment income	663	480	139	-	1,282
Impact fees	21,915	65,233	56,514	-	143,662
TOTAL REVENUES	22,578	65,713	56,653	168,530	313,474
EXPENDITURES					
Capital outlay	98,776	-	24,000	-	122,776
Debt service					
Principal retirement	-	-	-	150,000	150,000
Interest and other charges	-	-	-	18,530	18,530
TOTAL EXPENDITURES	98,776	-	24,000	168,530	291,306
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(76,198)	65,713	32,653	-	22,168
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	-	(200,000)	-	-	(200,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	(200,000)	-	-	(200,000)
NET CHANGE IN FUND BALANCES	(76,198)	(134,287)	32,653	-	(177,832)
FUND BALANCES BEGINNING	133,822	316,976	30,521	147,276	628,595
FUND BALANCES ENDING	\$ 57,624	\$ 182,689	\$ 63,174	\$ 147,276	\$ 450,763

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUND - CAPITAL IMPROVEMENT FUND

For the year ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Sales taxes	\$ 785,000	\$ 785,000	\$ 1,026,437	\$ 241,437
Intergovernmental revenue	1,540,000	1,540,000	-	(1,540,000)
Interfund transfers	245,000	745,000	745,000	-
Investment income	10,000	10,000	15,593	5,593
AMOUNTS AVAILABLE FOR APPROPRIATION	2,580,000	3,080,000	1,787,030	(1,292,970)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	2,265,000	2,993,698	676,849	(2,316,849)
Reserve for infrastructure	600,000	600,000	-	(600,000)
TOTAL CHARGES TO APPROPRIATIONS	2,865,000	3,593,698	676,849	(2,916,849)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(285,000)	(513,698)	1,110,181	1,623,879
FUND BALANCE - BEGINNING OF YEAR	3,282,192	3,282,192	3,282,192	-
FUND BALANCE - END OF YEAR	<u>\$ 2,997,192</u>	<u>\$ 2,768,494</u>	<u>\$ 4,392,373</u>	<u>\$ 1,623,879</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.	\$ 1,787,030
Differences - budget to GAAP:	
Interfund transfers	(745,000)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,042,030</u>

USES/OUTFLOWS OF RESOURCES

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 676,849
Differences - budget to GAAP:	
None	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 676,849</u>

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Utility taxes	\$ 168,535	\$ 168,535	\$ 168,530	\$ (5)
AMOUNTS AVAILABLE FOR APPROPRIATION	168,535	168,535	168,530	(5)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Debt Service				
Principal retirement	150,000	150,000	150,000	-
Interest and other charges	18,535	18,535	18,530	(5)
TOTAL CHARGES TO APPROPRIATIONS	168,535	168,535	168,530	(5)
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.

\$ 168,530

Differences - budget to GAAP:

None

-

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

\$ 168,530

USES/OUTFLOWS OF RESOURCES

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

\$ 168,530

Differences - budget to GAAP:

None

-

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

\$ 168,530

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Over
				(Under)
RESOURCES (INFLOWS)				
Impact fees	\$ 10,000	\$ 10,000	\$ 21,915	\$ 11,915
Investment income	500	500	663	163
AMOUNTS AVAILABLE FOR APPROPRIATION	10,500	10,500	22,578	12,078
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	100,000	100,000	98,776	(1,224)
TOTAL CHARGES TO APPROPRIATIONS	100,000	100,000	98,776	(1,224)
EXCESS (DEFICIENCY) OF RESOURCES				
OVER CHARGES TO APPROPRIATIONS	(89,500)	(89,500)	(76,198)	13,302
FUND BALANCE - BEGINNING OF YEAR	133,822	133,822	133,822	-
FUND BALANCE - END OF YEAR	\$ 44,322	\$ 44,322	\$ 57,624	\$ 13,302

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.

\$ 22,578

Differences - budget to GAAP:

None

-

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

\$ 22,578

USES/OUTFLOWS OF RESOURCES

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

\$ 98,776

Differences - budget to GAAP:

None

-

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

\$ 98,776

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Land dedication fees	\$ 30,000	\$ 30,000	\$ 65,233	\$ 35,233
Investment income	200	200	480	280
AMOUNTS AVAILABLE FOR APPROPRIATION	30,200	30,200	65,713	35,513
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Interfund transfers	200,000	200,000	200,000	-
TOTAL CHARGES TO APPROPRIATIONS	200,000	200,000	200,000	-
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(169,800)	(169,800)	(134,287)	35,513
FUND BALANCE - BEGINNING OF YEAR	316,976	316,976	316,976	-
FUND BALANCE - END OF YEAR	<u>\$ 147,176</u>	<u>\$ 147,176</u>	<u>\$ 182,689</u>	<u>\$ 35,513</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.

\$ 65,713

Differences - budget to GAAP:

None

-Total revenues as reported on the statement of revenues, expenditures, and
changes in fund balances - governmental funds.\$ 65,713

USES/OUTFLOWS OF RESOURCES

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

\$ 200,000

Differences - budget to GAAP:

Interfund transfers

(200,000)Total expenditures as reported on the statement of revenues, expenditures,
and changes in fund balances - governmental funds.\$ -

CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Impact fees	\$ 55,000	\$ 55,000	\$ 56,514	\$ 1,514
Investment income	500	500	139	(361)
AMOUNTS AVAILABLE FOR APPROPRIATION	55,500	55,500	56,653	1,153
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	50,000	50,000	24,000	(26,000)
Reserve for street improvements	5,500	5,500	-	(5,500)
TOTAL CHARGES TO APPROPRIATIONS	55,500	55,500	24,000	(31,500)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	-	32,653	32,653
FUND BALANCE - BEGINNING OF YEAR	30,521	30,521	30,521	-
FUND BALANCE - END OF YEAR	\$ 30,521	\$ 30,521	\$ 63,174	\$ 32,653

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.

\$ 56,653

Differences - budget to GAAP:

None

-

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

\$ 56,653

USES/OUTFLOWS OF RESOURCES

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

\$ 24,000

Differences - budget to GAAP:

None

-

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

\$ 24,000

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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, 2017

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
User charges	\$ 7,402,954	\$ 6,920,000	\$ 482,954
Fees	210,236	217,000	(6,764)
Other income	51,978	54,100	(2,122)
TOTAL OPERATING REVENUES	<u>7,665,168</u>	<u>7,191,100</u>	<u>474,068</u>
EXPENSES			
Salaries, wages and employee benefits	2,587,890	2,615,815	(27,925)
Contract services	393,729	676,091	(282,362)
Utilities	454,942	500,300	(45,358)
Operating supplies	191,452	213,410	(21,958)
Repairs and maintenance	255,050	295,020	(39,970)
Other expense	440,883	602,810	(161,927)
Capital outlay	1,405,057	4,735,728	(3,330,671)
TOTAL EXPENSES	<u>5,729,003</u>	<u>9,639,174</u>	<u>(3,910,171)</u>
OPERATING INCOME (LOSS)	1,936,165	(2,448,074)	4,384,239
NONOPERATING REVENUES (EXPENSES)			
Investment income	55,595	36,000	19,595
Intergovernmental revenue	532,500	532,500	-
Gain (loss) on disposal of capital assets	36,393	5,000	31,393
Debt service principal retirement	(1,035,790)	(1,042,655)	6,865
Interest expense and fiscal charges	(200,114)	(664,680)	464,566
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(611,416)</u>	<u>(1,133,835)</u>	<u>522,419</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,324,749	(3,581,909)	4,906,658
CONTRIBUTIONS AND TRANSFERS			
Intergovernmental revenue	31,485	-	31,485
Capital contributions	250,364	122,000	128,364
Net assets allocation	-	3,459,909	(3,459,909)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	1,606,598	<u>\$ -</u>	<u>\$ 1,606,598</u>
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
Depreciation	(1,895,501)		
Interest accretion	(132,313)		
Bond discount amortization	(2,801)		
Debt service principal retirement	1,035,790		
Capital outlay	1,405,057		
CHANGE IN NET POSITION - GAAP BASIS	<u>\$ 2,016,830</u>		

CITY OF OLDSMAR, FLORIDA

SCHEDULE OF OPERATIONS - ACTUAL AND BUDGET
STORMWATER UTILITY FUND

For the year ended September 30, 2017

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
Fees	\$ 729,967	\$ 725,000	\$ 4,967
Other income	4,004	4,000	4
TOTAL OPERATING REVENUES	733,971	729,000	4,971
EXPENSES			
Salaries, wages and employee benefits	180,902	193,625	(12,723)
Contract services	71,405	86,200	(14,795)
Operating supplies	29,893	50,700	(20,807)
Repairs and maintenance	22,303	25,500	(3,197)
Other expense	36,652	47,035	(10,383)
Capital outlay	159,710	658,331	(498,621)
Expense allocation	98,855	98,855	-
TOTAL EXPENSES	599,720	1,160,246	(560,526)
OPERATING INCOME (LOSS)	134,251	(431,246)	565,497
NONOPERATING REVENUES (EXPENSES)			
Investment income	5,030	1,000	4,030
TOTAL NONOPERATING REVENUES (EXPENSES)	5,030	1,000	4,030
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	139,281	(430,246)	569,527
CONTRIBUTIONS AND TRANSFERS			
Intergovernmental revenues	23,908	-	23,908
Net assets allocation	-	430,246	(430,246)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	163,189	\$ -	\$ 163,189
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
Depreciation	(281,792)		
Capital outlay	159,710		
CHANGE IN NET POSITION - GAAP BASIS	\$ 41,107		

CITY OF OLDSMAR, FLORIDA

SCHEDULE OF OPERATIONS - ACTUAL AND BUDGET
SOLID WASTE FUND

For the year ended September 30, 2017

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
User charges	\$ 2,647,717	\$ 2,638,000	\$ 9,717
Other income	16,724	16,000	724
TOTAL OPERATING REVENUES	2,664,441	2,654,000	10,441
EXPENSES			
Salaries, wages and employee benefits	41,274	44,990	(3,716)
Solid waste disposal	2,288,123	2,289,000	(877)
Contract services	38,547	39,000	(453)
Operating supplies	302	450	(148)
Other expense	49,705	50,585	(880)
Expense allocation	263,785	263,785	-
TOTAL EXPENSES	2,681,736	2,687,810	(6,074)
OPERATING INCOME (LOSS)	(17,295)	(33,810)	16,515
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenues	10,435	10,500	(65)
Investment income	7,272	1,000	6,272
TOTAL NONOPERATING REVENUES (EXPENSES)	17,707	11,500	6,207
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	412	(22,310)	22,722
CONTRIBUTIONS AND TRANSFERS			
Net assets allocation	-	22,310	(22,310)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	\$ 412	\$ -	\$ 412
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
None	-		
CHANGE IN NET POSITION - GAAP BASIS	\$ 412		

CITY OF OLDSMAR, FLORIDA

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

September 30, 2017

	Total Governmental Funds	Long-term Assets, Liabilities	Reclasses & Eliminations	Statement of Net Position Totals
ASSETS				
Cash, pooled cash and cash equivalents	\$ 5,949,985	\$ -	\$ -	\$ 5,949,985
Investments	7,999,727	-	(7,001,982)	997,745
Receivables				
Accounts and other	97,927	-	-	97,927
Due from other governments	305,235	-	-	305,235
Inventories	29,542	-	-	29,542
Prepaid items	493,941	-	-	493,941
Capital assets	-	76,872,324	-	76,872,324
Accumulated depreciation	-	(27,544,988)	-	(27,544,988)
Net pension asset	-	37,672	-	37,672
Investments, noncurrent	-	-	7,001,982	7,001,982
TOTAL ASSETS	14,876,357	49,365,008	-	64,241,365
DEFERRED OUTFLOWS OF RESOURCES				
Defined benefit pension plans	-	2,254,905	-	2,254,905
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 14,876,357	\$ 51,619,913	\$ -	\$ 66,496,270
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,178,470	\$ -	\$ -	\$ 1,178,470
Retainage payable	44,261	-	-	44,261
Accrued items	314,744	-	-	314,744
Due to other governments	54,982	-	-	54,982
Current portion of long-term obligations	-	156,000	-	156,000
Compensated absences, long-term	-	324,913	-	324,913
Other post employment benefits	-	718,791	-	718,791
Net pension liability	-	1,689,796	-	1,689,796
Bonds payable, long-term	-	810,000	-	810,000
TOTAL LIABILITIES	1,592,457	3,699,500	-	5,291,957
DEFERRED INFLOWS OF RESOURCES				
Defined benefit pension plans	-	1,346,800	-	1,346,800
Local business tax receipts/Deferred revenue	119,980	-	-	119,980
Deferred assessment receivable	4,550	(4,550)	-	-
Unamortized bond refunding premium	-	27,429	-	27,429
TOTAL DEFERRED INFLOWS	124,530	1,369,679	-	1,494,209
TOTAL LIABILITIES AND DEFERRED INFLOWS	1,716,987	5,069,179	-	6,786,166
TOTAL FUND BALANCES / NET POSITION	13,159,370	46,550,734	-	59,710,104
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES / NET POSITION	\$ 14,876,357	\$ 51,619,913	\$ -	\$ 66,496,270

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, 2017

	Total Governmental Funds	Capital Related Items	Long-term Pension, Debt Transactions	Rounding, Reclasses & Eliminations	Statement of Activities Totals
REVENUES					
Taxes					
Property taxes	\$ 4,861,168	\$ -	\$ -	\$ -	\$ 4,861,168
Sales and use taxes	1,026,437	-	-	-	1,026,437
Franchise fees	1,388,566	-	-	-	1,388,566
Utility taxes	1,520,236	-	-	-	1,520,236
Fire insurance premium tax	81,623	-	-	(81,623)	-
Communications service tax	827,924	-	-	-	827,924
Business tax receipts	184,524	-	-	(184,524)	-
Licenses, permits and fees	326,800	-	-	(326,800)	-
Intergovernmental revenue/State revenue sharing	2,593,855	-	-	(1,135,405)	1,458,450
Charges for services	470,509	-	-	1,726,786	2,197,295
Rents and royalties	153,596	-	-	(153,596)	-
Operating grants and contributions	-	-	-	544,793	544,793
Capital grants and contributions	-	-	-	320,747	320,747
Fines and forfeitures	141,156	-	-	(141,156)	-
Investment income	82,447	-	-	-	82,447
Impact fees	143,662	-	-	(143,662)	-
Special assessments	7,214	-	(6,548)	(666)	-
Gain from sale of capital assets	-	42,646	-	-	42,646
Miscellaneous revenues	535,869	-	-	(424,894)	110,975
TOTAL REVENUES	14,345,586	42,646	(6,548)	-	14,381,684
EXPENDITURES					
Current					
General Government	3,536,679	398,268	184,987		4,119,934
Law Enforcement	1,641,311	1,928			1,643,239
Fire Protection	1,919,811	159,866	160,094		2,239,771
Technical Services	293,511	3,593	31,549		328,653
Transportation	1,102,085	597,693	(3,994)		1,695,784
Library	845,886	134,702	3,610		984,198
Parks and Recreation	2,133,568	821,985	(12,453)		2,943,100
Planning and Redevelopment	42,372	154,133			196,505
Capital Outlay	1,895,343	(1,895,343)			-
Debt service					
Principal retirement	150,000	-	(150,000)		-
Interest and fiscal charges	18,530	-	(5,486)	-	13,044
TOTAL EXPENDITURES	13,579,096	376,825	208,307	-	14,164,228
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	290,223	(290,223)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	290,223	(290,223)	-	-	-
NET CHANGE IN FUND BALANCE / NET POSITION	\$ 1,056,713	(624,402)	\$ (214,855)	\$ -	\$ 217,456

CITY OF OLDSMAR

SCHEDULE OF EMS ALLOWABLE COSTS - ACTUAL AND BUDGET

For the year ended September 30, 2017

	Budgetary Basis Actual	Budget	Variance Over (Under)
REVENUES			
EMS reimbursement	\$ 410,104	\$ 410,104	\$ -
Reflected in the Statement of Activities on page 18 as:			
Fire Protection - Charges for Services	\$ 466,427		
Composed of:			
EMS reimbursement	\$ 410,104		
Allowable Overhead and Station Cost FY 093016	4,304		
Fire protection service	30,104		
Public safety impact fees	21,915		
Total Fire Protection - Charges for Services	\$ 466,427		
EXPENSES			
Salaries, wages and employee benefits	\$ 391,811	\$ 374,404	\$ 17,407
Medical services	984	1,500	(516)
Accounting and auditing	2,200	3,000	(800)
Insurance	4,436	5,900	(1,464)
Repairs and maintenance	11,232	12,500	(1,268)
Fuel	5,821	8,000	(2,179)
Uniforms	1,750	2,300	(550)
Licenses, permits and certifications	220	2,500	(2,280)
Station/overhead	4,101	-	4,101
	\$ 422,555	\$ 410,104	\$ 12,451
Reflected in the Statement of Activities on page 18 as:			
Fire Protection - Expenses	\$ 2,239,771		
Composed of:			
EMS expenses	\$ 422,555		
Fire expenses	1,817,216		
Total Fire Protection - Expenses	\$ 2,239,771		

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

	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 41,059,826	\$ 42,602,328	\$ 43,206,962	\$ 44,918,527
Restricted	3,795,461	3,146,936	3,389,922	1,838,919
Unrestricted	3,986,292	4,708,735	5,139,687	5,488,222
Total governmental activities net position	<u>\$ 48,841,579</u>	<u>\$ 50,457,999</u>	<u>\$ 51,736,571</u>	<u>\$ 52,245,668</u>
Business-type activities				
Net investment in capital assets	\$ 21,349,983 (1)	\$ 23,285,098	\$ 21,591,556	\$ 24,746,198
Restricted	3,016,898	2,167,049	7,301,155	4,231,692
Unrestricted	832,567 (1)	1,061,347	82,191	3,836,700
Total business-type activities net position	<u>\$ 25,199,448</u>	<u>\$ 26,513,494</u>	<u>\$ 28,974,902</u>	<u>\$ 32,814,590</u>
Primary Government				
Net investment in capital assets	\$ 62,409,809	\$ 65,887,426	\$ 64,798,518	\$ 69,664,725
Restricted	6,812,359	5,313,985	10,691,077	6,070,611
Unrestricted	4,818,859	5,770,082	5,221,878	9,324,922
Total primary government activities net position	<u>\$ 74,041,027</u>	<u>\$ 76,971,493</u>	<u>\$ 80,711,473</u>	<u>\$ 85,060,258</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.

(2) The 2016 Unrestricted Net Assets have been restated to reflect a correction of the 09/30/16 Firefighter Pension Net Pension Asset and Deferred Inflows. The Net Pension asset decreased \$128,860 and the Deferred Inflows increase \$3,542 for a net decrease in Unrestricted net assets of \$132,222.

2012	2013	2014	2015	2016	2017
\$44,789,124	\$47,442,048	\$48,951,705	\$ 55,250,819	\$ 48,802,822	\$ 48,333,907
2,103,146	1,115,915	2,101,705	3,270,470	4,342,120	5,735,950
6,067,486	5,843,262	5,840,837	709,616	6,347,706 (2)	5,640,247
<u>\$52,959,756</u>	<u>\$54,401,225</u>	<u>\$56,894,247</u>	<u>\$ 59,230,905</u>	<u>\$ 59,492,648</u>	<u>\$ 59,710,104</u>
\$36,368,932	\$34,576,558	\$34,804,657	\$ 33,912,721	\$ 33,805,583	\$ 33,758,439
1,418,506	1,512,571	1,493,037	1,644,321	1,774,330	1,917,231
97,146	2,882,636	3,582,913	5,216,989	6,556,423	8,519,015
<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>	<u>\$ 44,194,685</u>
\$81,158,056	\$82,018,606	\$83,756,362	\$ 89,163,540	\$ 82,608,405	\$ 82,092,346
3,521,652	2,628,486	3,594,742	4,914,791	6,116,450	7,653,181
6,164,632	8,725,898	9,423,750	5,926,605	12,904,129	14,159,262
<u>\$90,844,340</u>	<u>\$93,372,990</u>	<u>\$96,774,854</u>	<u>\$ 100,004,936</u>	<u>\$ 101,628,984</u>	<u>\$ 103,904,789</u>

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

	2008	2009	2010	2011	2012	2013
Expenses						
Governmental activities:						
General government	\$ 2,735,204	\$ 2,774,771	\$ 2,838,167	\$ 3,046,763	\$ 3,162,820	\$ 3,254,536
Law enforcement	1,362,283	1,439,311	1,508,378	1,534,252	1,566,145	1,767,674
Fire protection	2,388,250	2,339,090	2,465,409	2,460,618	2,251,609	2,184,053
Technical Services/Community Redevelop	127,514	581,558	307,380	348,023	286,762	363,053
Public works/Transportation	2,384,792	1,900,789	1,670,302	1,690,844	1,608,024	1,569,245
Culture and recreation/Library, Parks and Rec	3,386,270	3,387,322	3,359,810	3,188,818	3,209,888	3,281,618
Interest and fiscal charges on long-term debt	122,175	108,153	92,669	87,649	82,745	103,112
Total governmental activities expenses	<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>	<u>12,523,291</u>
Business-type activities:						
Water/Distribution and Collection	3,287,032	3,263,815	3,286,483	3,390,235	3,503,772	-
Sewer/Water Reclamation	2,855,232	2,838,036	2,872,311	2,710,024	2,471,037	3,575,192
Reclaimed water/Reverse Osmosis water plant	214,625	225,467	224,390	209,758	287,949	3,087,764
Stormwater utility	273,404	352,463	524,216	578,322	640,495	674,956
Solid waste	1,964,948	2,209,242	2,314,173	2,240,027	2,308,691	2,297,004
Total business-type activities expenses	<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>	<u>9,634,916</u>
Total primary government expenses	<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>	<u>\$ 22,158,207</u>
Program Revenues						
Governmental activities:						
Charges for services	\$ 1,565,299	\$ 1,383,570	\$ 1,501,580	\$ 1,551,116	\$ 1,809,498	\$ 2,244,671
Operating grants and contributions	466,216	388,239	391,376	317,553	349,696	328,608
Capital grants and contributions	1,200,318	252,028	296,097	505,400	487,144	1,286,131
Total governmental activities program revenues	<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>	<u>\$ 3,859,410</u>
Business-type activities:						
Charges for services	\$ 9,130,937	\$ 9,085,997	\$ 8,884,152	\$ 9,389,910	\$ 9,612,355	\$ 9,666,398
Operating grants and contributions	20,588	10,506	23,147	23,167	35,827	23,113
Capital grants and contributions	51,695	1,070,676	2,055,994	2,726,800	3,824,234	425,020
Total business-type activities program revenues	<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>	<u>10,114,531</u>
Total primary government program revenues	<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>	<u>\$ 13,973,941</u>
Net (Expense)/Revenue						
Governmental activities net expense	\$ (9,274,655)	\$ (10,507,157)	\$ (10,053,062)	\$ (9,982,898)	\$ (9,521,655)	\$ (8,663,881)
Business-type activities net expense	607,979	1,278,156	1,741,720	3,011,511	4,260,472	479,615
Total primary government net expense	<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>	<u>\$ (8,184,266)</u>
General Revenues and Other Changes in Net Position						
Governmental activities:						
Taxes						
Property taxes	\$ 5,674,765	\$ 5,449,452	\$ 5,084,504	\$ 4,500,720	\$ 4,287,547	\$ 4,236,658
Franchise fees	1,450,292	1,633,039	1,549,092	1,477,506	1,420,070	1,376,347
Utility taxes	1,209,603	1,325,357	1,472,798	1,438,663	1,394,453	1,396,466
Communication services tax	1,272,994	1,587,502	1,497,240	1,415,554	1,304,078	1,242,248
Sales and use taxes	1,010,125	949,216	458,748	403,112	459,997	518,172
State revenue sharing	1,192,289	1,040,548	1,030,890	1,073,065	1,116,138	1,138,481
Investment income	152,351	66,628	129,203	73,015	110,911	37,258
Miscellaneous and transfers	77,402	71,835	109,159	110,360	142,549	189,719
Total governmental activities	<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>	<u>10,135,349</u>
Business-type activities						
State and local revenue sharing	-	-	565,511	750,000	750,000	750,000
Investment income	141,131	23,003	99,669	59,584	53,927	16,672
Miscellaneous	63,818	12,887	54,508	18,593	5,595	17,147
Total business-type activities	<u>204,949</u>	<u>35,890</u>	<u>719,688</u>	<u>828,177</u>	<u>809,522</u>	<u>783,819</u>
Total primary government	<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>	<u>\$ 10,919,168</u>
Change in Net Position						
Governmental activities	\$ 2,765,166	\$ 1,616,420	\$ 1,278,572	\$ 509,097	\$ 714,088	\$ 1,471,468
Business-type activities	812,928	1,314,046	2,461,408	3,839,688	5,069,994	1,263,434
Total primary government	<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>	<u>\$ 2,734,902</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.

2014	2015	2016	2017
\$ 3,370,916	\$ 3,595,857	\$ 3,630,907	\$ 4,119,934
1,764,468	1,809,188	1,619,201	1,643,239
2,021,776	1,909,404	2,112,052	2,239,771
346,331	372,674	546,533	525,158
1,646,974	1,675,173	1,677,230	1,695,784
3,364,435	3,468,799	3,900,977	3,927,298
20,849	18,322	15,714	13,044
<u>12,535,749</u>	<u>12,849,417</u>	<u>13,502,614</u>	<u>14,164,228</u>
-	-	-	-
3,461,871	3,501,209	3,559,372	3,336,571
2,995,966	3,117,614	2,989,204	3,218,103
742,922	694,281	682,700	721,802
2,381,572	2,571,553	2,603,487	2,681,736
9,582,331	9,884,657	9,834,763	9,958,212
<u>\$22,118,080</u>	<u>\$22,734,074</u>	<u>\$ 23,337,377</u>	<u>\$ 24,122,440</u>
\$ 2,197,517	\$ 2,092,515	\$ 1,929,184	\$ 2,197,295
302,852	335,320	326,871	544,793
1,664,180	1,931,041	482,718	320,747
<u>\$ 4,164,549</u>	<u>\$ 4,358,876</u>	<u>\$ 2,738,773</u>	<u>\$ 3,062,835</u>
\$ 9,779,848	\$10,337,154	\$ 10,536,367	\$ 11,063,579
23,136	21,036	10,485	10,435
161,321	61,203	28,109	305,757
9,964,305	10,419,393	10,574,961	11,379,771
<u>\$14,128,854</u>	<u>\$14,778,269</u>	<u>\$ 13,313,734</u>	<u>\$ 14,442,606</u>
\$ (8,371,200)	\$ (8,490,541)	\$ (10,763,841)	\$ (11,101,393)
381,974	534,736	740,198	1,421,559
<u>\$ (7,989,226)</u>	<u>\$ (7,955,805)</u>	<u>\$ (10,023,643)</u>	<u>\$ (9,679,834)</u>
\$ 4,355,617	\$ 4,669,724	\$ 4,545,289	\$ 4,861,168
1,432,786	1,456,699	1,454,907	1,388,566
1,458,828	1,472,143	1,492,720	1,520,236
1,149,968	1,093,287	998,257	827,924
877,289	910,282	984,964	1,026,437
1,275,061	1,356,324	1,410,558	1,458,450
14,241	123,499	139,540	82,447
300,432	149,860	131,571	153,621
<u>10,864,222</u>	<u>11,231,818</u>	<u>11,157,806</u>	<u>11,318,849</u>
467,495	532,500	532,397	532,500
48,588	92,977	78,732	67,897
10,785	26,693	10,978	36,393
526,868	652,170	622,107	636,790
<u>\$11,391,090</u>	<u>\$11,883,988</u>	<u>\$ 11,779,913</u>	<u>\$ 11,955,639</u>
\$ 2,493,022	\$ 2,741,277	\$ 393,965	\$ 217,456
908,842	1,186,906	1,362,305	2,058,349
<u>\$ 3,401,864</u>	<u>\$ 3,928,183</u>	<u>\$ 1,756,270</u>	<u>\$ 2,275,805</u>

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

	2008	2009	2010	(1) 2011	2012
General Fund					
Reserved	\$ 163,208	\$ 109,924	\$ 133,492	\$ -	\$ -
Unreserved	4,310,256	4,905,865	5,382,882	-	-
Nonspendable	-	-	-	95,476	144,977
Restricted	-	-	-	-	-
Committed to capital projects	-	-	-	109,856	222,907
Assigned to:					
CERT	-	-	-	15,000	7,000
Insurance	-	-	-	511,630	529,345
Art improvements	-	-	-	-	-
Appropriated reserve	-	-	-	1,556,549	1,506,006
Unassigned	-	-	-	3,585,464	4,130,595
Total general fund	<u>\$ 4,473,464</u>	<u>\$ 5,015,789</u>	<u>\$ 5,516,374</u>	<u>\$ 5,873,975</u>	<u>\$ 6,540,830</u>
All Other Governmental Funds					
Reserved	\$ 881,503	\$ 842,232	\$ 1,998,680	\$ -	\$ -
Unreserved					
Special revenue funds	993,975	790,073	720,849	-	-
Debt service fund	724,407	408,592	329,111	-	-
Capital project fund	1,073,210	989,638	224,881	-	-
Nonspendable	-	-	-	-	-
Restricted for:					
Capital projects	-	-	-	469,339	786,855
CRA	-	-	-	5,049	378,478
Debt service	-	-	-	43,296	139,715
Fire suppression	-	-	-	230,344	165,637
Transportation improvements	-	-	-	-	-
Committed to:					
Capital projects	-	-	-	708,500	155,715
Assigned to:					
Transportation improvements	-	-	-	245,577	285,676
Appropriated reserve	-	-	-	136,815	191,070
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,673,095</u>	<u>\$ 3,030,535</u>	<u>\$ 3,273,521</u>	<u>\$ 1,838,920</u>	<u>\$ 2,103,146</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.

2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1,159,871	853,292	619,069	370,083	127,089
-	-	-	-	-
983,342	942,740	57,371	170,092	106,019
-	-	-	-	-
539,294	525,293	541,489	563,127	565,542
-	-	-	-	25,674
1,500,000	1,500,000	1,500,000	1,500,000	2,000,000
2,291,170	3,130,890	4,411,817	5,157,235	4,599,096
<u>\$ 6,473,677</u>	<u>\$ 6,952,215</u>	<u>\$ 7,129,746</u>	<u>\$ 7,760,537</u>	<u>\$ 7,423,420</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	435,846	396,394
807,745	1,394,859	2,144,636	2,825,670	4,087,124
-	-	24,058	165,487	892,814
139,864	141,549	147,276	147,276	142,276
170,998	55,589	134,857	44,322	36,624
70,200	96,785	46,947	30,521	37,174
448,083	45,423	527,254	148,698	92,544
-	-	-	-	-
148,000	367,500	269,500	544,300	46,000
(668,975)	(414,247)	-	-	-
<u>\$ 1,115,915</u>	<u>\$ 1,687,458</u>	<u>\$ 3,294,528</u>	<u>\$ 4,342,120</u>	<u>\$ 5,730,950</u>

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

	2008	2009	2010	2011
Revenues				
Taxes	\$10,747,159	\$11,072,772	\$10,181,596	\$ 9,345,265
Licenses, permits and charges for services	520,206	541,751	593,628	592,741
Intergovernmental revenue	2,629,630	1,702,135	1,920,810	2,128,755
Fines and forfeitures	203,212	134,082	185,191	183,928
Miscellaneous revenue	1,147,944	581,073	666,113	626,737
Total revenues	<u>15,248,151</u>	<u>14,031,813</u>	<u>13,547,338</u>	<u>12,877,426</u>
Expenditures				
General government	2,546,136	2,495,243	2,572,221	2,703,988
Public safety	4,138,526	4,113,289	4,049,532	3,844,218
Physical environment	1,226,391	1,281,725	1,036,985	1,293,887
Culture and recreation	2,818,706	2,736,377	2,709,375	2,518,328
Capital outlay	3,329,137	3,140,502	2,264,288	3,410,447
Debt service				
Principal retirement	136,164	138,599	100,000	100,000
Interest and fiscal charges	226,220	227,151	96,570	91,550
Total expenditures	<u>14,421,280</u>	<u>14,132,886</u>	<u>12,828,971</u>	<u>13,962,418</u>
Excess of revenues over (under) expenditures	826,871	(101,073)	718,367	(1,084,992)
Other Financing Sources (Uses)				
Refunding bonds proceeds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	23,665	838	25,204	7,992
Transfers in	340,000	280,000	908,013	35,000
Transfers out	(340,000)	(280,000)	(908,013)	(35,000)
Total other financing sources (uses)	<u>23,665</u>	<u>838</u>	<u>25,204</u>	<u>7,992</u>
Net change in fund balances	850,536	(100,235)	743,571	(1,077,000)
Fund balances - beginning of year	<u>7,296,023</u>	<u>8,146,559</u>	<u>8,046,324</u>	<u>8,789,895</u>
Fund balances - end of year	<u>\$ 8,146,559</u>	<u>\$ 8,046,324</u>	<u>\$ 8,789,895</u>	<u>\$ 7,712,895</u>
Debt service as a percentage of noncapital expenditures	3.3%	3.3%	1.9%	1.8%

2012	2013	2014	2015	2016	2017
\$ 8,976,565	\$ 8,616,629	\$ 9,391,492	\$ 9,449,002	\$ 9,575,711	\$ 9,705,954
707,290	734,139	903,538	809,964	815,767	981,833
2,189,075	3,276,563	3,383,897	4,166,542	2,497,424	2,593,855
267,524	601,194	436,436	192,056	143,321	153,596
754,863	733,500	763,864	966,163	860,484	910,348
12,895,317	13,962,025	14,879,227	15,583,727	13,892,707	14,345,586
2,726,600	2,110,427	2,931,858	3,153,244	3,115,252	3,536,679
3,693,101	3,831,140	3,622,629	3,586,594	3,578,333	3,561,122
1,175,027	1,860,695	1,235,254	1,274,888	1,329,238	1,437,968
2,528,643	2,584,740	2,679,704	2,712,822	2,955,570	2,979,454
1,656,716	4,516,543	3,727,798	3,409,149	1,405,954	1,895,343
110,000	-	141,000	143,000	150,000	150,000
86,645	63,663	26,335	23,808	21,200	18,530
11,976,732	14,967,208	14,364,578	14,303,505	12,555,547	13,579,096
918,585	(1,005,183)	514,649	1,280,222	1,337,160	766,490
-	1,550,000	-	-	-	-
-	(1,649,735)	-	-	-	-
12,496	50,534	535,432	504,379	341,223	290,223
-	-	100,000	740,000	325,000	745,000
-	-	(100,000)	(740,000)	(325,000)	(745,000)
12,496	(49,201)	535,432	504,379	341,223	290,223
931,081	(1,054,384)	1,050,081	1,784,601	1,678,383	1,056,713
7,712,895	8,643,976	7,589,592	8,639,673	10,424,274	12,102,657
\$ 8,643,976	\$ 7,589,592	\$ 8,639,673	\$10,424,274	\$12,102,657	\$13,159,370
1.9%	0.6%	1.6%	1.5%	1.5%	1.4%

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

	2008	2009	2010
Function / Program			
Governmental activities :			
Charges for services			
General government	\$ 665,813	\$ 619,211	\$ 731,442
Law enforcement	-	-	-
Fire Protection	405,438	411,253	423,257
Technical services/Community Redevelopment	163,171	78,352	111,910
Public Works/Transportation and Drainage	172,405	74,519	30,074
Culture and Recreation	158,472	200,235	204,897
Total charges for services	<u>1,565,299</u>	<u>1,383,570</u>	<u>1,501,580</u>
Operating grants and contributions			
General government	-	110	-
Fire Protection	171,462	136,026	140,429
Culture and Recreation	294,754	252,103	250,947
Total operating grants and contributions	<u>466,216</u>	<u>388,239</u>	<u>391,376</u>
Capital grants and contributions			
General Government	48,300	-	-
Law Enforcement	6,769	2,120	6,100
Fire Protection	-	-	3,135
Public Works/Transportation	356,502	184,372	140,747
Community redevelopment	-	-	-
Culture and Recreation	788,747	65,536	146,115
Total capital grants and contributions	<u>1,200,318</u>	<u>252,028</u>	<u>296,097</u>
Sub-total governmental activities	<u>3,231,833</u>	<u>2,023,837</u>	<u>2,189,053</u>
Business-type activities:			
Charges for services			
Water/Distribution and Collection	3,445,612	3,312,562	3,187,492
Sewer/Water Reclamation	2,852,063	2,733,157	2,677,226
Reclaimed/Reverse Osmosis water plant	367,362	355,877	302,261
Stormwater Utility	383,080	384,864	385,469
Solid Waste	2,082,820	2,299,537	2,331,704
Total charges for services	<u>9,130,937</u>	<u>9,085,997</u>	<u>8,884,152</u>
Operating grants and contributions			
Water recalcation	-	-	-
Stormwater Utility	10,231	-	12,667
Solid Waste	10,357	10,506	10,480
Total operating grants and contributions	<u>20,588</u>	<u>10,506</u>	<u>23,147</u>
Capital grants and contributions			
Water/Reverse Osmosis water plant	-	1,070,676	1,901,192
Water reclamation	-	-	-
Reclaimed	51,695	-	127,479
Stormwater Utility	-	-	27,323
Total capital grants and contributions	<u>51,695</u>	<u>1,070,676</u>	<u>2,055,994</u>
Sub-total business-type activities	<u>9,203,220</u>	<u>10,167,179</u>	<u>10,963,293</u>
Total primary government revenues	<u>\$ 12,435,053</u>	<u>\$ 12,191,016</u>	<u>\$ 13,152,346</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.

2011	2012	2013	2014	2015	2016	2017
\$ 713,598	\$ 717,813	\$ 1,476,041	\$ 1,339,577	\$ 1,129,586	\$ 1,041,029	\$ 1,239,965
-	85,295	-	-	-	-	-
401,944	427,134	447,356	483,145	474,678	471,643	466,427
91,474	149,035	26,977	71,506	77,886	36,623	48,163
94,943	140,356	45,857	33,446	71,075	58,789	72,734
249,157	289,865	248,440	269,843	339,290	321,100	370,006
1,551,116	1,809,498	2,244,671	2,197,517	2,092,515	1,929,184	2,197,295
500	15,115	3,400	3,178	26,135	10,170	224,698
115,945	120,106	122,786	125,441	120,970	107,153	91,256
201,108	214,475	202,422	174,233	188,215	209,548	228,839
317,553	349,696	328,608	302,852	335,320	326,871	544,793
-	-	-	143,102	-	-	-
5,248	3,841	2,684	2,699	2,343	2,748	-
-	-	-	-	8,238	-	-
90,921	369,211	3,199	172,812	84,921	193,417	665
-	-	-	-	-	282,784	311,373
409,231	114,092	1,280,248	1,345,567	1,835,539	3,769	8,709
505,400	487,144	1,286,131	1,664,180	1,931,041	482,718	320,747
2,374,069	2,646,338	3,859,410	4,164,549	4,358,876	2,738,773	3,062,835
3,423,459	3,832,550	-	-	-	-	-
2,823,148	2,960,689	3,124,453	3,222,036	3,478,925	3,522,312	3,659,091
367,302	-	3,778,087	3,673,009	3,662,741	3,719,559	4,006,076
490,027	578,122	513,380	516,084	654,263	673,829	733,971
2,285,974	2,240,994	2,250,478	2,368,719	2,541,225	2,620,667	2,664,441
9,389,910	9,612,355	9,666,398	9,779,848	10,337,154	10,536,367	11,063,579
-	12,640	-	-	-	-	-
12,667	12,667	12,667	12,667	10,556	-	-
10,500	10,520	10,446	10,469	10,480	10,485	10,435
23,167	35,827	23,113	23,136	21,036	10,485	10,435
2,685,122	3,824,234	199,171	-	-	-	102,621
-	-	225,849	156,507	31,588	2,228	179,228
-	-	-	-	-	-	-
41,678	-	-	4,814	29,615	25,881	23,908
2,726,800	3,824,234	425,020	161,321	61,203	28,109	305,757
12,139,877	13,472,416	10,114,531	9,964,305	10,419,393	10,574,961	11,379,771
\$ 14,513,946	\$ 16,118,754	\$ 13,973,941	\$ 14,128,854	\$ 14,778,269	\$ 13,313,734	\$ 14,442,606

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
2017	\$4,861,168	\$ 1,388,566	\$ 1,026,437	\$ 1,520,236	\$ 827,924	\$ 81,623	\$ 9,705,954
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

(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 following approved budget amounts:

2017	\$ 532,500
2016	532,397
2015	532,500
2014	467,495
2013	750,000
2012	750,000
2011	750,000
2010	565,511

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
2017	\$ 867,785,422	\$ 487,635,384	\$ 91,136,361	\$ 16,627,300	\$ 207,605,184
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

	Percentages				
2017	51.94%	29.19%	5.45%	1.00%	12.43%
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%

Source: Pinellas County Property Appraiser

Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 1,670,789,651	\$ 435,747,519	\$ 1,235,042,132	4.0500
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

100.00%	26.08%	73.92%
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%

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				Transit District	Emergency Medical Services
		General Fund	Health Department	Mosquito Control	Total County Operating		
2017	4.0500	5.2755	0.0622	-	5.3377	0.7500	0.9158
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

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					
4.5700	2.7480	7.3180	0.3317	0.8981	-	0.0150	19.6163
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

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

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
TNC (US) Holdings INC	\$ 46,805,798	1	3.79%	\$ -	-	-
The Nielsen Company (US) LLC	42,865,264	2	3.47%	-	-	-
MT (2002) Statutory Trust	38,327,974	3	3.10%	-	-	-
Pacifica Forest Lakes LLC	30,700,000	4	2.49%	-	-	-
Woodlands Square C R P LLC	30,275,000	5	2.45%	-	-	-
PROLOGIS U S L V TRS S U B I LLC	18,390,000	6	1.49%	-	-	-
Wal-Mart Stores East LP	15,580,000	7	1.26%	-	-	-
MT (2003) Statutory Trust	13,880,221	8	1.12%	-	-	-
S P T W A H Westminster LLC	13,853,600	9	1.12%	-	-	-
Tampa Electric Company	12,132,195	10	0.98%	8,861,300	9	0.65%
Oldsmar Statutory Trust	-	-	-	66,401,400	1	4.85%
Nielsen Media Research, Inc.	-	-	-	62,493,260	2	4.57%
PPFL Woodlands LLC	-	-	-	36,780,000	3	2.69%
ICS Village	-	-	-	20,650,000	4	1.51%
Wal-Mart Stores East, LLC	-	-	-	20,139,940	5	1.47%
580 Industrial, Ltd.	-	-	-	18,020,000	6	1.32%
TWC 79, LTD	-	-	-	12,300,000	7	0.90%
Metal Industries, Inc.	-	-	-	9,290,000	8	0.68%
MTN Tampa Rd Partners	-	-	-	8,571,000	10	0.63%
Total Principal Taxpayers	262,810,052		21.28%	263,506,900		19.26%
All Other Taxpayers	972,232,080		78.72%	1,104,482,339		80.74%
Total	<u>\$ 1,235,042,132</u>		<u>100.00%</u>	<u>\$ 1,367,989,239</u>		<u>100.00%</u>

Note:

Source: Pinellas County Property Appraiser's Office & 2008 City of Oldsmar CAFR.

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
2017	\$ 5,001,834	\$ 4,775,220	95.47%	\$ 85,948	\$ 4,861,168	97.19%
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%

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
2017	\$ -	\$ -	\$ 966,000	\$ 1,439,393	\$ -	\$ 801,519	\$ 2,511,535
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	-

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
\$ -	\$ 4,021,245	\$ 9,739,692	1.59%	\$ 680
-	4,240,773	10,795,968	1.87%	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

City of Oldsmar
Schedule 12
Direct and Overlapping Governmental Activities Debt
As of September 30, 2017

<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	\$ 6,045,000		
Capital leases	6,889,704		
Pinellas County Governmental Activities Bonds	<u>9,018,561</u>		
Total overlapping debt (1)	\$ 21,953,265	1.812%	\$ 397,722
City direct debt			<u>966,000</u>
Total direct and overlapping debt			<u><u>\$ 1,363,722</u></u>

Notes:

Source: Pinellas County and Pinellas County School Board.

(1) The City's share is calculated based on the ratio of the 2016 City Taxable Value of \$1,235,042,132 to the County's Taxable Value of \$68,171,229,061

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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			Public Services Tax	Revenue Bonds Series 2002		
		Principal	Interest	Coverage		Principal	Interest	Coverage
2017	\$ -	\$ -	\$ -	-	\$ 168,530	\$ -	\$ -	-
2016	-	-	-	-	171,200	-	-	-
2015	-	-	-	-	172,535	-	-	-
2014	-	-	-	-	169,020	-	-	-
2013	-	-	-	-	163,547	1,590,000	44,935	0.10
2012	-	-	-	-	195,670	110,000	86,645	1.00
2011	-	-	-	-	191,550	100,000	91,550	1.00
2010	-	-	-	-	196,570	100,000	96,570	1.00
2009	170,000	43,599	126,401	1.00	195,750	95,000	100,750	1.00
2008	168,032	46,164	121,868	1.00	194,352	90,000	104,352	1.00

Note:

Pledged revenue amounts include interest earned on sinking fund accounts.

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

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

Refunding Revenue Note Series 2012		
Principal	Interest	Coverage
\$ 150,000	\$ 18,530	1.00
150,000	21,200	1.00
143,000	23,808	1.03
141,000	26,355	1.01
-	14,791	0.84
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

(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
2017	\$7,719,522	\$4,323,946	\$3,395,576	\$ 76,983	\$ 470,407	\$ -	\$ -
2016	7,188,596	4,274,110	2,914,486	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

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
\$131,930	\$ 27,472	\$ 139,742	\$ 70,877	\$ 219,529	\$ 102,301	\$ 568,184	\$671,057	2.74
127,996	31,405	136,038	74,581	214,261	107,569	561,415	680,054	2.35
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

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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)
2017	14,321	\$ 627,360,047	\$ 43,807	39.1	1,209	3.1%
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%

Note:

Sources:

- (1) State of Florida Office of Economic and Demographic Research - Estimate for April 1, 2017
- (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 2017
- (4) U.S. Census Bureau, American Community Survey for Oldsmar, FL
(2012-2016 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 2017 Unemployment Rate for Pinellas County, FL

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

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage Total City Employment
Nielsen Media Research (5)	1,800	#1	N/A	1,450	#1	N/A
United Health Care (5)	500	#2	N/A	644	#2	N/A
Walmart	378	#3	N/A	-		N/A
Osgood Industries	147	#4	N/A	-		N/A
City of Oldsmar	145	#5	N/A	147	#4	N/A
Knight Dental Group	112	#6	N/A	-		N/A
Micon Packaging	110	#7	N/A	74	#6	N/A
MI Metals	89	#8	N/A	60	#8	N/A
S&S Electrical Company (4)	76	#9	N/A	-		N/A
IC Intracom	35	#10	N/A	66	#7	N/A
Baycare Health Systems	14	#11	N/A	290	#3	N/A
Goodrich Lighting Systems (1,2)	-		N/A	135	#5	N/A
eAutoclaims (3)	-		N/A	33	#9	N/A
	<u>3,406</u>		<u>-</u>	<u>2,899</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) Formerly S&S Air Conditioning

(5) 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

<u>Function/Program</u>	Full-time Equivalent Employees as of September 30					
	2017	2016	2015	2014	2013	2012
General government						
City Manager	1.5	1.5	1.5	1.5	2.0	2.0
Administrative Services	18.0	18.0	18.0	17.5	17.0	17.5
City Clerk	5.0	5.0	5.0	4.5	4.5	4.5
Public Safety						
Fire	20.0	20.0	20.0	20.0	22.0	23.0
Police	*	*	*	*	*	*
Protective Inspections/Planning	7.0	7.0	7.0	8.0	6.0	7.0
Public Works						
Technical Services/Building	3.5	2.5	2.5	2.5	2.0	2.0
Road and Street Facilities	11.0	11.0	10.0	10.0	10.0	10.0
Utilities Maintenance	3.0	4.0	4.0	4.0	4.0	5.0
Water Distribution	12.0	12.0	11.0	11.0	12.0	12.0
Water Reclamation	9.0	9.0	9.0	9.0	9.0	9.0
Reclaimed Water	-	-	-	-	-	-
RO Water Treatment Plant	7.0	7.0	7.0	7.0	6.0	6.0
Solid Waste	1.0	1.0	1.0	1.0	1.0	2.0
Stormwater	4.0	4.0	4.0	4.0	4.0	4.0
Culture and recreation						
Library	12.0	12.0	12.0	11.5	11.5	12.0
Parks	15.4	22.9	19.9	18.4	16.9	15.9
Recreation	8.8	7.8	7.8	7.8	8.3	8.3
Olsmar Sports Complex	6.5	-	-	-	-	-
Facilities	5.0	5.0	5.0	5.0	5.0	5.0
Cultural Affairs	-	-	-	-	-	-
	<u>149.7</u>	<u>149.7</u>	<u>144.7</u>	<u>142.7</u>	<u>141.2</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

2011	2010	2009	2008
2.0	4.0	5.0	2.5
17.5	17.5	18.0	17.5
4.5	2.5	2.5	4.5
23.0	23.0	23.0	23.0
*	*	*	*
7.0	9.0	6.0	6.0
2.0	5.0	9.5	9.5
10.0	10.0	14.0	14.0
-	-	-	-
17.0	12.0	12.0	11.0
14.0	14.0	14.0	15.0
1.0	1.0	1.0	1.0
-	-	-	-
2.0	2.0	2.0	1.0
4.0	4.0	-	-
12.0	12.0	12.0	12.0
15.9	17.9	17.9	17.9
8.3	8.8	9.8	11.8
-	-	-	-
5.0	-	-	-
-	-	-	-
145.2	142.7	146.7	146.7

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

<u>Function/Program</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Police (1)						
Physical arrests	492	501	448	601	633	219
Parking violations	39	117	228	307	565	895
Traffic violations	7,876	5,801	6,432	7,355	6,835	7,214
Fire (2)						
Total Responses	1,962	1,681	1,619	1,531	1,526	1,562
EMS Responses	1,618	1,415	1,385	1,316	1,315	1,323
Fire Responses	344	266	234	215	211	239
Inspections	617	314	300	562	564	1,032
Recreation (3)						
Memberships	1,674	1,171	1,744	1,456	1,957	2,038
Library (4)						
Volumes in collection	62,363	61,643	60,613	59,398	61,155	68,410
Water (5)						
Number of connections	5,385	5,384	5,372	5,359	5,332	5,305
Average daily consumption (mgd)	1.324	1.253	1.202	1.236	1,221	1.327
Sewer (6)						
Number of connections	5,207	5,211	5,213	5,214	5,215	5,215
Average daily flow (mgd)	1.518	1.520	1.471	1.524	1,460	1.672
Reclaimed water (7)						
Number of connections	1,819	1,791	1,770	1,726	1,701	1,656

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

2011	2010	2009	2008
552	504	491	698
751	704	329	218
5,049	4,264	3,660	5,610
1,656	1,722	1,526	1,661
1,387	1,400	1,224	1,350
269	322	302	311
1,401	1,708	1,717	1,772
1,779	893	759	1,977
60,450	60,139	60,809	56,035
5,334	5,584	5,649	5,660
1.296	1.320	1.525	1.525
5,251	5,301	5,316	5,310
1.274	1.620	1.653	1.653
1,641	1,615	1,576	1,520

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

<u>Function/Program</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Police (1)						
Stations	1	1	1	-	-	-
Fire (2)						
Stations	1	1	1	1	1	1
Public works (3)						
Streets (miles)	49.70	49.70	50.30	49.21	51.63	51.63
Recreation (4)						
Number of parks	11	11	9	9	9	9
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	8	7	7	8	8
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	3	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

2011	2010	2009	2008
-	-	-	-
1	1	1	1
51.63	51.63	49.80	49.80
8	8	8	8
8	8	8	8
1	1	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
25	24	24	24
2	2	2	2
4	4	4	4
1	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, 2017

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	-
Federal Emergency Management Agency			
Florida Department of Emergency Management			
Flood Mitigation Assistance Grant	97.029	15FM-J2-08-62-02-401	223,998
TOTAL FEDERAL AWARDS			<u><u>\$ 223,998</u></u>
STATE FINANCIAL ASSISTANCE			
Florida Department of Transportation			
Economic Development Transportation Projects			
Douglas Road/Burbank Road Improvement	55.032	439418-1-54-01	\$ 131,330
Highway Landscape Reimbursement and Maintenance			
SR 580/Forest Lakes Blvd Phase II	N/A	#AS356	-
Florida Department of Transportation			
Tampa Bay Regional Planning Council			
Stormwater Message Vehicle Wrap	N/A	BE296	2,000
Florida Department of Health			
Water bottle fill stations	N/A	B19673	6,350
Bicycle repair stations	N/A	B0FF0A	2,359
TOTAL STATE FINANCIAL ASSISTANCE			<u><u>\$ 142,039</u></u>

CITY OF OLDSMAR, FLORIDA

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

September 30, 2017

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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 9, 2018.

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
March 9, 2018



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, 2017 and have issued our report thereon dated March 9, 2018.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditors' Reports on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, 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 March 9, 2018, 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, 2017, 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, 2017. 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
March 9, 2018

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, 2017. 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, 2017.



Wells, Houser & Schatzel, P.A.
St. Petersburg, Florida
March 9, 2018

