

# **CITY OF OLDSMAR, FLORIDA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended  
SEPTEMBER 30, 2018**

### **CITY COUNCIL**

**DOUG BEVIS, Mayor**

**DAN SARACKI, Vice-Mayor**

**ERIC SEIDEL, Councilmember**

**GABBY MCGEE, Councilmember**

**JERRY BEVERLAND, Councilmember**

**ALAN S. BRAITHWAITE**

**CITY MANAGER**

**PREPARED BY:**

**ADMINISTRATIVE SERVICES DEPARTMENT**

**CYNTHIA S. NENNO**

**Director of Administrative Services**

**AMY RATLIFF**

**Accounting Administrator**

**GARRETT ZELIFF**

**Finance Administrator**

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

***CITY OF OLDSMAR, FLORIDA***



## LISTING OF CITY OFFICIALS

AS OF SEPTEMBER 30, 2018

### ELECTED OFFICIALS

MAYOR

DOUG BEVIS

VICE-MAYOR

DAN SARACKI

COUNCILMEMBER

ERIC SEIDEL

COUNCILMEMBER

GABBY MCGEE

COUNCILMEMBER

JERRY BEVERLAND

### APPOINTED OFFICIALS

City Manager

Alan S. Braithwaite

City Clerk

Ann E. Nixon

City Attorney

Thomas J. Trask

Assistant City Manager

Felicia Donnelly

Director of Administrative Services

Cynthia S. Nenno

Director of Public Works

Janice "Nan" Bennett

Planning & Redevelopment Director

Marie Dauphinais

Fire & EMS Chief

Vacant

Library Director

Susan Hurley

Leisure Services Director

Christopher Potts

***CITY OF OLDSMAR, FLORIDA***

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**CERTIFICATE OF ACHIEVEMENT**

**ORGANIZATION CHART**

CITY OF OLDSMAR, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
  
Year Ended September 30, 2018

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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 2019

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, 2018 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 an exciting turn to a new era for the City. The long-planned retirement of the previous City Manager was followed by the successful transition to a new management team and structure, with the primary intent of moving the Council's goals forward. For those who prefer surprises, there were plenty of road blocks that staff overcame related to capital projects. In addition to these challenges, while the City endured the effects of Hurricane Irma at the end of fiscal year 2017 largely unscathed, a "storm" of Federal Emergency Management Agency (FEMA) paperwork remained to be "cleaned up" in fiscal year 2018. The completion of the majority of this process by staff has now placed the City in a position to receive reimbursement for funds expended in this hurricane response effort. These revenues, based on Council directive, will be the basis for a new emergency reserve held specifically for extreme events. This will allow future resources to be utilized for their intended purposes, rather than be spent on emergency efforts. This is just another example of innovative thinking on the part of the Council and of staff's fiduciary efforts to bring the citizens the best services for their tax dollars in the most efficient manner.

Major improvements were made to the Cypress Forest Recreation Center, primarily focused on adding additional space by enclosing the back patio, creating more room for recreational activities for our community. Improvements to the Oldsmar Sports Complex continued this year, including the addition of bleacher covers and barrier nets on the soccer fields. Oldsmar Sports Complex upgrades have become a Council priority, and improvements will



continue for years to come. Veterans Park also received the benefit of new, professional lighting upgrades.

In the Community Redevelopment Agency (CRA), major improvements were made at the former Senior Center/St. Petersburg College building. This facility was renovated, connected to the City's fiberoptic network, and converted into a flexible and innovative space. This major project was accomplished using internal staff, and the previously underutilized building, now known as State Street Center, allows for community meetings, staff trainings, and recreational opportunities to be held. In addition, the City continued its efforts at its CRA Sign Program, enhancing the area's appearance and ease of mobility. Finally, the property east of City Hall and adjacent to the Library continued to be a focus for staff, with Council's guidance future plans are looking bright.

In the Enterprise Funds, several facilities were improved or repaired 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. In addition, a Reclaimed Water Master Plan was finalized, helping the City focus on the future prospects of the Aquifer Storage and Recovery system and the utilization of this important environmental resource. Significant effort went into planning for Harbor Palms development improvements, specifically the Water Main replacement, Sewer Line improvements, Sidewalk and Curbing enhancements. With bidding and debt funding plans being finalized soon, construction of this project will occur in fiscal year 2019. At the City's Reverse Osmosis Water Treatment Plant, planned investment in the chemical feed pumps and skids were finished, helping keep the function of this vital community asset at peak performance.

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 2019, the Administration presented a budget that recommended a 16.7% decrease from the prior year's revised budget. The slight decrease was attributable to anticipated delay 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 2019 budget was presented with an increase of ½ of a position.

Ad Valorem revenue increased for the sixth year in a row (approximately 6.2%), 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 10 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 significant compliance, restrictions on land use, and legacy costs.

In tune with the City Council's commitment to Quality of Place, future projects for fiscal year 2018/19 will see the City focus on maintaining existing infrastructure and updating our sports complex. 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 legislative appropriation/grant from FDOT), the Harbor Palms Infrastructure Improvements project, and improvements to the Oldsmar Sports Complex will begin their construction phases. Additionally, the biannual Neighborhood Street Resurfacing program will occur, a major piece of Stormwater equipment (the 4x4 hydraulic excavator) will be replaced, and the City's Rescue Unit (R54) will be ordered.

As one of the City's most visible assets, the Oldsmar Sports Complex will have a focus on programs for our local youth. The City plans to continue our efforts on our most popular events (such as the USA BMX Gator Nationals), while thoughtfully reviewing physical and programmatic expansion strategies 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 development will be the priority. The properties next to City Hall and adjacent to the Library continue to be a priority for the Council, with the next step to be a renewed look to the development process. We hope developers, in light of recent acquisitions, will present options consistent 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 and preparation for construction services bidding, 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, and the Harbor Palms Infrastructure Improvements project. In the Stormwater fund, we have committed to completing Harbor Palms, additional drainage work, and the purchase of a new hydraulic excavator.

### **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 a large waterfront residential development nearing completion, and the City's Gross Taxable Value has increased for the sixth consecutive year. The vision for the City-owned property on the east side of City Hall and adjacent to the Library 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 earned, 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**

	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
Operating Revenues	\$7,117,141	\$7,665,168	\$7,843,587
Operating Income	946,613	1,445,721	1,643,615
Add: Depreciation	1,896,417	1,895,501	1,944,635
Interest Income	71,456	54,356	94,610
Income Available for Debt Service	<b><u>2,914,486</u></b>	<b><u>3,395,578</u></b>	<b><u>3,682,860</u></b>
Annual Debt Service (Principal and Interest)	<b><u>1,241,439</u></b>	<b><u>1,239,240</u></b>	<b><u>1,237,872</u></b>
Coverage (Income available for debt service divided by annual debt service)	<b><u>2.35</u></b>	<b><u>2.74</u></b>	<b><u>2.98</u></b>

### **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, 2017. 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**

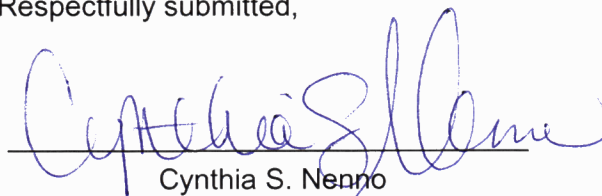
The timely preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Division. We would like to express appreciation to all members of the Division who assisted and contributed to its preparation, especially Amy Ratliff, Accounting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

**City of Oldsmar  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morill*

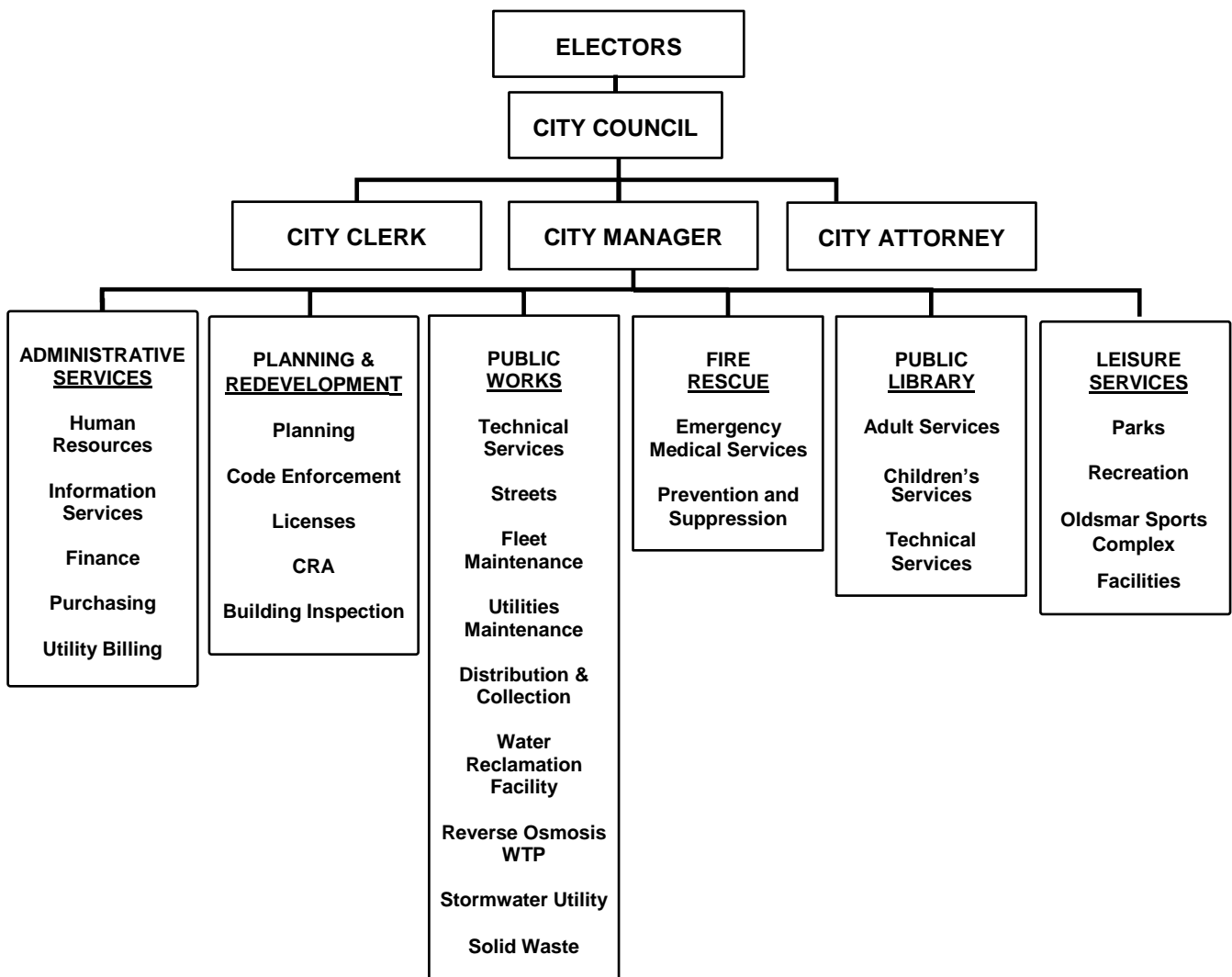
Executive Director/CEO



# **ORGANIZATION CHART**

***Fiscal Year-End September 30, 2018***

***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, 2018, 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, 2018, 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, 2018, 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, 2018, 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.

### **Emphasis of Matter – Change in Accounting Principle**

As discussed in Note A and Note U to the financial statements, in the fiscal year ended September 30, 2018, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASB 75, the City reported a restatement for the change in accounting principle as of October 1, 2017.

## **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 and retiree health care plan schedules (pages 62-66) 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 24, 2019, 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.*

Wells, Houser & Schatzel, P.A.  
St. Petersburg, FL  
March 24, 2019

## 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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which begins on page v of this report.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of fiscal year 2018 by \$106,680,167 (net position). Of this amount, \$14,856,959 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position increased by \$697,697, or 4.9% from the prior year's net asset presentation. The City's total net position increased by 2.7% (\$2,775,993) 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 \$14,412,633, an increase of \$1,253,262 when compared to the prior year. Of this amount, \$2,952,028 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 \$2,952,028, or 23% of the total general fund expenditures.
- The City's total debt decreased by \$2,099,849 (21.5%) during the fiscal year. The decrease reflects principal payments made on existing debt issues in both the Governmental and Enterprise funds, and the legal defeasance of 1990 series Water and Sewer bonds, 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 operation 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 \$106,680,167 at the close of fiscal year ended September 30, 2018.

The largest portion of the City's net position continues to be investment in capital assets (77.1%), such as land, buildings, improvement other than buildings, machinery and equipment, and infrastructure. The fiscal year 2017/18 figure, \$82,293,139, 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, 2018 and 2017**  
**(000's)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$15,808	\$14,914	\$ 15,075	\$14,039	\$ 30,883	\$ 28,953
Capital assets	<u>49,226</u>	<u>49,327</u>	<u>40,728</u>	<u>41,285</u>	<u>89,954</u>	<u>90,613</u>
<b>Total assets</b>	<b>65,034</b>	<b>64,241</b>	<b>55,803</b>	<b>55,324</b>	<b>120,837</b>	<b>119,566</b>
Deferred outflows	<u>1,976</u>	<u>2,255</u>	<u>216</u>	<u>232</u>	<u>2,192</u>	<u>2,487</u>
<b>Total assets &amp; deferred outflows</b>	<b><u>\$67,010</u></b>	<b><u>\$66,496</u></b>	<b><u>\$56,019</u></b>	<b><u>\$55,556</u></b>	<b><u>\$123,029</u></b>	<b><u>\$122,053</u></b>
Other liabilities	\$ 1,291	\$ 1,748	\$ 2,528	\$ 2,359	\$ 3,819	\$ 4,107
Long-term debt outstanding	<u>3,588</u>	<u>3,544</u>	<u>7,151</u>	<u>8,962</u>	<u>10,739</u>	<u>12,506</u>
<b>Total liabilities</b>	<b>4,879</b>	<b>5,292</b>	<b>9,679</b>	<b>11,321</b>	<b>14,558</b>	<b>16,613</b>
Deferred inflows	<u>1,713</u>	<u>1,494</u>	<u>77</u>	<u>40</u>	<u>1,790</u>	<u>1,535</u>
<b>Total liabilities &amp; deferred inflows</b>	<b>6,592</b>	<b>6,786</b>	<b>9,757</b>	<b>11,361</b>	<b>16,348</b>	<b>18,148</b>
Net Position						
Net investment in capital assets	48,395	48,334	33,898	33,758	82,293	82,092
Restricted	<u>8,325</u>	<u>5,736</u>	<u>1,205</u>	<u>1,917</u>	<u>9,530</u>	<u>7,654</u>
Unrestricted (deficit)	<u>3,698</u>	<u>5,640</u>	<u>11,159</u>	<u>8,519</u>	<u>14,857</u>	<u>14,159</u>
<b>Total net position</b>	<b><u>60,418</u></b>	<b><u>59,710</u></b>	<b><u>46,262</u></b>	<b><u>44,195</u></b>	<b><u>106,681</u></b>	<b><u>103,905</u></b>
<b>Total liabilities, deferred inflows &amp; net position</b>	<b><u>\$67,010</u></b>	<b><u>\$ 66,496</u></b>	<b><u>\$56,019</u></b>	<b><u>\$55,556</u></b>	<b><u>\$123,029</u></b>	<b><u>\$122,053</u></b>

8.9% of the City's total net position represents resources that are restricted on how they may be used. 13.9% 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 \$1,941,267, to \$3,698,222 during the fiscal year, due in large part to a \$1,000,000 transfer to the Public Safety Fund. While this transfer did not reduce cash on-hand, it did restrict future uses of these funds to Fire Suppression related capital expenditures, thus causing a corresponding decrease in unrestricted net position. The City's Business-type unrestricted net position increased by \$2,639,722 to \$11,158,737, due to positive operations and continued 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)**

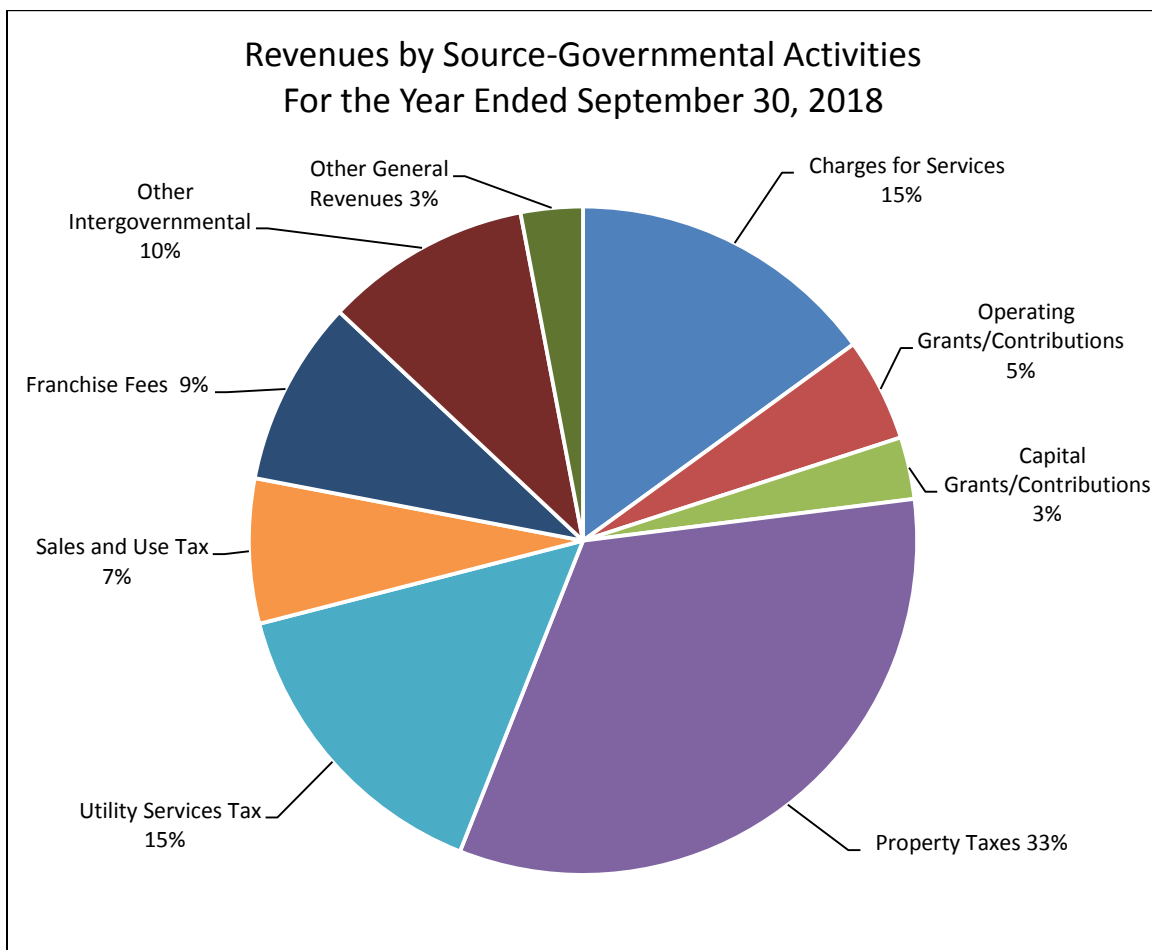
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charges for services	\$2,309	\$2,197	\$11,394	\$11,064	\$13,703	\$13,261
Operating Grants/Contributions	813	545	10	10	823	555
Capital Grants/Contributions	387	321	313	306	700	627
<b>General Revenues:</b>						
Property Taxes	5,024	4,861			5,024	4,861
Sales and Use Tax	1,096	1,026			1,096	1,026
Utility Services Tax	2,368	2,348			2,368	2,348
Franchise Fees	1,404	1,389			1,404	1,389
Other Intergovernmental	1,519	1,459	533	532	2,052	1,459
Investment Income	101	82	118	68	219	150
Other General Revenues	355	110	(215)		140	110
Gain on Disposal of Assets	37	43	8	36	45	79
<b>Total Revenues</b>	<b><u>\$15,413</u></b>	<b><u>\$14,381</u></b>	<b><u>\$12,161</u></b>	<b><u>\$12,016</u></b>	<b><u>\$27,574</u></b>	<b><u>\$26,397</u></b>
<b>EXPENSES</b>						
<b>Program Activities:</b>						
<b>Primary Government</b>						
<b>Governmental Activities:</b>						
General Government	4,248	4,120			4,248	4,120
Law Enforcement	1,695	1,643			1,695	1,643
Fire	2,397	2,240			2,397	2,240
Technical Services	398	329			398	329
Transportation and Drainage	1,557	1,696			1,557	1,696
Library	972	984			972	984
Parks & Recreation	2,975	2,943			2,975	2,943
Planning/Redevelopment	173	196			173	196
Interest on Long-Term Debt	10	13			10	13
<b>Business-type Activities:</b>						
<b>Water &amp; Wastewater</b>						
Water Reclamation			3,319	3,336	3,319	3,336
Reverse Osmosis water plant			3,188	3,218	3,188	3,218
<b>Stormwater Utility</b>			719	722	719	722
<b>Solid Waste</b>			2,781	2,682	2,781	2,682
<b>Total Expenses</b>	<b><u>14,425</u></b>	<b><u>14,164</u></b>	<b><u>10,007</u></b>	<b><u>9,958</u></b>	<b><u>24,432</u></b>	<b><u>24,122</u></b>
Excess Revenue Over Expenses	988	217	2,154	2,058	3,142	2,275
<b>Net Position, October 1</b>	<b><u>\$59,710</u></b>	<b><u>\$59,625</u></b>	<b><u>\$44,195</u></b>	<b><u>\$42,136</u></b>	<b><u>\$103,905</u></b>	<b><u>\$101,761</u></b>
<b>Prior Period Adjustment (OPEB)</b>	<b><u>(280)</u></b>	<b><u>(132)</u></b>	<b><u>(86)</u></b>	<b><u>-</u></b>	<b><u>(366)</u></b>	<b><u>(132)</u></b>
<b>Net Position, October 1 (Restated)</b>	<b><u>\$59,430</u></b>	<b><u>\$59,493</u></b>	<b><u>\$44,109</u></b>	<b><u>\$42,136</u></b>	<b><u>\$103,539</u></b>	<b><u>\$101,629</u></b>
<b>Ending Net Position</b>	<b><u>\$60,418</u></b>	<b><u>\$59,710</u></b>	<b><u>\$46,262</u></b>	<b><u>\$44,194</u></b>	<b><u>\$106,680</u></b>	<b><u>\$103,905</u></b>

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

## **Governmental Activities**

Governmental Activities increased the City's total net position by \$987,496, accounting for 31.5% of the total growth in the net position of the City. Key elements to the increase in net position included:

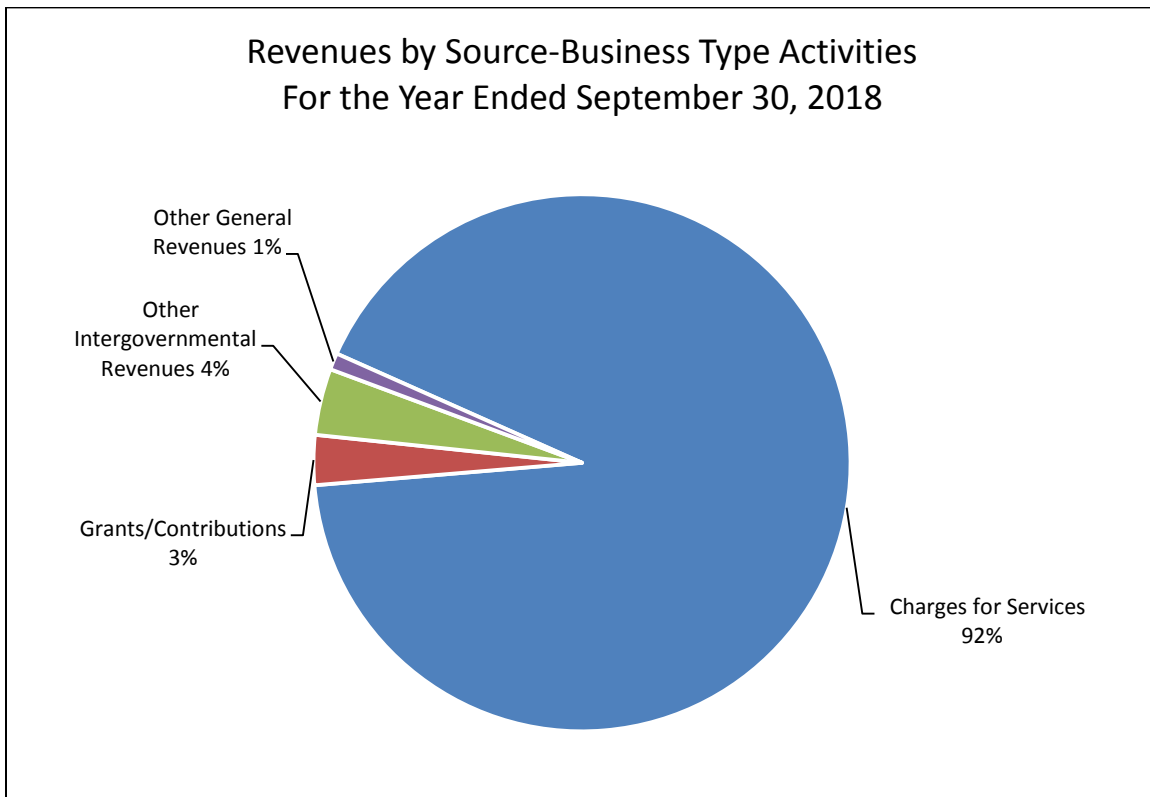
- Overall, total Governmental Revenues increased approximately 0.4%, with gains to the Ad Valorem proceeds partially offset by yet another downturn in Communications Services taxes, Intergovernmental Revenues, and a reduction of Fire Insurance Premium taxes. Program revenues increased by approximately \$450,000 over the prior year, but general revenues were required to cover the shortage in program revenues.
- Total Governmental activity expenses increased slightly, by about 1.8%, due to additional depreciation charges on recently completed capital projects.
- Total Governmental Capital Grants & Contributions increased due to an increase in CRA property values.



### **Business-type Activities**

Business-type activities (enterprise funds) increased the City's total net position by \$2,153,561, accounting for 68.5% of the total growth in the government's net position. Key elements of the increase were:

- The Water and Sewer Operating Fund contributed \$2,030,458 to the increase in the city's business-type net position. The fund continues to accumulate resources needed to fund future capital projects, including the Harbor Palms water line improvements, and improvements at the city's Reverse Osmosis Water Treatment Plant and the Water Reclamation Facility. Program revenues for Business-type activities increased slightly due to continued new development and a rate increase, enhancing stability in the system and providing resources to fund future system maintenance.
- The Stormwater Fund net cash assets increased, due to the delay of capital projects. Recent new construction around the City has also expanded revenues for the fund, contributing to the City's business-type net position increase, by \$61,951.
- The Solid Waste Fund finished the fiscal year in a positive position with an increase in net assets of \$61,152. An operating grant and investment income contributed \$23,316 towards this increase.



## **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 \$14,412,633, an increase of \$1,253,262 from the prior year. Unassigned fund balance, which is only in the General Fund, constitutes \$2,952,028 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 (\$457,181) for prepaid items; Restricted (\$4,649,888) for Capital Projects, by external restrictions on Fund revenues; Committed to Capital Projects (\$574,977), by purchase orders not yet completed at year-end; and Assigned (\$3,544,000) 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 \$2,952,028, while total fund balance in the General Fund was \$6,087,773. 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 21.44% of total fund expenditures for the current year, exceeding the 15% minimum as established by the City's General Fund Balance Reserve Policy.

Total fund balance in the City's General Fund decreased by \$1,335,647 during the current fiscal year. Key factors in this change were:

- General Fund revenues totaled \$12,450,990, an increase of \$56,049 from the prior year. Ad Valorem proceeds increased by \$137,395 and modest gains were realized in franchise fees and utility taxes. Offsetting these gains were intergovernmental revenues and communications services taxes which were both down from the previous fiscal year.
- General Fund expenditures totaled \$12,830,264, an increase of \$352,983 (2.8%) over the prior year.
- City Council approved a transfer in the amount of \$1,000,000 to the Public Safety Impact Fund to provide funding for the replacement of Fire Rescue apparatus.

Fund balance in the City's Capital Improvement Fund increased by \$826,145, to a total of \$5,218,518. 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 17/18 is largely attributable to a continued program to save Local Infrastructure Tax (Penny for

Pinellas) proceeds to fund future improvement projects for Douglas Road and the Oldsmar Sports Complex. Progress continued on the design work for the Burbank Road Extension and the Harbor Palms Infrastructure Improvement projects (\$36,213 and \$38,379 respectively), as well as the Douglas Road Trail & Drainage Improvements and the Canal Park Master Plan Improvements Phase 1A (\$226,650 and \$284,958, respectively).

In the Community Redevelopment Agency Fund (CRA), the timing of capital projects led to a \$604,284 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 \$318,857. A strong year of operations, combined with an unanticipated delay in the Downtown Water Line Replacement project, resulted in an increase of \$2,352,500 in unrestricted net assets, to a total of \$9,661,676. Total fund net position increased by \$1,959,335, to a total of \$40,195,296.

The unrestricted net position of the Stormwater Fund was \$961,973 at the end of the fiscal year, an increase of \$228,342 over the prior year. The new revenue from recent development activity provided additional resources to the fund, and will be allocated for future enhancements and system maintenance.

Unrestricted net position of the Solid Waste Fund was \$535,088 at year-end, an increase of \$58,880 from the prior year. Operating revenues increased by \$154,487 and the operating expenses increased overall by \$99,356. Growth in the solid waste revenue was due to new development in the service area and additional commercial activity.

## **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 \$1,126,181, comprised of the following components:
  - Encumbrance (Purchase Order) carryovers from prior fiscal year totaling \$126,181
  - Approval of a \$1,000,000 transfer to the Public Safety Fund for Fire Department Capital expenditures
  - In addition, City Council approved the following charges against the General Fund's contingency reserve, totaling \$446,500:
    - AC repairs at the Fire Station, Land Purchase near MSC, and purchase of a vehicle AC recovery unit to enhance the capabilities of the Fleet Division for a total of \$215,000
    - Funds for the renovation of the State Street Center, AC repairs at the Fire Station, and equipment purchases in the Facilities Division for a total of \$105,000
    - Fire Department pension costs and building repairs for a total of \$90,000

**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 \$1,776,657. Of this amount, \$502,550 is unused contingency reserve. Other variances include: \$339,706 for personal services due to vacancies, \$245,030 because of operating expenditures, and \$689,370 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, 2018, amounts to \$90.0 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 less than 1.0% (\$657,861). Depreciation charges were the predominant factor in this decrease.

Major capital asset events during the 2017/2018 fiscal year included the following:

- In the General Fund, a major overhaul of City building AC systems began with \$7,000 spent to replace the Council Room AV system AC unit and \$54,500 was spent to begin upgrades to the Municipal Services Center AC System. Improvements to the lighting at Veterans Memorial Park were completed, with a total of \$11,620 expended during FY 17/18. Other projects include \$57,974 expended to renovate and expand the City's Cypress Forest Recreation Center building, \$47,865 to supply and install bleacher covers and barrier nets at the Oldsmar Sports Complex, \$22,656 to expand the City's fiberoptic network to the newly renovated State Street Center and \$32,001 to renovate the building itself.
- In the Multi-Modal Impact Fund, \$26,000 was spent to finalize a Citywide Long-Range Transportation Master Plan, which will guide the City with regards to future potential transportation infrastructure, including multi-modal opportunities and development related issues.
- In the CRA Fund, \$12,960 was spent to update and install new signs in the CRA area of the City.
- In the Capital Improvement Fund, progress continued on the Harbor Palms Infrastructure design, for a total of \$114,542. In addition, \$36,213 was spent in 2018 on the Burbank Road Construction Project with total expended to date of \$529,421. The Douglas Road Trail and Drainage Improvements project and Oldsmar Sports Complex Master Plan also continued to be in focus, with \$226,650 and \$284,958 spent during fiscal year 2018 respectively.
- The Reclaimed Water Master Plan was finalized and ROWTP Improvements were completed (\$12,030 and \$65,445 spent during FY17/18), both of which show the City's

dedication to efficient delivery of valuable environmental resources to our citizens and customers. Additionally, \$26,423 was spend on the ASR reclaimed Water Storage system. Also important to the City's conservation (environmental and fiscal) efforts are continued maintenance and upgrade of our lift stations, of which \$161,734 was spent this fiscal year.

- Progress continued on the annual gravity sewer relining project with \$179,636 spent during the fiscal year. In addition, the Downtown Water Line System Improvements project got underway, with \$287,581 spent during the fiscal year towards this important water quality project. Another highly visible project under way is the Forest Lakes Road widening project. While this is a County managed project, significant City investment was required to relocate City utilities from the project area. Required funding was \$539,210 for this project, during the fiscal year.
- Touch-Read meter upgrades totaled \$164,017 for FY17/18. 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 \$268,308 spent to date.
- Design work continued on the Harbor Palms Infrastructure Improvement project with a total of \$90,170 spent to-date in the Stormwater Utility fund. 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land and land rights	\$14.4	\$14.1	\$ 1.1	\$1.1	\$15.5	\$15.2
Buildings	17.6	17.5	24.0	24.0	41.6	41.5
Improvements other than						
Buildings	38.4	37.6	41.5	41.1	79.9	78.8
Equipment	7.1	6.8	3.0	2.9	10.1	9.7
Less:						
Accumulated Depreciation	<u>(29.4)</u>	<u>(27.5)</u>	<u>(32.3)</u>	<u>(30.2)</u>	<u>(61.7)</u>	<u>(57.7)</u>
<b>Sub-Total</b>	48.1	48.5	37.2	39.0	85.3	87.5
Work in Progress	<u>1.1</u>	<u>.8</u>	<u>3.5</u>	<u>2.3</u>	<u>4.6</u>	<u>3.1</u>
<b>Total</b>	<u><b>\$49.2</b></u>	<u><b>\$49.3</b></u>	<u><b>\$40.7</b></u>	<u><b>\$41.3</b></u>	<u><b>\$89.9</b></u>	<u><b>\$90.6</b></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 \$7,639,840 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**

	<b><u>2018</u></b>	<b><u>Totals</u></b> <b><u>2017</u></b>
<b>Governmental:</b>		
Capital Improvement		
Refunding Note – 2012 Veterans Park	<u>\$ 810,000</u>	<u>\$966,000</u>
Sub-Total	<u>810,000</u>	<u>966,000</u>
<b>Business Type:</b>		
Water/Wastewater Bonds	-	1,439,392
State Revolving Loan – Water	665,535	801,519
State Revolving Loan – RO Plant ARRA	2,367,987	2,511,535
State Revolving Loan – RO Plant Secondary	<u>3,796,318</u>	<u>4,021,244</u>
Sub Total	<u>6,829,840</u>	<u>8,773,690</u>
<b>Total</b>	<b><u>\$7,639,840</u></b>	<b><u>\$9,739,690</u></b>

The City's balance of total debt decreased by \$2,099,849 during the 2017/2018 fiscal year. No new debt was incurred and all scheduled debt service payments were made in a timely manner. On June 28, 2018, the City legally defeased the 1990 series Water and Sewer bonds, by placing the debt service reserve funds plus additional City contributions in an irrevocable trust to provide all future debt service payments on the old obligation. Accordingly, the trust account assets and the future liability for the defeased obligation are not included in the City's financial statements.

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 conditions and assist the City in furthering the vision of the Council, which is 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 that attracts new business to our community. In addition, a focus for the coming year will be to engage the development community in discussions regarding both the property east of City Hall and adjacent to the Library.

## **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, 2018

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash, pooled cash and cash equivalents	\$ 7,750,157	\$ 4,354,498	\$ 12,104,655
Investments	500,000	1,992,664	2,492,664
Receivables			
Accounts and other, net	69,210	758,606	827,816
Due from other governments	456,527	38,231	494,758
Inventories	33,890	-	33,890
Prepaid items	457,181	46,505	503,686
Total Current Assets	9,266,965	7,190,504	16,457,469
<b>Noncurrent Assets</b>			
Investments	6,417,755	5,922,981	12,340,736
Net pension asset	122,781	-	122,781
Restricted Assets			
Cash, pooled cash and cash equivalents	-	1,961,396	1,961,396
Capital Assets			
Nondepreciable	15,538,132	4,620,912	20,159,044
Depreciable, net of accumulated depreciation	33,688,664	36,107,213	69,795,877
Total Noncurrent Assets	55,767,332	48,612,502	104,379,834
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	1,933,241	203,847	2,137,088
OPEB related	42,568	12,051	54,619
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 67,010,106</b>	<b>\$ 56,018,904</b>	<b>\$ 123,029,010</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 785,449	\$ 1,044,083	\$ 1,829,532
Accrued items	280,904	67,528	348,432
Customer deposits	-	756,187	756,187
Due to other governments	68,532	-	68,532
Accrued interest payable	-	20,279	20,279
Current portion of long-term obligations	156,000	639,801	795,801
Total Current Liabilities	1,290,885	2,527,878	3,818,763
<b>Long-Term Liabilities</b>			
Total OPEB liability	1,115,884	315,906	1,431,790
Net pension liability	1,460,730	476,307	1,937,037
Noncurrent portion of long-term obligations	1,011,599	6,359,120	7,370,719
Total Long-Term Liabilities	3,588,213	7,151,333	10,739,546
Total Liabilities	4,879,098	9,679,211	14,558,309
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	1,525,505	68,671	1,594,176
OPEB related	28,423	8,791	37,214
Deferred revenues	137,202	-	137,202
Bond refunding premium	21,942	-	21,942
Total Deferred Inflows of Resources	1,713,072	77,462	1,790,534
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>6,592,170</b>	<b>9,756,673</b>	<b>16,348,843</b>
<b>NET POSITION</b>			
Net investment in capital assets	48,394,854	33,898,285	82,293,139
Restricted for			
Capital projects	5,218,518	960,855	6,179,373
CRA	1,497,098	-	1,497,098
Debt service	147,277	244,354	391,631
Parkland dedication	242,916	-	242,916
Public safety	1,107,410	-	1,107,410
Multimodal impact	111,641	-	111,641
Unrestricted	3,698,222	11,158,737	14,856,959
Total Net Position	60,417,936	46,262,231	106,680,167
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 67,010,106</b>	<b>\$ 56,018,904</b>	<b>\$ 123,029,010</b>

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

## CITY OF OLDSMAR, FLORIDA

## STATEMENT OF ACTIVITIES

For the year ended September 30, 2018

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities				
General Government	\$ (4,248,085)	\$ 1,305,549	\$ 509,408	\$ -
Law Enforcement	(1,694,673)	-	-	-
Fire Protection	(2,396,878)	525,409	75,236	-
Technical Services	(398,468)	-	-	-
Transportation	(1,556,622)	88,751	-	40,273
Library	(972,083)	16,050	179,714	-
Parks and Recreation	(2,974,986)	334,812	49,345	-
Community Redevelopment	(173,465)	38,501	-	346,516
Interest on Long-Term Debt	(10,320)	-	-	-
Total Governmental Activities	(14,425,580)	2,309,072	813,703	386,789
Business-type Activities				
Water and Sewer				
Water reclamation	(3,319,181)	3,751,385	-	176,086
Reverse osmosis water plant	(3,187,687)	4,092,202	-	95,619
Stormwater Utility	(719,270)	731,360	-	40,889
Solid Waste	(2,781,091)	2,818,928	10,486	-
Total Business-type Activities	(10,007,229)	11,393,875	10,486	312,594
Total Primary Government	\$ (24,432,809)	\$ 13,702,947	\$ 824,189	\$ 699,383

## 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

Gain on extinguishment of debt

Transfers In

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
\$ (2,433,128)	\$ -	\$ (2,433,128)
(1,694,673)	-	(1,694,673)
(1,796,233)	-	(1,796,233)
(398,468)	-	(398,468)
(1,427,598)	-	(1,427,598)
(776,319)	-	(776,319)
(2,590,829)	-	(2,590,829)
211,552	-	211,552
(10,320)	-	(10,320)
(10,916,016)	-	(10,916,016)
-	608,290	608,290
-	1,000,134	1,000,134
-	52,979	52,979
-	48,323	48,323
-	1,709,726	1,709,726
(10,916,016)	1,709,726	(9,206,290)
5,024,275	-	5,024,275
1,095,543	-	1,095,543
1,568,462	-	1,568,462
799,160	-	799,160
1,403,988	-	1,403,988
1,518,745	532,500	2,051,245
100,823	118,263	219,086
105,081	-	105,081
37,435	8,372	45,807
-	34,700	34,700
250,000	(250,000)	-
11,903,512	443,835	12,347,347
987,496	2,153,561	3,141,057
59,710,104	44,194,685	103,904,789
(279,664)	(86,015)	(365,679)
59,430,440	44,108,670	103,539,110
\$ 60,417,936	\$ 46,262,231	\$ 106,680,167

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

## CITY OF OLDSMAR, FLORIDA

## BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2018

	General	Capital Improvement	Special Revenue Fund Community Redevelopment	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash, pooled cash and cash equivalents	\$ 771,706	\$ 3,801,624	\$ 1,498,701	\$ 1,678,126	\$ 7,750,157
Investments	5,959,689	958,066	-	-	6,917,755
Receivables					
Accounts and other	66,209	3,001	-	-	69,210
Due from other governments	295,065	161,462	-	-	456,527
Inventories	33,890	-	-	-	33,890
Prepaid items	80,551	376,630	-	-	457,181
<b>TOTAL ASSETS</b>	<b>\$ 7,207,110</b>	<b>\$ 5,300,783</b>	<b>\$ 1,498,701</b>	<b>\$ 1,678,126</b>	<b>\$ 15,684,720</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Accounts payable	\$ 701,231	\$ 82,265	\$ 1,603	\$ 350	\$ 785,449
Accrued items	280,904	-	-	-	280,904
Due to other governments	-	-	-	68,532	68,532
<b>TOTAL LIABILITIES</b>	<b>982,135</b>	<b>82,265</b>	<b>1,603</b>	<b>68,882</b>	<b>1,134,885</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Local business tax receipts	137,202	-	-	-	137,202
<b>TOTAL DEFERRED INFLOWS</b>	<b>137,202</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137,202</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>1,119,337</b>	<b>82,265</b>	<b>1,603</b>	<b>68,882</b>	<b>1,272,087</b>
<b>FUND BALANCES</b>					
Nonspendable					
Inventory	33,890	-	-	-	33,890
Prepaid items	80,551	376,630	-	-	457,181
Restricted for:					
Capital projects	-	4,556,972	-	92,916	4,649,888
CRA	-	-	597,098	-	597,098
Debt service	-	-	-	147,277	147,277
Fire suppression	-	-	-	758,240	758,240
Transportation improvements	-	-	-	111,641	111,641
Committed to:					
Capital projects	434,891	74,916	-	65,170	574,977
Assigned to:					
Insurance	556,862	-	-	-	556,862
Art improvements	29,551	-	-	-	29,551
Appropriated reserve	2,000,000	210,000	900,000	434,000	3,544,000
Unassigned	2,952,028	-	-	-	2,952,028
<b>TOTAL FUND BALANCES</b>	<b>6,087,773</b>	<b>5,218,518</b>	<b>1,497,098</b>	<b>1,609,244</b>	<b>14,412,633</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,207,110</b>	<b>\$ 5,300,783</b>	<b>\$ 1,498,701</b>	<b>\$ 1,678,126</b>	<b>\$ 15,684,720</b>

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

CITY OF OLDSMAR, FLORIDA

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

September 30, 2018

Fund balances - total governmental funds	\$ 14,412,633
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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	\$ 78,633,930	
Less accumulated depreciation	<u>(29,407,134)</u>	49,226,796

Pension related items recognized pursuant to GASB 68  
and OPEB related items recognized pursuant to GASB 75 are not  
reported in the governmental funds but will be recognized in pension  
and OPEB expense on a long-term basis and therefore are reported in the  
Statement of Net Position

Net pension asset	122,781	
Deferred outflows of resources - Pension related	1,933,241	
Net pension liability	(1,460,730)	
Deferred inflows of resources - Pension related	(1,525,505)	
Total OPEB liability	(1,115,884)	
Deferred outflows of resources - OPEB related	42,568	
Deferred inflows of resources - OPEB related	<u>(28,423)</u>	(2,031,952)

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	(810,000)	
Unamortized bond premium	(21,942)	
Compensated absences	<u>(357,599)</u>	<u>(1,189,541)</u>

Net position of governmental activities		<u><u>\$ 60,417,936</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, 2018

	General	Capital Improvement	Special Revenue Community Redevelopment	Other Governmental Funds	Total
<b>REVENUES</b>					
Property taxes	\$ 4,763,765	\$ -	\$ 260,510	\$ -	\$ 5,024,275
Sales taxes	-	1,095,543	-	-	1,095,543
Franchise fees	1,403,988	-	-	-	1,403,988
Utility taxes	1,396,656	-	-	171,806	1,568,462
Fire insurance premium tax	70,178	-	-	-	70,178
Communications service tax	799,160	-	-	-	799,160
Business tax receipts	172,719	-	-	-	172,719
Licenses, permits and fees	412,480	-	-	-	412,480
Intergovernmental revenues	2,153,975	433,408	346,517	-	2,933,900
Charges for services	465,475	-	-	-	465,475
Rents and royalties	107,276	-	38,051	-	145,327
Fines and forfeitures	126,929	-	-	-	126,929
Investment income	58,625	33,268	2,418	6,512	100,823
Impact fees	-	-	-	177,968	177,968
Special assessments	4,823	-	-	-	4,823
Other miscellaneous	514,941	-	-	113,200	628,141
<b>TOTAL REVENUES</b>	<b>12,450,990</b>	<b>1,562,219</b>	<b>647,496</b>	<b>469,486</b>	<b>15,130,191</b>
<b>CURRENT EXPENDITURES</b>					
General Government	3,735,150	-	-	-	3,735,150
Law Enforcement	1,692,419	-	-	-	1,692,419
Fire Protection	2,093,385	-	-	-	2,093,385
Technical Services	364,512	-	-	-	364,512
Transportation	999,312	-	-	-	999,312
Library	850,751	-	-	-	850,751
Parks and Recreation	2,104,957	-	-	-	2,104,957
Community Redevelopment	-	-	30,252	-	30,252
Capital Outlay	989,778	986,074	12,960	139,200	2,128,012
Debt Service					
Principal retirement	-	-	-	156,000	156,000
Interest and other fiscal charges	-	-	-	15,806	15,806
<b>TOTAL EXPENDITURES</b>	<b>12,830,264</b>	<b>986,074</b>	<b>43,212</b>	<b>311,006</b>	<b>14,170,556</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(379,274)</b>	<b>576,145</b>	<b>604,284</b>	<b>158,480</b>	<b>959,635</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers	(1,000,000)	250,000	-	1,000,000	250,000
Proceeds from sale of capital assets	43,627	-	-	-	43,627
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(956,373)</b>	<b>250,000</b>	<b>-</b>	<b>1,000,000</b>	<b>293,627</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,335,647)</b>	<b>826,145</b>	<b>604,284</b>	<b>1,158,480</b>	<b>1,253,262</b>
<b>FUND BALANCES BEGINNING</b>	<b>7,423,420</b>	<b>4,392,373</b>	<b>892,814</b>	<b>450,764</b>	<b>13,159,371</b>
<b>FUND BALANCES ENDING</b>	<b>\$ 6,087,773</b>	<b>\$ 5,218,518</b>	<b>\$ 1,497,098</b>	<b>\$ 1,609,244</b>	<b>\$ 14,412,633</b>

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

CITY OF OLDSMAR, FLORIDA

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

For the year ended September 30, 2018

Net change in fund balances - total governmental funds	\$	1,253,262
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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	\$	2,128,012	
Less current year depreciation		<u>(2,222,359)</u>	(94,347)

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	(43,627)	
Gain on disposal of capital assets	<u>37,435</u>	(6,192)

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	156,000
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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	(4,550)	
Pension expense - GASB 68	(186,193)	
Amortization of bond premium	5,486	
Change in long-term compensated absences	(32,686)	
Change in OPEB	<u>(103,284)</u>	<u>(321,227)</u>

Change in net position of governmental activities	\$	<u><u>987,496</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

## CITY OF OLDSMAR, FLORIDA

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

September 30, 2018

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
<b>ASSETS</b>				
Current Assets				
Cash, pooled cash and cash equivalents	\$ 2,484,625	\$ 1,026,319	\$ 843,554	\$ 4,354,498
Investments	1,992,664	-	-	1,992,664
Receivables				
Accounts and other, net	670,191	13,984	74,431	758,606
Due from other governments	18,563	19,668	-	38,231
Prepaid items	30,597	4,769	11,139	46,505
Total Current Assets	5,196,640	1,064,740	929,124	7,190,504
Noncurrent Assets				
Investments	5,922,981	-	-	5,922,981
Restricted Assets				
Cash, pooled cash and cash equivalents	1,733,587	-	227,809	1,961,396
Capital Assets				
Nondepreciable	3,895,196	725,716	-	4,620,912
Depreciable, net of accumulated depreciation	32,263,056	3,844,157	-	36,107,213
Total Noncurrent Assets	43,814,820	4,569,873	227,809	48,612,502
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related	203,847	-	-	203,847
OPEB Related	10,967	1,084	-	12,051
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 49,226,274</b>	<b>\$ 5,635,697</b>	<b>\$ 1,156,933</b>	<b>\$ 56,018,904</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 591,584	\$ 59,784	\$ 392,715	\$ 1,044,083
Accrued items	61,481	5,631	416	67,528
Accrued interest payable	20,279	-	-	20,279
Customer deposits	528,378	-	227,809	756,187
Current portion of long-term obligations	631,190	7,706	905	639,801
Total Current Liabilities	1,832,912	73,121	621,845	2,527,878
Long-Term Liabilities				
Total OPEB liability	287,490	28,416	-	315,906
Net pension liability	476,307	-	-	476,307
Noncurrent portion of long-term obligations	6,358,129	991	-	6,359,120
Total Liabilities	8,954,838	102,528	621,845	9,679,211
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related	68,671	-	-	68,671
OPEB Related	7,469	1,322	-	8,791
	76,140	1,322	-	77,462
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>9,030,978</b>	<b>103,850</b>	<b>621,845</b>	<b>9,756,673</b>
<b>NET POSITION</b>				
Net investment in capital assets	29,328,411	4,569,874	-	33,898,285
Restricted for				
Debt Service	244,354	-	-	244,354
Capital Projects	960,855	-	-	960,855
Unrestricted	9,661,676	961,973	535,088	11,158,737
Total Net Position	40,195,296	5,531,847	535,088	46,262,231
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 49,226,274</b>	<b>\$ 5,635,697</b>	<b>\$ 1,156,933</b>	<b>\$ 56,018,904</b>

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

## CITY OF OLDSMAR, FLORIDA

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

For the year ended September 30, 2018

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
<b>OPERATING REVENUES</b>				
User charges	\$ 7,558,514	\$ -	\$ 2,801,925	\$ 10,360,439
Fees	220,826	727,490	-	948,316
Other income	64,247	3,870	17,003	85,120
<b>TOTAL OPERATING REVENUES</b>	<b>7,843,587</b>	<b>731,360</b>	<b>2,818,928</b>	<b>11,393,875</b>
<b>EXPENSES</b>				
Salaries, wages and employee benefits	2,534,190	176,692	19,320	2,730,202
Contract services	469,083	76,798	26,292	572,173
Solid waste disposal	-	-	2,403,785	2,403,785
Utilities	445,525	-	-	445,525
Operating supplies	345,470	35,077	90	380,637
Repairs and maintenance	236,728	23,088	-	259,816
Other expense	224,341	38,018	59,680	322,039
Expense allocation	-	85,550	271,925	357,475
Depreciation	1,944,635	284,046	-	2,228,681
<b>TOTAL EXPENSES</b>	<b>6,199,972</b>	<b>719,269</b>	<b>2,781,092</b>	<b>9,700,333</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,643,615</b>	<b>12,091</b>	<b>37,836</b>	<b>1,693,542</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	96,462	8,971	12,830	118,263
Intergovernmental revenue	532,500	-	10,486	542,986
Gain on sale of capital assets	8,372	-	-	8,372
Gain on extinguishment of debt	34,700	-	-	34,700
Interest expense and fiscal charges	(306,896)	-	-	(306,896)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>365,138</b>	<b>8,971</b>	<b>23,316</b>	<b>397,425</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>2,008,753</b>	<b>21,062</b>	<b>61,152</b>	<b>2,090,967</b>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital grants	6,015	40,889	-	46,904
Interfund Transfer	(250,000)	-	-	(250,000)
Capital Contributions	265,690	-	-	265,690
<b>TOTAL CONTRIBUTIONS AND TRANSFERS</b>	<b>21,705</b>	<b>40,889</b>	<b>-</b>	<b>62,594</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,030,458</b>	<b>61,951</b>	<b>61,152</b>	<b>2,153,561</b>
<b>NET POSITION BEGINNING</b>	<b>38,235,961</b>	<b>5,482,516</b>	<b>476,208</b>	<b>44,194,685</b>
Restatement - See Note U	(71,123)	(12,620)	(2,272)	(86,015)
<b>NET POSITION BEGINNING - as restated</b>	<b>38,164,838</b>	<b>5,469,896</b>	<b>473,936</b>	<b>44,108,670</b>
<b>NET POSITION ENDING</b>	<b>\$ 40,195,296</b>	<b>\$ 5,531,847</b>	<b>\$ 535,088</b>	<b>\$ 46,262,231</b>

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, 2018

## INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 7,911,364	\$ 738,261	\$ 2,859,025	\$ 11,508,650
Cash paid to suppliers for goods and services	(1,420,072)	(146,746)	(2,515,533)	(4,082,351)
Cash payments to and for the benefit of employees	(2,499,579)	(189,435)	(26,706)	(2,715,720)
Cash paid for general government allocated expenses	-	(85,550)	(271,925)	(357,475)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>3,991,713</b>	<b>316,530</b>	<b>44,861</b>	<b>4,353,104</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental revenue	532,500	-	10,486	542,986
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>532,500</b>	<b>-</b>	<b>10,486</b>	<b>542,986</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid on revolving loans	(504,458)	-	-	(504,458)
Interest paid on revolving loans	(187,392)	-	-	(187,392)
Intergovernmental revenue	6,015	40,889	-	46,904
Acquisition and construction of capital assets	(1,566,326)	(105,034)	-	(1,671,360)
Principal paid on revenue bonds	(1,404,693)	-	-	(1,404,693)
Interest paid on revenue bonds	(200,147)	-	-	(200,147)
Other interest costs paid on long-term debt	(1,100)	-	-	(1,100)
Proceeds from sale of capital assets	8,372	-	-	8,372
Interfund transfer for capital improvements	(250,000)	-	-	(250,000)
Capital contributed by developers, grantors and landowners	265,690	-	-	265,690
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(3,834,039)</b>	<b>(64,145)</b>	<b>-</b>	<b>(3,898,184)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(2,462,710)	-	-	(2,462,710)
Investment maturities	8,195	-	-	8,195
Earnings on investments	96,462	8,971	12,830	118,263
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(2,358,053)</b>	<b>8,971</b>	<b>12,830</b>	<b>(2,336,252)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,667,879)</b>	<b>261,356</b>	<b>68,177</b>	<b>(1,338,346)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>5,886,091</b>	<b>764,963</b>	<b>1,003,186</b>	<b>7,654,240</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 4,218,212</b>	<b>\$ 1,026,319</b>	<b>\$ 1,071,363</b>	<b>\$ 6,315,894</b>
<b>COMPOSED OF:</b>				
Cash, pooled cash and cash equivalents	\$ 2,484,625	\$ 1,026,319	\$ 843,554	\$ 4,354,498
Noncurrent, Restricted cash, pooled cash and cash equivalents	1,733,587	-	227,809	1,961,396
	<b>\$ 4,218,212</b>	<b>\$ 1,026,319</b>	<b>\$ 1,071,363</b>	<b>\$ 6,315,894</b>

(continued)

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

	Water and Sewer Fund	Stormwater Utility Fund	Solid Waste Fund	Total
OPERATING INCOME (LOSS)	\$ 1,643,615	\$ 12,091	\$ 37,836	\$ 1,693,542
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,944,635	284,046	-	2,228,681
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	20,944	4,661	12,991	38,596
(Increase) decrease in due from other governments	30,688	2,240	-	32,928
(Increase) decrease in prepaid expense	9,144	148	(398)	8,894
(Increase) decrease in deferred outflows - pension	21,178	-	-	21,178
(Increase) decrease in deferred outflows - OPEB	(10,967)	(1,084)	-	(12,051)
Increase (decrease) in accounts payable	291,931	26,087	(25,288)	292,730
Increase (decrease) in accrued items	(31,661)	1,922	(180)	(29,919)
Increase (decrease) in compensated absences	20,713	1,736	905	23,354
Increase (decrease) in OPEB	33,568	(16,639)	(8,111)	8,818
Increase (decrease) in deferred inflows - pension	28,112	-	-	28,112
Increase (decrease) in deferred inflows - OPEB	7,469	1,322	-	8,791
Increase (decrease) in net pension liability	(33,801)	-	-	(33,801)
Increase (decrease) in customer deposits	16,145	-	27,106	43,251
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,991,713</u>	<u>\$ 316,530</u>	<u>44,861</u>	<u>\$ 4,353,104</u>

## NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Refunding and Improvement Revenue Bonds, Series 1990, include capital appreciation bonds. Interest accretion of \$200,147, is included in interest expense and fiscal charges of the Water and Sewer Fund for the year ended September 30, 2018.

An allowance for uncollectible accounts in the amount of \$5,348 has been provided for in the Water and Sewer Fund at September 30, 2018.

Capital assets with an original cost of \$14,403 and accumulated depreciation of \$14,403 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, 2018

With comparative amounts for September 30, 2017

	Firefighters' Retirement Pension Trust Fund	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 25,622	\$ 23,271
Investments, at fair value		
Broad Market HQ Bond Fund	928,799	913,389
Core Plus Fixed Income Fund	1,101,748	1,343,904
Diversified Small to Mid Cap Fund	768,661	639,954
Diversified Value Fund	-	459,604
High Quality Growth Fund	-	465,421
Russell 1000 Index Fund	-	1,355,540
International Equity Portfolio	909,582	616,683
Diversified Large Cap Portfolio	2,094,602	-
Real Estate Portfolio	576,496	-
Total Investments, at fair value	6,379,888	5,794,495
Accounts receivable	64,146	55,445
TOTAL ASSETS	6,469,656	5,873,211
LIABILITIES	-	-
TOTAL LIABILITIES	-	-
NET POSITION		
Restricted for pension benefits	\$ 6,469,656	\$ 5,873,211

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, 2018

With comparative amounts for the year ended September 30, 2017

	Firefighters' Retirement Pension Trust Fund	
	2018	2017
ADDITIONS		
Contributions - employee	\$ 31,403	\$ 29,767
Contributions - city	147,698	102,397
Fire insurance premium tax	70,178	81,623
Investment return	441,185	686,134
Total additions	690,464	899,921
DEDUCTIONS		
Benefit payments	53,093	51,547
Administrative charges	40,926	38,685
Total deductions	94,019	90,232
NET INCREASE	596,445	809,689
NET POSITION RESTRICTED FOR PENSION BENEFITS - BEGINNING	5,873,211	5,063,522
NET POSITION RESTRICTED FOR PENSION BENEFITS - ENDING	\$ 6,469,656	\$ 5,873,211

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



CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**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, 2018

**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, 2018

**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: There were no interfund receivables or payables during the year.

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, 2018 was \$5,348.

Prepaid Items: Payments made to vendors that will benefit periods beyond September 30, 2018 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.
- b) Public Hearings are conducted to obtain taxpayer comments on the proposed budget and property tax millage rate.

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

- 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 2018 in the General, Public Safety, Parkland Dedication, 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, 2018 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, 2018 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.

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.

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

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 \$2,222,359 in the Governmental activities and \$2,228,681 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 OPEB that are derived from changes in assumptions are amortized to OPEB expense over a closed nine year period. Contributions to the OPEB plan from the employer subsequent to the measurement date of the total OPEB liability and before the end of the reporting period are reported as a deferred outflow of resources related to OPEB.

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, 2018

**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, 2018.

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

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

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

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, 2018.

Total Other Postemployment Benefits (OPEB) Liability: The City has adopted GASB Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the fiscal year ended September 30, 2018. As a result of the implementation of GASB 75, the City is reporting a restatement for the change in accounting principle as of October 1, 2017. The difference between the Net OPEB liability as of September 30, 2017 and the GASB 75 Unfunded Actuarial Accrued Liability (reported as the Total OPEB liability in the Statement of Net Position) as of the measurement date of September 30, 2017 has been reported as a restatement of net position as of October 1, 2017. The impact of the implementation and prior period adjustment is presented in Note U.

**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 \$5,690,573.

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 2018 – 01, 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, 2018 was \$1,544,060.

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an external local government investment pool created by interlocal agreement under Florida Statute 163.01. The pool is supervised by an appointed Board of Trustees comprised of eligible participants of the program. The Board acts as the liaison between the participants, the custodian, and the program administrator. The fund is an S&P AAAM rated money market product offering a fiscally conservative option for Florida local governments. The objective of the fund is to provide investors with liquidity, stable share price and as high a level of current income as is consistent with the preservation of principal and liquidity. The amount on deposit with FLCLASS at September 30, 2018 is \$2,559,880.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

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 \$4,215,474.

Government sponsored enterprise investments are composed of bonds issued by the Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), Federal Farm Credit Bank and Federal Home Loan Banks.

Municipal debt issues include the Florida State Hurricane Catastrophe Fund Financial Corporation 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, Wells Fargo Bank, N.A. and Seabridge Wealth Management 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 \$13,387,794.

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 30, 2018 was 23 days. The weighted average days to maturity of the Florida PRIME at September 30, 2018 was 35 days. The weighted average days to maturity of the FL CLASS at September 30, 2018 was 72 days. Scheduled maturities of government sponsored enterprise bonds range from 3 to 47 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, 2018, is summarized as follows:

	Carrying Amounts	Credit Rating
Petty cash	\$ 1,670	N/A
Deposits	5,690,573	N/A
Certificates of deposit	1,500,000	N/A
Florida Surplus Asset Fund Trust (FL SAFE)	1,544,060	AAAm (S&P)
Florida Cooperative Liquid Assets Securities System (FLCLASS)	2,559,880	AAAm (S&P)
Government Sponsored Enterprises.		
Federal Home Loan Mortgage Corporation Bonds	1,781,740	AA+ (S&P)
Federal Home Loan Bank Bonds	485,611	AA+ (S&P)
Federal National Mortgage Association Bonds	3,123,919	AA+ (S&P)
Florida Hurricane Catastrophe Fund Fin Corp	499,700	Aa3 (Moody’s)
Federal Farm Credit Bank	980,199	AA+ (S&P)
Hillsborough County Aviation Authority	998,230	A3 (Moody’s)
United States Treasury Notes	2,498,132	Aaa
Vanguard Mortgage Backed Securities ETF	1,047,795	N/A
Goldman Sachs Short-Term Duration	1,049,020	N/A
Vanguard Short-Term Admiral	599,473	N/A
Vanguard Short-Term Govt Bond Index	269,581	N/A
State Street Institutional Liquid Reserves Fund	24,286	AAAm (S&P)
State Board of Administration Florida PRIME	4,215,474	AAAm (S&P)
Total	<u>\$ 28,899,451</u>	



## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**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, 2018, is summarized as follows:

Cash, pooled cash and cash equivalents, current	\$ 12,104,655
Investments, current	2,492,664
Investments, noncurrent	12,340,736
Cash pooled cash and cash equivalents, noncurrent restricted	1,961,396
	<u>\$ 28,899,451</u>

**NOTE C - CHANGE IN CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance 10/01/17	Additions	Transfers In (Out)	Deletions	Ending Balance 9/30/18
<b>Governmental activities</b>					
Non-Depreciable Assets					
Land and land rights	\$ 14,144,781	\$ 283,026	\$ -	\$ -	\$ 14,427,807
Construction in progress	847,282	828,604	(565,562)	-	1,110,324
Depreciable Assets					
Buildings	17,492,341	-	97,674	-	17,590,015
Improvements	37,635,800	299,930	467,888	(11,222)	38,392,396
Equipment	6,752,119	716,452	14,403	(369,586)	7,113,388
<b>Totals at historical cost</b>	<u>76,872,323</u>	<u>2,128,012</u>	<u>14,403</u>	<u>(380,808)</u>	<u>78,633,930</u>
Less accumulated depreciation for					
Buildings	(5,521,951)	(460,873)	-	-	(5,982,824)
Improvements	(17,538,243)	(1,298,592)	-	9,725	(18,827,110)
Equipment	(4,484,793)	(462,894)	(14,403)	364,890	(4,597,200)
<b>Total accumulated depreciation</b>	<u>(27,544,987)</u>	<u>(2,222,359)</u>	<u>(14,403)</u>	<u>374,615</u>	<u>(29,407,134)</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 49,327,336</u>	<u>\$ (94,347)</u>	<u>\$ -</u>	<u>\$ (6,193)</u>	<u>\$ 49,226,796</u>
<b>Business-type activities</b>					
Non-Depreciable Assets					
Land and land rights	\$ 1,095,512	\$ -	\$ -	\$ -	\$ 1,095,512
Construction in progress	2,260,366	1,609,813	(344,780)	-	3,525,399
Depreciable Assets					
Buildings	24,008,278	-	-	-	24,008,278
Improvements	41,128,016	-	344,780	-	41,472,796
Equipment	2,946,712	61,547	(14,403)	(37,732)	2,956,124
<b>Totals at historical cost</b>	<u>71,438,884</u>	<u>1,671,360</u>	<u>(14,403)</u>	<u>(37,732)</u>	<u>73,058,109</u>
Less accumulated depreciation for					
Buildings	(5,230,061)	(754,640)	-	-	(5,984,701)
Improvements	(23,197,387)	(1,260,010)	-	-	(24,457,397)
Equipment	(1,725,990)	(214,031)	14,403	37,732	(1,887,886)
<b>Total accumulated depreciation</b>	<u>(30,153,438)</u>	<u>(2,228,681)</u>	<u>14,403</u>	<u>37,732</u>	<u>(32,329,984)</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 41,285,446</u>	<u>\$ (557,321)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,728,125</u>

## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**NOTE C - CHANGE IN CAPITAL ASSETS** (continued)

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 362,895
Law Enforcement	2,253
Fire Protection	172,132
Technical Services	3,273
Transportation	556,486
Library	119,007
Parks and Recreation	863,100
Community Redevelopment	143,213
Total depreciation expense	<u>\$ 2,222,359</u>

**NOTE D - DUE FROM OTHER GOVERNMENTS**

The amount of \$494,758 due from other governments as of September 30, 2018, consists of the following: September 2018 amounts collected on behalf of the City and not yet remitted that include Infrastructure and Local Option Gas taxes totaling \$121,462 from Pinellas County, Communications Service Tax in the amount of \$61,503 from the State of Florida, fines and forfeitures in the amount of \$8,771, training reimbursement of \$5,210, wastewater charges of \$18,563 and park mowing charges in the amount of \$10,272 from Pinellas County, EMS funding from Pinellas County in the amount of \$4,101 and utility taxes of \$6,283 from the City of Clearwater, grant funding from Florida Department of Emergency Management in the amount of \$198,925, from the Florida Department of Transportation in the amount of \$40,000 and from the Southwest Florida Water Management District in the amount of \$19,668. 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, 2018:

<u>Governmental Activities</u>	Balance October 1, 2017	Increases	Decreases	Balance September 30, 2018	Amount due within one year
Refunding Revenue Note, 2012	\$ 966,000	\$ -	\$ (156,000)	\$ 810,000	\$ 156,000
Accrued compensated absences	324,913	86,876	(54,190)	357,599	52,145
Governmental Activities Totals	<u>\$ 1,290,913</u>	<u>\$ 86,876</u>	<u>\$ (210,190)</u>	<u>\$ 1,167,599</u>	<u>\$ 213,145</u>

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## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**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, 2018:

<u>Business-type Activities</u>	<u>Balance October 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2018</u>	<u>Amount due within one year</u>
1990 Water and Sewer System Refunding and Improvement Revenue Bonds	\$ 199,710	\$ -	\$ (199,710)	\$ -	
Increase in book value of capital appreciation bonds due to interest accretion	1,239,682	200,147	(1,439,829)	-	
Subtotal	1,439,392	200,147	(1,639,539)	-	\$ -
State revolving fund loan 2002	801,519	-	(135,984)	665,535	140,163
State revolving fund loan 2010	2,511,535	-	(143,547)	2,367,988	147,457
State revolving fund loan 2012	4,021,244	-	(224,926)	3,796,318	230,456
Accrued compensated absences	145,726	135,260	(111,905)	169,081	121,726
Business-type Activities Totals	<u>\$ 8,919,416</u>	<u>\$ 335,407</u>	<u>\$ (2,255,901)</u>	<u>\$ 6,998,922</u>	<u>\$ 639,802</u>
Totals all Activities	<u>\$10,210,329</u>	<u>\$ 422,283</u>	<u>\$ (2,466,091)</u>	<u>\$ 8,166,520</u>	<u>\$ 852,947</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, 2018:

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. \$ 810,000

Accrued compensated absences, unused accrued vacation pay for governmental funds. 357,599  
\$ 1,167,599

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## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**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, 2018, are as follows:

Refunding Revenue Note, Series 2012

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2023	168,000	1,495	169,495
Totals	<u>\$ 810,000</u>	<u>\$ 36,542</u>	<u>\$ 846,542</u>

The Public Service Utility Tax revenues totaled \$1,469,924, of which \$171,806 provided a coverage ratio of 1.00:1 for the debt service refunding principal and interest payments on the 2012 Series totaling \$171,806. 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, 2018:

Refunding and Improvement Revenue Bonds – Series 1990,

On June 28, 2018, pursuant to Resolution 2018-10, the City legally defeased the 1990 series Water and Sewer bonds, by placing \$1,404,079 in an irrevocable trust to provide all future debt service payments on the old obligation. Accordingly, the trust account assets and the future liability for the defeased obligation are not included in the City's financial statements. The purpose of the defeasance was to relieve the City of certain bond rate covenants in anticipation of possible future debt issuances. At September 30, 2018, \$1,058,816 of the bonds legally defeased remain outstanding. This defeasance resulted in an economic gain as well as savings from the defeasance. The economic gain realized was \$34,700 and the savings resulting from the defeasance was as follows:

Cash flow to service defeased debt	\$ 1,439,392
Less: Cash deposited with escrow agent	<u>(1,404,079)</u>
Net savings from defeasance	<u>\$ 34,683</u>

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.

\$ 665,535

## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**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.

2,367,987

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.

3,796,319

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

169,081

\$6,998,922

The net revenues of the water and sewer system for the year were \$3,364,520 and provided a coverage ratio of 2.96:1 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, 2018 are as follows:

State Revolving Fund Construction Loan 2002

Year Ending September 30,	Principal	Interest	Total
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
2023	78,504	1,197	79,701
Totals	<u>\$ 665,535</u>	<u>\$ 51,771</u>	<u>\$ 717,306</u>

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## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**NOTE E - LONG-TERM LIABILITIES** (continued)State Revolving Fund Construction Loan 2010

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2023	164,199	46,420	210,619
	<u>778,574</u>	<u>274,521</u>	<u>1,053,095</u>
2024-2028	890,653	162,442	1,053,095
2029-2032	698,760	38,407	737,167
Totals	<u>\$ 2,367,987</u>	<u>\$ 475,370</u>	<u>\$ 2,843,357</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>
2019	\$ 230,456	\$ 91,373	\$ 21,829
2020	236,122	85,707	321,829
2021	241,928	79,902	321,830
2022	247,876	73,954	321,830
2023	253,970	67,859	321,829
	<u>1,210,352</u>	<u>398,795</u>	<u>1,609,147</u>
2024-2028	1,366,643	242,504	1,609,147
2029-2032	1,219,324	67,995	1,287,319
Totals	<u>\$ 3,796,319</u>	<u>\$ 709,294</u>	<u>\$ 4,505,613</u>

A summary of debt service requirements (all outstanding indebtedness) as of September 30, 2018 are as follows:

<u>Year Ending September 30,</u>	<u>Revenue Bonds Debt Service</u>	<u>State Revolving Fund Construction Loans</u>	<u>Total</u>
2019	\$ 169,029	\$ 691,849	\$ 860,878
2020	171,208	691,850	863,058
2021	167,351	691,850	859,201
2022	169,459	691,850	861,309
2023	169,495	612,149	781,644
	<u>846,542</u>	<u>3,379,548</u>	<u>4,226,090</u>
2024-2028	-	2,662,242	2,662,242
2029-2032	-	2,024,486	2,024,486
Totals	<u>\$ 846,542</u>	<u>\$ 8,066,276</u>	<u>\$ 8,912,818</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**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 representing customer deposits.
- (c) 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	\$ 960,855
(b) Customer deposits	756,187
(b) State revolving loans	244,354
	<u>\$ 1,961,396</u>

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CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**NOTE G – NET POSITION**

The government wide statement of net position reports \$9,530,070 of restricted net position, of which \$4,097,936 is restricted by enabling legislation.

**NOTE H - DEFERRED REVENUE**

Deferred revenue at September 30, 2018 relates to business tax receipts in the amount of \$137,202.

**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.* 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, 2018, 2017 and 2016 the City contributed \$373,569, \$357,082 and \$343,595 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 8.26% and 24.5% (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, 2018, 2017 and 2016 were \$156,563, \$184,132 and \$177,650, respectively, equal to the required contributions for each year and include the required contributions for participants in the Deferred Retirement Option Program discussed below.

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, 2018

**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 one participant in the program. The current contribution rate for this program is 14.03%.

Pension liabilities, Pension expense and Deferred Outflows (Inflows) of Resources related to pensions- At September 30, 2018, the City reported a liability of \$1,592,741 for the FRS Plan component and \$344,296 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share at June 30, 2018 for the FRS Plan component was .005287895%. The City's proportionate share at June 30, 2017 were .006050705% and .003835848% for the FRS and HIS Plan components, respectively. For the fiscal year ended September 30, 2018 the City recognized pension expense of \$268,630 and \$9,500 for the FRS and HIS Plan components, respectively. Deferred Outflows and Inflows of resources related to pensions are from the following sources:

## FRS Plan Component

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 134,929	\$ 4,896
Changes in assumptions	520,430	-
Net difference between projected and actual earnings on investments	-	123,059
Changes in proportion and differences between City contributions and proportionate share of contributions	88,334	136,559
Contributions subsequent to the measurement date	33,786	-
	<u>\$ 777,479</u>	<u>\$ 264,514</u>

## HIS Plan Component

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 5,271	\$ 584
Changes in assumptions	38,290	36,402
Net difference between projected and actual earnings on investments	208	-
Changes in proportion and differences between City contributions and proportionate share of contributions	19,567	86,145
Contributions subsequent to the measurement date	3,722	-
	<u>\$ 67,058</u>	<u>\$ 123,131</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, 2019. 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>
2019	\$ (3,525)	\$ (16,118)
2020	(1,655)	(16,118)
2021	1,255	(8,223)
2022	(13,472)	(6,054)
2023	(22,297)	(9,732)
Thereafter	518,902	(3,553)

## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

	FRS component	HIS component
City's proportionate share of Total Pension Liability	\$ 10,116,663	\$ 351,858
City's proportionate share of Plan Fiduciary Net Position	(8,523,922)	(7,562)
City's proportionate share of Net Pension Liability	<u>\$ 1,592,741</u>	<u>\$ 344,296</u>
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	84.26%	2.15%

Change in Net Pension Liability –

	FRS component	HIS component
Beginning balance – City's proportionate share	\$ 1,790,372	\$ 410,147
Service Cost	128,178	8,407
Interest on total pension liability	679,385	12,677
Effect of economic/demographic gain or loss	52,269	(10,097)
Employer contributions	(286,717)	(76,694)
Member contributions	(39,467)	(8)
Net investment income	(732,346)	(141)
Administrative expense	1,067	5
Ending balance – City's proportionate share	<u>\$ 1,592,741</u>	<u>\$ 344,296</u>

The FRS Component Beginning balance – City's proportionate share has been restated due to the implementation of GASB 75. The affect of the restatement was to increase the beginning balance \$615.

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

	FRS component	HIS component
Valuation date	July 1, 2017	July 1, 2018
Measurement date	June 30, 2017	June 30, 2018
Inflation	2.60%	2.60%
Salary increases	3.25%, average, includes inflation	3.25%, average, includes inflation
Investment rate of return	7.00%, net of expense, includes inflation	3.87%, Municipal Bond Rate
Mortality tables	Generation RP-2000 with Projection Scale BB tables	Generation RP-2000 with Projection Scale BB tables
Discount rate	7.00%	3.87%

The actuarial assumptions that determined the total pension liability as of June 30, 2018, 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

## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

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 :

<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%	2.9%	2.9%	1.8%
Fixed Income	18%	4.4%	4.3%	4.0%
Global Equity	54%	7.6%	6.3%	17.0%
Real Estate	11%	6.6%	6.0%	11.3%
Private Equity	10%	10.7%	7.8%	26.5%
Strategic Investments	6%	6.0%	5.7%	8.6%
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, 2018, the annual money-weighted rate of return on FRS pension plan investments, net of pension plan expense was 9.28%.

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 (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
City's Proportionate share of the net pension liability	\$ 2,906,820	\$ 1,592,741	\$ 501,322
HIS component	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87)</u>
City's Proportionate share of the net pension liability	\$ 392,133	\$ 344,296	\$ 304,421

Firefighters' Retirement Pension Trust Fund

*Plan Description.* On July 16, 1996, the City established a pension plan for its firefighters pursuant to Chapter 175, Florida Statutes. The Retirement Plan and Trust for the Firefighters' of the City of Oldsmar (the Plan) is a single-employer, defined benefit pension plan established and administered by the City of Oldsmar and the Board of Trustees of the Plan. The Board of Trustees is composed of five members consisting of two elected firefighters, two city appointees and an appointed 5<sup>th</sup> member. Florida Statute 175 assigns the authority to establish and amend the benefit provisions of the plans that participate in FMPTF to the respective employer entities; for the City of Oldsmar this is the City Council. The City entered into a Master Trust Agreement with the Florida Municipal Pension Trust Fund (FMPTF) for administration of the plan. The investments of the plan are held by the FMPTF in a trustee capacity and are maintained in pooled trust accounts, which are managed by a professional trustee pursuant to a trust agreement with the City. The Plan provides retirement, disability and death benefits to Plan members and their beneficiaries. The Plan contains early retirement and cost of living increase provisions.

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**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 34.69% for the fiscal year ended 2018, 30.91% for the fiscal year ended 2017, and 24.40% for the fiscal year ended 2016. For fiscal 2018 the City contributed \$147,699, which along with available on behalf payments of state excise tax contributions in the amount of \$70,178 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, 2018

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

Membership of the Plan: Membership of the plan consisted of the following at September 30, 2018. The date of the latest actuarial valuation was October 1, 2018.

Retirees and beneficiaries receiving benefits	2
Terminated plan members entitled to but not receiving benefits	5
Vested active plan members	8
Non vested active plan members	2
Total active participants	<u>17</u>

Deferred Outflows and Inflows of Resources

	Deferred Outflows	Deferred Inflows
Beginning balance – October 1, 2017	\$ 1,470,299	\$ 1,218,851
Changes due to:		
Amortization payments	(220,629)	(214,294)
Investment gain (loss)	-	
Demographic gain (loss)	42,881	201,974
Assumption changes		-
Total change	<u>(177,748)</u>	<u>(12,320)</u>
Ending balance – September 30, 2018	<u>\$ 1,292,551</u>	<u>\$ 1,206,531</u>

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

Fiscal year ending September 30,	Deferred Outflows	Deferred Inflows
2019	\$ 220,628	200,591
2020	147,434	200,591
2021	147,434	180,957
2022	147,435	107,374
2023	138,858	107,374
Thereafter	490,762	409,644

Net Pension (Asset) Liability –

Total Pension Liability	\$ 5,608,460
Plan Fiduciary Net Position	(5,731,241)
Net Pension (Asset) Liability	<u>\$ (122,781)</u>

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

102%

Change in Net Pension (Asset) Liability –

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Beginning balance – October 1, 2017	\$ 5,257,263	\$ (5,294,935)	\$ (37,672)
Service Cost	226,988	-	226,988
Expected interest growth	379,276	(374,331)	4,945
Unexpected investment income	-	42,881	42,881
Effect of economic/demographic gain or loss	(201,974)	-	(201,974)
Employer contributions	-	(167,472)	(167,472)
Member contributions	-	(31,403)	(31,403)
Benefit payments & refunds	(53,093)	53,093	-
Administrative expense	-	40,926	40,926
Ending balance – September 30, 2018	<u>\$ 5,608,460</u>	<u>\$ (5,731,241)</u>	<u>\$ (122,781)</u>

## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**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	\$ 5,608,460
Fiduciary net position	\$ 5,731,241
Net pension liability (asset)	\$ (122,781)
Measurement date	September 30, 2018
Actuarial valuation date	October 1, 2017
Employer's reporting date	September 30, 2018
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	No assumptions were changed since the prior measurement date.

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

	Discount rate minus 1%	Discount rate at 7.00%	Discount rate plus 1%
Total pension liability	\$ 6,692,770	\$ 5,608,460	\$ 4,749,614
Less fiduciary net position	(5,731,241)	(5,731,241)	(5,731,241)
Net pension liability	<u>\$ 961,529</u>	<u>\$ (122,781)</u>	<u>\$ (981,627)</u>

Determination of the long-term expected rate of return:

	Target allocation	Expected long-term real return
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, 2018

**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.

In accordance with City Ordinance 2018-01 adopted January 16, 2018 a defined contribution share plan component was created as an additional benefit for active participants of the Oldsmar Firefighter's Pension Plan as of October 1, 2016. This additional benefit allowed the usage of \$500,000 in frozen excess premium tax monies held by the Plan.

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

	FRS	HIS	Fire	Total
Net Pension Asset	\$ -	\$ -	\$ 122,781	\$ 122,781
Net Pension Liabilities	1,592,741	344,296	-	1,937,037
Deferred Outflows	777,479	67,058	1,292,551	2,137,088
Deferred Inflows	264,514	123,131	1,206,531	1,594,176
Pension expense/expenditure	268,630	9,500	247,791	525,921

**NOTE J – POSTEMPLOYMENT HEALTHCARE PLAN**

GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (OPEB) provides for the determination and disclosure of the Total OPEB Liability and the annual cost of providing other postemployment benefits. The City provides other postemployment benefits in the form of the Retiree Health Care Plan in the form of an implicit rate subsidy.

*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 and allows employees who retire and meet eligibility requirements under the City's retirement plans to continue medical, dental and vision insurance coverage as a participant in the City's plan.

In accordance with Section 112.0801 of the Florida Statutes, because the City provides a medical, dental and vision plan to active employees of the City and their eligible dependents, the City is required to provide retirees with the opportunity to participate in this Plan. 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. Accordingly, for purposes of applying paragraph 4 under GASB Statement 75, the Plan does not meet the requirements for an OPEB plan administered through a trust.

*Employees Covered by benefit terms.* 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.

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	125
Total plan members	<u>129</u>

*Benefits Provided.* The benefits provided to eligible retirees are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical, dental and vision coverage. All full-time employees of the City are eligible to purchase postemployment health care benefits. All approved benefits are paid from general assets when due.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

*Contributions.* 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 does not contribute toward this payment. 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. Medicare eligible retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The City does not issue stand-alone financial statements for the Plan.

*Funding Policy.* While the City does not contribute directly towards the cost of retiree premiums via an explicit subsidy, the ability of retirees to obtain health insurance coverage at a group rate which includes active employees, constitutes a significant economic benefit to retirees, or an implicit subsidy. This implicit subsidy is considered to be another post-employment benefit (OPEB) obligation of the City. The annual required contribution to fund the incremental cost of the healthcare plan is based on a pay-as you-go funding approach.

*Actuarial Assumptions.* The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2017 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Salary increase rates used for Regular Class members in the July 1, 2016 actuarial valuation of the Florida Retirement System; 3.7% - 7.8%, including inflation. For participants in the Firefighters Plan, 4.5% increases, including inflation. For participants in the General Plan, 5.0% increases, including inflation.
Discount Rate	3.50%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.24% plus 0.56% increase for excise tax

Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2016 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008-2013.

*Discount Rate.* For plans that do not have formal assets, the discount rate should equal the tax- exempt municipal bond rate based on an index of 20- year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this actuarial roll- forward, the municipal bond rate is 3.50% (based on the daily rate of Fidelity's "20- Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate used as of the beginning of the measurement year was 3.10%.

*Total OPEB Liability.* The measurement date for the Total OPEB Liability was September 30, 2017. The measurement date for the OPEB expense was October 1, 2016 to September 30, 2017. The reporting period is October 1, 2017 to September 30, 2018.

*Change in Total OPEB Liability:*

	Total OPEB Liability <u>Increase (Decrease)</u>
Reporting period ending September 30, 2017	\$ 1,305,546
Changes for the year:	
Service cost	156,643
Interest	44,779
Differences between expected and actual experience	-
Changes of assumptions	(39,782)
Benefit payments	(35,396)
Net changes in total OPEB liability	<u>126,244</u>
Reporting period ending September 30, 2018	<u>\$ 1,431,790</u>



## CITY OF OLDSMAR, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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

Changes in assumptions reflect a change in the discount rate from 3.10% for the reporting period ended September 30, 2017, to 3.50% for the reporting period ended September 30, 2018.

*Sensitivity of the Total OPEB Liability to changes in the discount rate:* the following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if calculated using a discount rate that is one percentage-point lower or one percentage point higher than the current discount rate.

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 1,533,741	\$ 1,431,790	\$ 1,336,049

*Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates :* The following presents the Total OPEB Liability of the City, as well as what the City's Total OPEB Liability would be if calculated using healthcare cost trend rates that are one percentage-point lower or one-percentage point higher than the current healthcare cost trend rates.

	1% Decrease (6.00%)	Current Healthcare Rates (7.00%)	1% Increase (8.00%)
Net OPEB Liability	\$ 1,268,695	\$ 1,431,790	\$ 1,625,225

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB:* For the year ended September 30, 2018, the City will recognize OPEB expense of \$198,854

On September 30, 2018, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following resources:

	Deferred Outflows	Deferred Inflows
Changes in assumptions	\$ -	\$ 37,214
Employer contributions made subsequent to the measurement date	54,619	-
	<u>\$ 54,619</u>	<u>\$ 37,214</u>

The deferred outflows of resources related to employer contributions subsequent to the measurement date of \$37,215 will be recognized as an adjustment to the Total OPEB Liability for the fiscal year ended September 30, 2018 measurement date. Amounts reported as deferred inflows of resources and deferred inflows of resources, other than employer contributions made subsequent to the measurement date, related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending September 30,	
2018	\$ (2,567)
2019	(2,567)
2020	(2,567)
2021	(2,567)
2022	(2,567)
Thereafter	(24,379)
	<u>\$ (37,214)</u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**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, 2018 was \$70,178. 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, 2018, construction contract commitments in the Governmental Fund Types total \$574,979. The uncompleted commitments are included as fund balances committed to capital projects. Construction commitments in the Proprietary Fund Type for 2018 totaled \$2,751,903.

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, 2018 through September 30, 2019 in the amount of \$1,720,596. The expenditure for the year ended September 30, 2018 was \$1,662,782.

Hurricane Irma Clean-up: The City conducted debris monitoring and management using city staff, and equipment on hand before the storm, supplemented with outside contractors, to provide clean-up from the damage caused by Hurricane Irma in September 2017. The cost of these services was originally estimated to be in excess of \$270,000. The City will receive reimbursement from the Federal Emergency Management Agency (FEMA) for a significant portion of the expenses incurred. The cost of these services and the amount to be received from FEMA as reimbursement have not been recorded as of September 30, 2018 due to the uncertainty of the amount of the costs to be paid and the reimbursements that will be received. The City received reimbursement in the amount of \$126,320 during fiscal year 2019, of which \$121,470 was reimbursed by FEMA and \$4,850 was reimbursed by the State of Florida. As of the audit report date of March 24, 2019, reimbursements from FEMA and the State of Florida in excess of \$135,000 are still outstanding.

**NOTE N – INTERFUND LOANS AND TRANSFERS**

Transfers of \$1,000,000 and \$250,000 were made from the General Fund and Water and Sewer Operating Funds, respectively, during the year to the Public Safety Impact Fund and Capital Improvement Funds, respectively. The transfers were to assist in funding capital outlay projects.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**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 \$19,231. Information relative to the minimum future rentals is as follows:

Year Ending September 30,	Total
2019	\$ 20,326
2020	17,808
2021	16,850
2022	8,856
2023	870
	<u>\$ 64,712</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, 2018, the refuse accounts receivable was \$74,431 with customer deposits of \$227,809 held as security for payment of the outstanding accounts receivable. The water, sewer and stormwater accounts receivable totaled \$684,175 with customer deposits in the amount of \$528,378 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, 2018, 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, 2018 are as follows:

	State Revolving Fund Construction Loans
Loan repayment reserve	\$ 92,573
Annual loan deposit	151,781
Total restricted assets	<u>\$ 244,354</u>

**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

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**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, 2018, 2017 or 2016 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, 2018 and before the issuance of the financial statements that would have an impact on the City's financial condition as of September 30, 2018 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 24, 2019 which is the date the financial statements were available to be issued and determined there were no events that should be disclosed.

**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, 2018:

- Government Sponsored Enterprises of \$10,367,531 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, 2018:

	Level 2 inputs	Level 3 inputs
Broad Market HQ Bond Fund	\$ 928,799	\$ -
Core Plus Fixed Income Fund	-	1,101,748
Diversified Small to Mid Cap Fund	768,661	-
International Equity Portfolio	909,582	-
Diversified Large Cap Portfolio	2,094,602	-
Core Real Estate Portfolio	-	576,496
	<u>\$ 4,701,644</u>	<u>\$ 1,678,244</u>

Level 2 inputs are valued using market-corroborated data, while the Level 3 inputs are valued based on quarterly real estate appraisals and other factors.

**NOTE U - RESTATEMENT**

During the fiscal year 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASB Statements 75, the City reported a restatement of its net position for the change in accounting principle as of October 1, 2017. The restatement to net position was reported in the accompanying Statement of Activities.

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

**NOTE U – RESTATEMENT (continued)**

The effects of this restatement on net position as reported in the Statement of Activities for Postemployment Benefits Other Than Pensions as of October 1, 2017 are as follows:

Governmental Activities	
OPEB liability at 09/30/17 under GASB 45	\$ 718,791
OPEB liability at 10/01/17 under GASB 75	998,455
Total reduction in net position due to restatement as of 10/01/17	<u>\$ (279,664)</u>
Business-type Activities	
OPEB liability at 09/30/17 under GASB 45	\$ 221,076
OPEB liability at 10/01/17 under GASB 75	307,091
Total reduction in net position due to restatement as of 10/01/17	<u>\$ (86,015)</u>
Reflected in the Statement of Revenues and Expenses and Changes in Net Position – Business-type Activities as follows:	
Water and Sewer Fund	\$ (71,123)
Stormwater Utility Fund	(12,620)
Solid Waste Fund	(2,272)
	<u>\$ (86,015)</u>

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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

## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2018

For the Year Ended September 30, 2018				Variance
	Budgeted Amounts		Actual Amounts	Final Budget
	Original	Final	(Budgetary Basis)	Over (Under)
RESOURCES (INFLOWS):				
Property taxes	\$ 4,764,000	\$ 4,764,000	\$ 4,763,765	\$ (235)
Franchise fees	1,487,000	1,487,000	1,403,988	(83,012)
Utility taxes	1,341,000	1,341,000	1,396,656	55,656
Fire insurance premium tax	105,000	105,000	70,178	(34,822)
Communications service tax	830,000	830,000	799,160	(30,840)
Business tax receipts	177,000	177,000	172,719	(4,281)
Licenses, permits and fees	254,000	254,000	412,480	158,480
Intergovernmental revenues	2,229,265	2,229,265	2,153,975	(75,290)
Charges for services	393,000	393,000	465,475	72,475
Rents and royalties	85,000	85,000	107,276	22,276
Fines and forfeitures	143,000	143,000	126,929	(16,071)
Investment income	125,000	125,000	58,625	(66,375)
Special assessments	5,000	5,000	4,823	(177)
Other miscellaneous	507,475	507,475	514,941	7,466
Proceeds from sale of capital assets	35,000	35,000	43,627	8,627
AMOUNTS AVAILABLE FOR APPROPRIATION	12,480,740	12,480,740	12,494,617	13,877
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government				
City Council	152,530	152,530	152,335	(195)
City Manager	495,565	499,740	489,077	(10,663)
City Clerk	456,110	456,110	434,715	(21,395)
Legal Counsel	139,140	139,140	135,857	(3,283)
Planning and Redevelopment	987,900	987,900	975,303	(12,597)
Administrative Services	1,084,825	1,101,500	1,094,298	(7,202)
Facilities	821,160	913,302	737,613	(175,689)
Total General Government	4,137,230	4,250,222	4,019,198	(231,024)
Public Safety				
Law Enforcement	1,694,295	1,694,295	1,692,419	(1,876)
Fire Rescue	2,153,680	2,435,680	2,223,050	(212,630)
Technical Services	432,785	432,785	364,512	(68,273)
Total Public Safety	4,280,760	4,562,760	4,279,981	(282,779)
Transportation				
Streets and Drainage	1,120,000	1,120,000	1,044,315	(75,685)
Fleet Maintenance	163,545	177,045	176,952	(93)
Total Transportation	1,283,545	1,297,045	1,221,267	(75,778)
Culture and Recreation				
Library	917,180	917,180	855,371	(61,809)
Parks	1,401,225	1,488,669	998,175	(490,494)
Canal Park sports complex	705,375	731,259	702,836	(28,423)
Recreation	806,375	857,236	753,436	(103,800)
Total Culture and Recreation	3,830,155	3,994,344	3,309,818	(684,526)

(continued)

## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
Other Financing Uses				
Interfund transfers	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Contingency	949,050	502,550	-	(502,550)
Total Other Financing Uses	949,050	1,502,550	1,000,000	(502,550)
TOTAL CHARGES TO APPROPRIATIONS	14,480,740	15,606,921	13,830,264	(1,776,657)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(2,000,000)	(3,126,181)	(1,335,647)	1,790,534
FUND BALANCE - BEGINNING OF YEAR	7,423,420	7,423,420	7,423,420	-
FUND BALANCE - END OF YEAR	\$ 5,423,420	\$ 4,297,239	\$ 6,087,773	\$ 1,790,534

## 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.

\$ 12,494,617

Differences - budget to GAAP:

Proceeds from the sale of capital assets are inflows of budgetary resources  
not revenues for financial reporting purposes.

(43,627)

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

\$ 12,450,990

## USES/OUTFLOWS OF RESOURCES

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

\$ 13,830,264

Differences - budget to GAAP:

Interfund transfers are outflows of budgetary resources  
not expenditures for financial reporting purposes.

(1,000,000)

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

\$ 12,830,264



## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

MAJOR GOVERNMENTAL FUND - COMMUNITY REDEVELOPMENT AGENCY -  
SPECIAL REVENUE FUND

For the year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Ad valorem taxes	\$ 260,000	\$ 260,000	\$ 260,510	\$ 510
Intergovernmental revenue	345,000	345,000	346,517	1,517
Impact fees	45,000	45,000	-	(45,000)
Rents and royalties	36,000	36,000	38,051	2,051
Investment income	1,000	1,000	2,418	1,418
AMOUNTS AVAILABLE FOR APPROPRIATION	687,000	687,000	647,496	(39,504)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Operating	95,900	95,900	30,252	(65,648)
Capital outlay	428,000	428,000	12,960	(415,040)
Reserve for improvements	163,100	163,100	-	(163,100)
TOTAL CHARGES TO APPROPRIATIONS	687,000	687,000	43,212	(643,788)
Other financing sources				
Interfund loan	-	-	-	-
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	-	604,284	604,284
FUND BALANCE - BEGINNING OF YEAR	892,814	892,814	892,814	-
FUND BALANCE - END OF YEAR	\$ 892,814	\$ 892,814	\$ 1,497,098	\$ 604,284
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.				\$ 647,496
Differences - budget to GAAP:				
None				-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$ 647,496
USES/OUTFLOWS OF RESOURCES				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.				\$ 43,212
Differences - budget to GAAP:				
None				-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.				\$ 43,212

## FIREFIGHTERS' PENSION TRUST FUND - PENSION SCHEDULES

September 30, 2018

**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
9/30/2018	5,608,460	5,731,241	(122,781)	102.19%	622,131	N/A

**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
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%
2018	217,876	167,472	(50,404)	622,131	26.92%

**Notes to Schedule**

Employer's reporting date: September 30, 2018  
Measurement date: September 30, 2018  
Actuarial valuation date: October 1, 2017

**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: No assumptions were changed since the prior measurement period.

## CITY OF OLDSMAR

## FIREFIGHTER'S RETIREMENT PENSION TRUST FUND

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

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

September 30, 2018

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability	\$ 5,608,460	\$ 5,257,263	\$ 4,429,432	\$ 3,058,624	\$ 3,476,581
Plan Fiduciary Net Position	(5,731,241)	(5,294,935)	(4,485,246)	(4,060,837)	(4,007,222)
Net Pension Liability (Asset)	<u>\$ (122,781)</u>	<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)	102%	101%	101%	133%	115%
Service Cost	\$ 226,988	\$ 231,334	\$ 199,534	\$ 139,774	\$ 211,501
Expected interest growth	4,945	5,777	(64,218)	(40,079)	(26,889)
Effect of economic/demographic gain or loss	(201,974)	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	42,881	(367,915)	(93,742)	365,974	(68,519)
Employer contributions	(167,472)	(184,020)	(99,574)	(112,900)	(203,106)
Member contributions	(31,403)	(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>40,926</u>	<u>38,685</u>	<u>38,585</u>	<u>36,563</u>	<u>40,706</u>
Net change in net pension liability (asset)	(85,109)	18,142	946,399	(471,572)	(84,088)
Net pension liability (asset) - beginning	<u>(37,672)</u>	<u>(55,814)</u>	<u>(1,002,213)</u>	<u>(530,641)</u>	<u>(446,553)</u>
Net pension liability (asset) - ending	<u>\$ (122,781)</u>	<u>\$ (37,672)</u>	<u>\$ (55,814)</u>	<u>\$ (1,002,213)</u>	<u>\$ (530,641)</u>
Covered employee payroll	\$ 622,131	\$ 619,479	\$ 577,978	\$ 663,716	\$ 764,280
Net pension liability (asset) as a percentage of covered employee payroll	-20%	-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(Five years of data available for GASB 67 and 68)  
September 30, 2018

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
<b>FRS Pension Plan Proportionate Share</b>					
<b>Employer's Proportion for the FRS Pension Plan</b>	0.005287895%	0.006050705%	0.006158568%	0.004978129%	0.005098045%
<b>City's Proportionate Share</b>					
Total Pension Liability	\$ 10,116,663	\$ 11,111,066	\$ 10,286,718	\$ 8,033,243	\$ 7,958,852
Plan Fiduciary Net Position	(8,523,922)	(9,321,309)	(8,731,674)	(7,390,251)	(7,647,796)
Net Pension Liability	<u>\$ 1,592,741</u>	<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%	84%	85%	92%	96%
Service Cost	\$ 128,178	\$ 125,477	\$ 131,356	\$ 105,240	\$ 115,050
Interest on the total pension liability	679,385	755,380	745,748	583,515	585,761
Effect of economic/demographic gain or loss	52,269	716,736	314,705	61,166	41,153
Employer contributions	(286,717)	(174,232)	(150,187)	(121,371)	(128,501)
Member contributions	(39,467)	(45,068)	(43,770)	(34,762)	(34,795)
Net investment income	(732,346)	(1,144,689)	(86,942)	(262,752)	(1,162,982)
Administrative expense	1,067	1,110	1,142	900	936
Net change in net pension liability	(197,631)	234,714	912,052	331,936	(583,378)
Net pension liability - beginning	1,789,757	1,555,043	642,992	311,056	894,434
Restatement - GASB 75 implementation by FRS	615	-	-	-	-
Net pension liability - ending	<u>\$ 1,592,741</u>	<u>\$ 1,789,757</u>	<u>\$ 1,555,044</u>	<u>\$ 642,992</u>	<u>\$ 311,056</u>
Covered employee payroll	\$ 970,979	\$ 1,182,168	\$ 1,285,583	\$ 1,092,785	\$ 1,077,366
Net pension liability as a percentage of covered employee payroll	164%	151%	121%	59%	29%
<b>Retiree Health Insurance Subsidy (HIS Plan)</b>					
<b>Employer's Proportion for the HIS Plan</b>	0.003252954%	0.003835848%	.004015891%	.003658693%	.003678199%
<b>City's Proportionate Share</b>					
Total Pension Liability	\$ 351,858	\$ 416,987	\$ 472,608	\$ 374,987	\$ 347,355
Plan Fiduciary Net Position	(7,562)	(6,840)	(4,572)	(1,858)	(3,435)
Net Pension Liability	<u>\$ 344,296</u>	<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	2.15%	1.64%	0.97%	0.50%	0.99%
Service Cost	\$ 8,407	\$ 11,682	\$ 10,309	\$ 7,958	\$ 7,002
Interest on the total pension liability	12,677	12,945	15,692	14,834	15,077
Effect of economic/demographic gain or loss	(10,097)	(44,431)	89,484	22,234	14,212
Employer contributions	(76,694)	(38,026)	(20,584)	(15,809)	(83,654)
Member contributions	(8)	-	-	-	-
Net investment income	(141)	(65)	(3)	(15)	(8)
Administrative expense	5	7	9	7	2
Net change in net pension liability	(65,851)	(57,888)	94,907	29,209	(47,369)
Net pension liability - beginning	410,147	468,035	373,129	343,920	391,289
Net pension liability - ending	<u>\$ 344,296</u>	<u>\$ 410,147</u>	<u>\$ 468,036</u>	<u>\$ 373,129</u>	<u>\$ 343,920</u>
Covered employee payroll	\$ 970,979	\$ 1,182,168	\$ 1,285,583	\$ 1,092,785	\$ 1,077,366
Net pension liability as a percentage of covered employee payroll	35%	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(Five years of data available for GASB 67 and 68) \*  
September 30, 2018

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
<b>FRS Pension Plan</b>					
Contractually required contribution	\$ 140,445	\$ 164,508	\$ 156,309	\$ 129,545	\$ 113,804
Contributions in relation to the contractually required contribution	(140,445)	(164,508)	(156,309)	(129,545)	(113,804)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 970,979</u>	<u>\$ 1,182,168</u>	<u>\$ 1,285,583</u>	<u>\$ 1,092,785</u>	<u>\$ 1,077,366</u>
Contributions as a percentage of covered-employee payroll	14.46%	13.92%	12.16%	11.85%	10.56%
<b>Retiree Health Insurance Subsidy (HIS Plan)</b>					
Contractually required contribution	\$ 16,118	\$ 19,624	\$ 21,341	\$ 14,862	\$ 13,090
Contributions in relation to the contractually required contribution	(16,118)	(19,624)	(21,341)	(14,862)	(13,090)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 970,979</u>	<u>\$ 1,182,168</u>	<u>\$ 1,285,583</u>	<u>\$ 1,092,785</u>	<u>\$ 1,077,366</u>
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.36%	1.22%

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

CITY OF OLDSMAR, FLORIDA

RETIREE HEALTH CARE PLAN

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

Period ending:	9/30/2018
Measurement date:	9/30/2017

**Total OPEB Liability**

Service cost	\$	156,642
Interest		44,779
Change in benefit terms		-
Differences between expected and actual experience		-
Change of assumptions		(39,782)
Benefit payments, including refunds of employee contributions		(35,396)
Net change in OPEB liability		126,243
Total OPEB liability - beginning		1,305,546
Total OPEB liability - ending	\$	1,431,789

Covered Employee Payroll	\$	6,059,989
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Total OPEB liability as a percentag of covered employee payroll	23.63%
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**Notes to Schedule:**

Changes in assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Fiscal year 2018	3.50%
Fiscal year 2017	3.10%

There were no benefit changes during the year.

**NOTE:** GASB 75 requires 10 years of information. Information is only available for the current year. Additional years of information will be added as the information becomes available.

## **COMBINING FINANCIAL STATEMENTS**

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

## CITY OF OLDSMAR, FLORIDA

## COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS

September 30, 2018

	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	\$ 1,107,410	\$ 243,266	\$ 180,173	\$ 147,277	\$ 1,678,126
TOTAL ASSETS	<u>\$ 1,107,410</u>	<u>\$ 243,266</u>	<u>\$ 180,173</u>	<u>\$ 147,277</u>	<u>\$ 1,678,126</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 350	\$ -	\$ -	\$ 350
Due to other governments	-	-	68,532	-	68,532
TOTAL LIABILITIES	-	350	68,532	-	68,882
FUND BALANCES					
Restricted for:					
Fire suppression	758,240	-	-	-	758,240
Capital projects	-	92,916	-	-	92,916
Debt Service	-	-	-	147,277	147,277
Transportation improvements	-	-	111,641	-	111,641
Committed to:					
Capital projects	65,170	-	-	-	65,170
Assigned to:					
Subsequent years expenditures	284,000	150,000	-	-	434,000
TOTAL FUND BALANCES	<u>1,107,410</u>	<u>242,916</u>	<u>111,641</u>	<u>147,277</u>	<u>1,609,244</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,107,410</u>	<u>\$ 243,266</u>	<u>\$ 180,173</u>	<u>\$ 147,277</u>	<u>\$ 1,678,126</u>



## CITY OF OLDSMAR, FLORIDA

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

For the year ended September 30, 2018

	Special Revenue Funds			Debt Service Fund	
	Public Safety	Parkland Dedication	Multimodal Impact	Veteran's Park	Total Other Governmental Funds
REVENUES					
Utility taxes	\$ -	\$ -	\$ -	\$ 171,806	\$ 171,806
Investment income	5,777	455	280	-	6,512
Contribution from developers	-	113,200	-	-	113,200
Impact fees	44,009	59,772	74,187	-	177,968
TOTAL REVENUES	49,786	173,427	74,467	171,806	469,486
EXPENDITURES					
Capital outlay	-	113,200	26,000	-	139,200
Debt service					
Principal retirement	-	-	-	156,000	156,000
Interest and other charges	-	-	-	15,806	15,806
TOTAL EXPENDITURES	-	113,200	26,000	171,806	311,006
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	49,786	60,227	48,467	-	158,480
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	1,000,000	-	-	-	1,000,000
TOTAL OTHER FINANCING SOURCES (USES)	1,000,000	-	-	-	1,000,000
NET CHANGE IN FUND BALANCES	1,049,786	60,227	48,467	-	1,158,480
FUND BALANCES BEGINNING	57,624	182,689	63,174	147,277	450,764
FUND BALANCES ENDING	\$ 1,107,410	\$ 242,916	\$ 111,641	\$ 147,277	\$ 1,609,244

## CITY OF OLDSMAR, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUND - CAPITAL IMPROVEMENT FUND

For the year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Sales taxes	\$ 1,190,000	\$ 1,190,000	\$ 1,095,543	\$ (94,457)
Intergovernmental revenue	4,500,000	4,940,000	433,408.00	(4,506,592)
Interfund transfers	250,000	250,000	250,000	-
Investment income	10,000	10,000	33,268	23,268
Debt Proceeds	350,000	350,000	-	(350,000)
AMOUNTS AVAILABLE FOR APPROPRIATION	6,300,000	6,740,000	1,812,219	(4,927,781)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	8,180,000	8,896,545	986,074	(7,910,471)
Reserve for infrastructure	1,145,000	1,145,000	-	(1,145,000)
TOTAL CHARGES TO APPROPRIATIONS	9,325,000	10,041,545	986,074	(9,055,471)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(3,025,000)	(3,301,545)	826,145	4,127,690
FUND BALANCE - BEGINNING OF YEAR	4,392,373	4,392,373	4,392,373	-
FUND BALANCE - END OF YEAR	\$ 1,367,373	\$ 1,090,828	\$ 5,218,518	\$ 4,127,690

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.

\$ 1,812,219

Differences - budget to GAAP:

Interfund transfers

(250,000)

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

\$ 1,562,219

## USES/OUTFLOWS OF RESOURCES

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

\$ 986,074

Differences - budget to GAAP:

None

-

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

\$ 986,074

## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
RESOURCES (INFLOWS)				Over
Utility taxes	\$ 171,810	\$ 171,810	\$ 171,806	(4)
AMOUNTS AVAILABLE FOR APPROPRIATION	171,810	171,810	171,806	(4)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Debt Service				
Principal retirement	156,000	156,000	156,000	-
Interest and other charges	15,810	15,810	15,806	(4)
TOTAL CHARGES TO APPROPRIATIONS	171,810	171,810	171,806	(4)
EXCESS (DEFICIENCY) OF RESOURCES				
OVER CHARGES TO APPROPRIATIONS	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	147,277	147,277	147,277	-
FUND BALANCE - END OF YEAR	\$ 147,277	\$ 147,277	\$ 147,277	\$ -

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

## SOURCES/INFLOWS OF RESOURCES

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

\$ 171,806

Differences - budget to GAAP:

None

-

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

\$ 171,806

## USES/OUTFLOWS OF RESOURCES

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

\$ 171,806

Differences - budget to GAAP:

None

-

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

\$ 171,806

## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Over
				(Under)
RESOURCES (INFLOWS)				
Impact fees	\$ 20,000	\$ 44,000	\$ 44,009	\$ 9
Interfund transfers	-	1,000,000	1,000,000	-
Investment income	1,000	1,000	5,777	4,777
AMOUNTS AVAILABLE FOR APPROPRIATION	21,000	1,045,000	1,049,786	4,786
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Reserve for equipment	42,000	1,066,000	-	(1,066,000)
TOTAL CHARGES TO APPROPRIATIONS	42,000	1,066,000	-	(1,066,000)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	(21,000)	(21,000)	1,049,786	1,070,786
FUND BALANCE - BEGINNING OF YEAR	57,624	57,624	57,624	-
FUND BALANCE - END OF YEAR	\$ 36,624	\$ 36,624	\$ 1,107,410	\$ 1,070,786

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.

\$ 1,049,786

Differences - budget to GAAP:

Intefund Transfers

(1,000,000)

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

\$ 49,786

## USES/OUTFLOWS OF RESOURCES

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

\$ -

Differences - budget to GAAP:

None

-

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

\$ -

## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Land dedication fees	\$ 70,000	\$ 70,000	\$ 59,772	\$ (10,228)
Donations	-	115,000	113,200	(1,800)
Investment income	500	500	455	(45)
AMOUNTS AVAILABLE FOR APPROPRIATION	70,500	185,500	173,427	(12,073)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	115,000	113,200	(1,800)
Reserve for improvements	70,500	70,500	-	(70,500)
TOTAL CHARGES TO APPROPRIATIONS	70,500	185,500	113,200	(72,300)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	-	60,227	60,227
FUND BALANCE - BEGINNING OF YEAR	182,689	182,689	182,689	-
FUND BALANCE - END OF YEAR	\$ 182,689	\$ 182,689	\$ 242,916	\$ 60,227

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.

\$ 173,427

Differences - budget to GAAP:

None

-

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

\$ 173,427

## USES/OUTFLOWS OF RESOURCES

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

\$ 113,200

Differences - budget to GAAP:

None

-

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

\$ 113,200

## CITY OF OLDSMAR, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

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

For the year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over (Under)
RESOURCES (INFLOWS)				
Impact fees	\$ 45,000	\$ 45,000	\$ 74,187	\$ 29,187
Investment income	500	500	280	(220)
AMOUNTS AVAILABLE FOR APPROPRIATION	45,500	45,500	74,467	28,967
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital outlay	-	26,000	26,000	-
Reserve for street improvements	45,500	45,500	-	(45,500)
TOTAL CHARGES TO APPROPRIATIONS	45,500	71,500	26,000	(45,500)
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	-	(26,000)	48,467	74,467
FUND BALANCE - BEGINNING OF YEAR	63,174	63,174	63,174	-
FUND BALANCE - END OF YEAR	\$ 63,174	\$ 37,174	\$ 111,641	\$ 74,467

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.

\$ 74,467

Differences - budget to GAAP:

None

-

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

\$ 74,467

## USES/OUTFLOWS OF RESOURCES

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

\$ 26,000

Differences - budget to GAAP:

None

-

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

\$ 26,000

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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, 2018

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
User charges	\$ 7,558,514	\$ 7,022,000	\$ 536,514
Fees	220,826	213,000	7,826
Other income	64,247	54,000	10,247
TOTAL OPERATING REVENUES	<u>7,843,587</u>	<u>7,289,000</u>	<u>554,587</u>
EXPENSES			
Salaries, wages and employee benefits	2,534,190	2,668,970	(134,780)
Contract services	469,083	664,595	(195,512)
Utilities	445,525	496,600	(51,075)
Operating supplies	345,470	497,150	(151,680)
Repairs and maintenance	236,728	270,720	(33,992)
Other expense	224,341	268,715	(44,374)
Capital outlay	1,566,326	5,259,357	(3,693,031)
Reserve for Renewal and Replacement	-	733,520	(733,520)
TOTAL EXPENSES	<u>5,821,663</u>	<u>10,859,627</u>	<u>(5,037,964)</u>
OPERATING INCOME (LOSS)	2,021,924	(3,570,627)	5,592,551
NONOPERATING REVENUES (EXPENSES)			
Investment income	96,462	54,000	42,462
Intergovernmental revenue	532,500	532,500	-
Gain (loss) on disposal of capital assets	8,372	15,000	(6,628)
Gain (loss) on Debt Extinguishment	34,700	-	34,700
Debt Proceeds	-	1,100,000	(1,100,000)
Debt service principal retirement	(2,136,994)	(1,050,490)	(1,086,504)
Interest expense and fiscal charges	(99,747)	(188,600)	88,853
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(1,564,707)</u>	<u>462,410</u>	<u>(2,027,117)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	457,217	(3,108,217)	3,565,434
CONTRIBUTIONS AND TRANSFERS			
Intergovernmental revenue	6,015	-	6,015
Transfers In/(Out)	(250,000)	(250,000)	-
Capital contributions	265,690	182,000	83,690
Net assets allocation	-	3,176,217	(3,176,217)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	<u>478,922</u>	<u>\$ -</u>	<u>\$ 478,922</u>
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
Depreciation	(1,944,635)		
Interest accretion	(200,147)		
Bond discount amortization	(7,002)		
Debt service principal retirement	2,136,994		
Capital outlay	1,566,326		
CHANGE IN NET POSITION - GAAP BASIS	<u>\$ 2,030,458</u>		

## CITY OF OLDSMAR, FLORIDA

SCHEDULE OF OPERATIONS - ACTUAL AND BUDGET  
STORMWATER UTILITY FUND

For the year ended September 30, 2018

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
Fees	\$ 727,490	\$ 750,000	\$ (22,510)
Other income	3,870	4,000	(130)
TOTAL OPERATING REVENUES	731,360	754,000	(22,640)
EXPENSES			
Salaries, wages and employee benefits	176,692	200,480	(23,788)
Contract services	76,798	110,980	(34,182)
Operating supplies	35,077	43,800	(8,723)
Repairs and maintenance	23,088	23,750	(662)
Other expense	38,018	41,875	(3,857)
Capital outlay	105,035	254,406	(149,371)
Expense allocation	85,550	85,550	-
Reserve for infrastructure	-	198,965	(198,965)
TOTAL EXPENSES	540,258	959,806	(419,548)
OPERATING INCOME (LOSS)	191,102	(205,806)	396,908
NONOPERATING REVENUES (EXPENSES)			
Investment income	8,971	1,500	7,471
Debt Proceeds	-	100,000	(100,000)
TOTAL NONOPERATING REVENUES (EXPENSES)	8,971	101,500	(92,529)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	200,073	(104,306)	304,379
CONTRIBUTIONS AND TRANSFERS			
Intergovernmental revenues	40,889	-	40,889
Net assets allocation	-	104,306	(104,306)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	240,962	\$ -	\$ 240,962
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
Depreciation	(284,046)		
Capital outlay	105,035		
CHANGE IN NET POSITION - GAAP BASIS	\$ 61,951		

## CITY OF OLDSMAR, FLORIDA

SCHEDULE OF OPERATIONS - ACTUAL AND BUDGET  
SOLID WASTE FUND

For the year ended September 30, 2018

	Budgetary Basis Actual	Budget	Variance Over (Under)
OPERATING REVENUES			
User charges	\$ 2,801,925	\$ 2,758,000	\$ 43,925
Other income	17,003	16,000	1,003
TOTAL OPERATING REVENUES	2,818,928	2,774,000	44,928
EXPENSES			
Salaries, wages and employee benefits	19,320	27,700	(8,380)
Solid waste disposal	2,403,785	2,405,000	(1,215)
Contract services	26,292	30,000	(3,708)
Operating supplies	90	1,400	(1,310)
Other expense	59,680	68,190	(8,510)
Expense allocation	271,925	271,925	-
TOTAL EXPENSES	2,781,092	2,804,215	(23,123)
OPERATING INCOME (LOSS)	37,836	(30,215)	68,051
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenues	10,486	10,500	(14)
Investment income	12,830	2,000	10,830
TOTAL NONOPERATING REVENUES (EXPENSES)	23,316	12,500	10,816
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	61,152	(17,715)	78,867
CONTRIBUTIONS AND TRANSFERS			
Net assets allocation	-	17,715	(17,715)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PER BUDGET RESOLUTIONS	\$ 61,152	\$ -	\$ 61,152
ADJUSTMENTS TO RECONCILE TO STATEMENT OF REVENUES AND EXPENSES - GAAP BASIS			
None	-		
CHANGE IN NET POSITION - GAAP BASIS	\$ 61,152		

## CITY OF OLDSMAR, FLORIDA

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

September 30, 2018

	Total Governmental Funds	Long-term Assets, Liabilities	Reclasses & Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash, pooled cash and cash equivalents	\$ 7,750,157	\$ -	\$ -	\$ 7,750,157
Investments	6,917,755	-	(6,917,755)	-
Receivables				
Accounts and other	69,210	-	-	69,210
Due from other governments	456,527	-	-	456,527
Inventories	33,890	-	-	33,890
Prepaid items	457,181	-	-	457,181
Capital assets	-	78,633,930	-	78,633,930
Accumulated depreciation	-	(29,407,134)	-	(29,407,134)
Net pension asset	-	122,781	-	122,781
Investments, noncurrent	-	-	6,917,755	6,917,755
<b>TOTAL ASSETS</b>	<b>15,684,720</b>	<b>49,349,577</b>	<b>-</b>	<b>65,034,297</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB related	\$ -	\$ 42,568	\$ -	\$ 42,568
Defined benefit pension plans	-	1,933,241	-	1,933,241
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 15,684,720</b>	<b>\$ 51,325,386</b>	<b>\$ -</b>	<b>\$ 67,010,106</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 785,449	\$ -	\$ -	\$ 785,449
Retainage payable	-	-	-	-
Accrued items	280,904	-	-	280,904
Due to other governments	68,532	-	-	68,532
Current portion of long-term obligations	-	156,000	-	156,000
Compensated absences, long-term	-	357,599	-	357,599
Total OPEB liability	-	1,115,884	-	1,115,884
Net pension liability	-	1,460,730	-	1,460,730
Bonds payable, long-term	-	654,000	-	654,000
<b>TOTAL LIABILITIES</b>	<b>1,134,885</b>	<b>3,744,213</b>	<b>-</b>	<b>4,879,098</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Defined benefit pension plans	-	1,525,505	-	1,525,505
Local business tax receipts/Deferred revenue	137,202	-	-	137,202
OPEB plan	-	28,423	-	28,423
Unamortized bond refunding premium	-	21,942	-	21,942
<b>TOTAL DEFERRED INFLOWS</b>	<b>137,202</b>	<b>1,575,870</b>	<b>-</b>	<b>1,713,072</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>1,272,087</b>	<b>5,320,083</b>	<b>-</b>	<b>6,592,170</b>
<b>TOTAL FUND BALANCES / NET POSITION</b>	<b>14,412,633</b>	<b>46,005,303</b>	<b>-</b>	<b>60,417,936</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES / NET POSITION</b>	<b>\$ 15,684,720</b>	<b>\$ 51,325,386</b>	<b>\$ -</b>	<b>\$ 67,010,106</b>

## CITY OF OLDSMAR, FLORIDA

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

For the Year Ended September 30, 2018

	Total Governmental Funds	Capital Related Items	Long-term Pension, Debt Transactions	Rounding, Reclasses & Eliminations	Statement of Activities Totals
<b>REVENUES</b>					
Taxes					
Property taxes	\$ 5,024,275	\$ -	\$ -	\$ -	\$ 5,024,275
Sales and use taxes	1,095,543	-	-	-	1,095,543
Franchise fees	1,403,988	-	-	-	1,403,988
Utility taxes	1,568,462	-	-	-	1,568,462
Fire insurance premium tax	70,178	-	-	(70,178)	-
Communications service tax	799,160	-	-	-	799,160
Business tax receipts	172,719	-	-	(172,719)	-
Licenses, permits and fees	412,480	-	-	(412,480)	-
Intergovernmental revenue/State revenue sharing	2,933,900	-	-	(1,415,155)	1,518,745
Charges for services	465,475	-	-	1,843,597	2,309,072
Rents and royalties	145,327	-	-	(145,327)	-
Operating grants and contributions	-	-	-	813,703	813,703
Capital grants and contributions	-	-	-	386,789	386,789
Fines and forfeitures	126,929	-	-	(126,929)	-
Investment income	100,823	-	-	-	100,823
Impact fees	177,968	-	-	(177,968)	-
Special assessments	4,823	-	(4,550)	(273)	-
Gain from sale of capital assets	-	37,435	-	-	37,435
Miscellaneous revenues	628,141	-	-	(523,060)	105,081
<b>TOTAL REVENUES</b>	<b>15,130,191</b>	<b>37,435</b>	<b>(4,550)</b>	<b>-</b>	<b>15,163,076</b>
<b>EXPENDITURES</b>					
Current					
General Government	3,735,150	362,894	150,041		4,248,085
Law Enforcement	1,692,419	2,254	-		1,694,673
Fire Protection	2,093,385	172,132	131,361		2,396,878
Technical Services	364,512	3,273	30,683		398,468
Transportation	999,312	556,486	824		1,556,622
Library	850,751	119,007	2,325		972,083
Parks and Recreation	2,104,957	863,100	6,929		2,974,986
Planning and Redevelopment	30,252	143,213	-		173,465
Capital Outlay	2,128,012	(2,128,012)	-		-
Debt service					
Principal retirement	156,000	-	(156,000)		-
Interest and fiscal charges	15,806	-	(5,486)	-	10,320
<b>TOTAL EXPENDITURES</b>	<b>14,170,556</b>	<b>94,347</b>	<b>160,677</b>	<b>-</b>	<b>14,425,580</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	43,627	(43,627)	-	-	-
Transfers In	1,250,000	-	-	(1,000,000)	250,000
Transfers Out	(1,000,000)	-	-	1,000,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>293,627</b>	<b>(43,627)</b>	<b>-</b>	<b>-</b>	<b>250,000</b>
<b>NET CHANGE IN FUND BALANCE / NET POSITION</b>	<b>\$ 1,253,262</b>	<b>(100,539)</b>	<b>\$ (165,227)</b>	<b>\$ -</b>	<b>\$ 987,496</b>

## CITY OF OLDSMAR

## SCHEDULE OF EMS ALLOWABLE COSTS - ACTUAL AND BUDGET

For the year ended September 30, 2018

	Budgetary Basis Actual	Budget	Variance Over (Under)
REVENUES			
EMS reimbursement	\$ 450,669	\$ 451,034	\$ (365)
Reflected in the Statement of Activities on page 18 as:			
Fire Protection - Charges for Services	\$ 525,409		
Composed of:			
EMS reimbursement	\$ 446,568		
Allowable Overhead and Station Cost FY 093016	4,101		
Fire protection service	30,731		
Public safety impact fees	44,009		
Total Fire Protection - Charges for Services	\$ 525,409		
EXPENSES			
Salaries, wages and employee benefits	\$ 466,728	\$ 409,068	\$ 57,660
Medical services	1,277	1,500	(223)
Accounting and auditing	2,200	3,000	(800)
Insurance	5,195	6,000	(805)
Repairs and maintenance	10,065	14,000	(3,935)
Fuel	7,119	8,000	(881)
Uniforms	1,750	2,500	(750)
Licenses, permits and certifications	1,459	2,500	(1,041)
Station/overhead	4,466	-	4,466
	\$ 500,259	\$ 446,568	\$ 53,691
Reflected in the Statement of Activities on page 18 as:			
Fire Protection - Expenses	\$ 2,396,878		
Composed of:			
EMS expenses	\$ 500,259		
Fire expenses	1,896,619		
Total Fire Protection - Expenses	\$ 2,396,878		

## **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

	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 42,602,328	\$ 43,206,962	\$ 44,918,527	\$ 44,789,124
Restricted	3,146,936	3,389,922	1,838,919	2,103,146
Unrestricted	4,708,735	5,139,687	5,488,222	6,067,486
Total governmental activities net position	<u>\$ 50,457,999</u>	<u>\$ 51,736,571</u>	<u>\$ 52,245,668</u>	<u>\$ 52,959,756</u>
Business-type activities				
Net investment in capital assets	\$ 23,285,098	\$ 21,591,556	\$ 24,746,198	\$ 36,368,932
Restricted	2,167,049	7,301,155	4,231,692	1,418,506
Unrestricted	1,061,347	82,191	3,836,700	97,146
Total business-type activities net position	<u>\$ 26,513,494</u>	<u>\$ 28,974,902</u>	<u>\$ 32,814,590</u>	<u>\$ 37,884,584</u>
Primary Government				
Net investment in capital assets	\$ 65,887,426	\$ 64,798,518	\$ 69,664,725	\$ 81,158,056
Restricted	5,313,985	10,691,077	6,070,611	3,521,652
Unrestricted	5,770,082	5,221,878	9,324,922	6,164,632
Total primary government activities net position	<u>\$ 76,971,493</u>	<u>\$ 80,711,473</u>	<u>\$ 85,060,258</u>	<u>\$ 90,844,340</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.

2013	2014	2015	2016	2017	2018
\$47,442,048	\$48,951,705	\$ 55,250,819	\$ 48,802,822	\$ 48,333,907	\$ 48,394,854
1,115,915	2,101,705	3,270,470	4,342,120	5,735,950	8,324,860
5,843,262	5,840,837	709,616	6,347,706	5,640,247	3,698,222
<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>	<u>\$ 60,417,936</u>
\$34,576,558	\$34,804,657	\$ 33,912,721	\$ 33,805,583	\$ 33,758,439	\$ 33,898,285
1,512,571	1,493,037	1,644,321	1,774,330	1,917,231	1,205,209
2,882,636	3,582,913	5,216,989	6,556,423	8,519,015	11,158,737
<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>	<u>\$ 46,262,231</u>
\$82,018,606	\$83,756,362	\$ 89,163,540	\$ 82,608,405	\$ 82,092,346	\$ 82,293,139
2,628,486	3,594,742	4,914,791	6,116,450	7,653,181	9,530,069
8,725,898	9,423,750	5,926,605	12,904,129	14,159,262	14,856,959
<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>	<u>\$ 106,680,167</u>

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

	2009	2010	2011	2012	2013
<b>Expenses</b>					
Governmental activities:					
General government	\$ 2,774,771	\$ 2,838,167	\$ 3,046,763	\$ 3,162,820	\$ 3,254,536
Law enforcement	1,439,311	1,508,378	1,534,252	1,566,145	1,767,674
Fire protection	2,339,090	2,465,409	2,460,618	2,251,609	2,184,053
Technical Services/Community Redevelop	581,558	307,380	348,023	286,762	363,053
Public works/Transportation	1,900,789	1,670,302	1,690,844	1,608,024	1,569,245
Culture and recreation/Library, Parks and Rec	3,387,322	3,359,810	3,188,818	3,209,888	3,281,618
Interest and fiscal charges on long-term debt	108,153	92,669	87,649	82,745	103,112
Total governmental activities expenses	<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	3,263,815	3,286,483	3,390,235	3,503,772	-
Sewer/Water Reclamation	2,838,036	2,872,311	2,710,024	2,471,037	3,575,192
Reclaimed water/Reverse Osmosis water plant	225,467	224,390	209,758	287,949	3,087,764
Stormwater utility	352,463	524,216	578,322	640,495	674,956
Solid waste	2,209,242	2,314,173	2,240,027	2,308,691	2,297,004
Total business-type activities expenses	<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>\$ 21,420,017</u>	<u>\$ 21,463,688</u>	<u>\$ 21,485,333</u>	<u>\$ 21,379,937</u>	<u>\$ 22,158,207</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services	\$ 1,383,570	\$ 1,501,580	\$ 1,551,116	\$ 1,809,498	\$ 2,244,671
Operating grants and contributions	388,239	391,376	317,553	349,696	328,608
Capital grants and contributions	252,028	296,097	505,400	487,144	1,286,131
Total governmental activities program revenues	<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	\$ 9,085,997	\$ 8,884,152	\$ 9,389,910	\$ 9,612,355	\$ 9,666,398
Operating grants and contributions	10,506	23,147	23,167	35,827	23,113
Capital grants and contributions	1,070,676	2,055,994	2,726,800	3,824,234	425,020
Total business-type activities program revenues	<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>\$ 12,191,016</u>	<u>\$ 13,152,346</u>	<u>\$ 14,513,946</u>	<u>\$ 16,118,754</u>	<u>\$ 13,973,941</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities net expense	\$ (10,507,157)	\$ (10,053,062)	\$ (9,982,898)	\$ (9,521,655)	\$ (8,663,881)
Business-type activities net expense	1,278,156	1,741,720	3,011,511	4,260,472	479,615
Total primary government net expense	<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>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 5,449,452	\$ 5,084,504	\$ 4,500,720	\$ 4,287,547	\$ 4,236,658
Franchise fees	1,633,039	1,549,092	1,477,506	1,420,070	1,376,347
Utility taxes	1,325,357	1,472,798	1,438,663	1,394,453	1,396,466
Communication services tax	1,587,502	1,497,240	1,415,554	1,304,078	1,242,248
Sales and use taxes	949,216	458,748	403,112	459,997	518,172
State revenue sharing	1,040,548	1,030,890	1,073,065	1,116,138	1,138,481
Investment income	66,628	129,203	73,015	110,911	37,258
Miscellaneous and transfers	71,835	109,159	110,360	142,549	189,719
Total governmental activities	<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	23,003	99,669	59,584	53,927	16,672
Miscellaneous	12,887	54,508	18,593	5,595	17,147
Total business-type activities	<u>35,890</u>	<u>719,688</u>	<u>828,177</u>	<u>809,522</u>	<u>783,819</u>
Total primary government	<u>\$ 12,159,467</u>	<u>\$ 12,051,322</u>	<u>\$ 11,320,172</u>	<u>\$ 11,045,265</u>	<u>\$ 10,919,168</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 1,616,420	\$ 1,278,572	\$ 509,097	\$ 714,088	\$ 1,471,468
Business-type activities	1,314,046	2,461,408	3,839,688	5,069,994	1,263,434
Total primary government	<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.

2014	2015	2016	2017	2018
\$ 3,370,916	\$ 3,595,857	\$ 3,630,907	\$ 4,119,934	\$ 4,248,085
1,764,468	1,809,188	1,619,201	1,643,239	1,694,673
2,021,776	1,909,404	2,112,052	2,239,771	2,396,878
346,331	372,674	546,533	525,158	571,933
1,646,974	1,675,173	1,677,230	1,695,784	1,556,622
3,364,435	3,468,799	3,900,977	3,927,298	3,947,069
20,849	18,322	15,714	13,044	10,320
<u>12,535,749</u>	<u>12,849,417</u>	<u>13,502,614</u>	<u>14,164,228</u>	<u>14,425,580</u>
-	-	-	-	-
3,461,871	3,501,209	3,559,372	3,336,571	3,319,181
2,995,966	3,117,614	2,989,204	3,218,103	3,187,687
742,922	694,281	682,700	721,802	719,270
2,381,572	2,571,553	2,603,487	2,681,736	2,781,091
9,582,331	9,884,657	9,834,763	9,958,212	10,007,229
<u>\$22,118,080</u>	<u>\$22,734,074</u>	<u>\$ 23,337,377</u>	<u>\$ 24,122,440</u>	<u>\$ 24,432,809</u>
\$ 2,197,517	\$ 2,092,515	\$ 1,929,184	\$ 2,197,295	\$ 2,309,072
302,852	335,320	326,871	544,793	813,703
1,664,180	1,931,041	482,718	320,747	386,789
<u>\$ 4,164,549</u>	<u>\$ 4,358,876</u>	<u>\$ 2,738,773</u>	<u>\$ 3,062,835</u>	<u>\$ 3,509,564</u>
\$ 9,779,848	\$10,337,154	\$ 10,536,367	\$ 11,063,579	\$ 11,393,875
23,136	21,036	10,485	10,435	10,486
161,321	61,203	28,109	305,757	312,594
9,964,305	10,419,393	10,574,961	11,379,771	11,716,955
<u>\$14,128,854</u>	<u>\$14,778,269</u>	<u>\$ 13,313,734</u>	<u>\$ 14,442,606</u>	<u>\$ 15,226,519</u>
\$ (8,371,200)	\$ (8,490,541)	\$ (10,763,841)	\$ (11,101,393)	\$ (10,916,016)
381,974	534,736	740,198	1,421,559	1,709,726
<u>\$ (7,989,226)</u>	<u>\$ (7,955,805)</u>	<u>\$ (10,023,643)</u>	<u>\$ (9,679,834)</u>	<u>\$ (9,206,290)</u>
\$ 4,355,617	\$ 4,669,724	\$ 4,545,289	\$ 4,861,168	\$ 5,024,275
1,432,786	1,456,699	1,454,907	1,388,566	1,403,988
1,458,828	1,472,143	1,492,720	1,520,236	1,568,462
1,149,968	1,093,287	998,257	827,924	799,160
877,289	910,282	984,964	1,026,437	1,095,543
1,275,061	1,356,324	1,410,558	1,458,450	1,518,745
14,241	123,499	139,540	82,447	100,823
300,432	149,860	131,571	153,621	392,516
<u>10,864,222</u>	<u>11,231,818</u>	<u>11,157,806</u>	<u>11,318,849</u>	<u>11,903,512</u>
467,495	532,500	532,397	532,500	532,500
48,588	92,977	78,732	67,897	118,263
10,785	26,693	10,978	36,393	(206,928)
526,868	652,170	622,107	636,790	443,835
<u>\$11,391,090</u>	<u>\$11,883,988</u>	<u>\$ 11,779,913</u>	<u>\$ 11,955,639</u>	<u>\$ 12,347,347</u>
\$ 2,493,022	\$ 2,741,277	\$ 393,965	\$ 217,456	\$ 987,496
908,842	1,186,906	1,362,305	2,058,349	2,153,561
<u>\$ 3,401,864</u>	<u>\$ 3,928,183</u>	<u>\$ 1,756,270</u>	<u>\$ 2,275,805</u>	<u>\$ 3,141,057</u>

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

	2009	2010	(1) 2011	2012	2013
General Fund					
Reserved	\$ 109,924	\$ 133,492	\$ -	\$ -	\$ -
Unreserved	4,905,865	5,382,882	-	-	-
Nonspendable	-	-	95,476	144,977	1,159,871
Committed to capital projects	-	-	109,856	222,907	983,342
Assigned to:					
CERT	-	-	15,000	7,000	-
Insurance	-	-	511,630	529,345	539,294
Art improvements	-	-	-	-	-
Appropriated reserve	-	-	1,556,549	1,506,006	1,500,000
Unassigned	-	-	3,585,464	4,130,595	2,291,170
Total general fund	<u>\$ 5,015,789</u>	<u>\$ 5,516,374</u>	<u>\$ 5,873,975</u>	<u>\$ 6,540,830</u>	<u>\$ 6,473,677</u>
All Other Governmental Funds					
Reserved	\$ 842,232	\$ 1,998,680	\$ -	\$ -	\$ -
Unreserved					
Special revenue funds	790,073	720,849	-	-	-
Debt service fund	408,592	329,111	-	-	-
Capital project fund	989,638	224,881	-	-	-
Nonspendable	-	-	-	-	-
Restricted for:					
Capital projects	-	-	469,339	786,855	807,745
CRA	-	-	5,049	378,478	-
Debt service	-	-	43,296	139,715	139,864
Fire suppression	-	-	230,344	165,637	170,998
Transportation improvements	-	-	-	-	70,200
Committed to:					
Capital projects	-	-	708,500	155,715	448,083
Assigned to:					
Transportation improvements	-	-	245,577	285,676	-
Appropriated reserve	-	-	136,815	191,070	148,000
Unassigned	-	-	-	-	(668,975)
Total all other governmental funds	<u>\$ 3,030,535</u>	<u>\$ 3,273,521</u>	<u>\$ 1,838,920</u>	<u>\$ 2,103,146</u>	<u>\$ 1,115,915</u>

(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.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
853,292	619,069	370,083	127,089	114,441
942,740	57,371	170,092	106,019	434,891
-	-	-	-	-
525,293	541,489	563,127	565,542	556,862
-	-	-	25,674	29,551
1,500,000	1,500,000	1,500,000	2,000,000	2,000,000
3,130,890	4,411,817	5,157,235	4,599,096	2,952,028
<u>\$ 6,952,215</u>	<u>\$ 7,129,746</u>	<u>\$ 7,760,537</u>	<u>\$ 7,423,420</u>	<u>\$ 6,087,773</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	435,846	396,394	376,630
1,394,859	2,144,636	2,825,670	4,087,124	4,649,888
-	24,058	165,487	892,814	597,098
141,549	147,276	147,276	142,276	147,277
55,589	134,857	44,322	36,624	758,240
96,785	46,947	30,521	37,174	111,641
45,423	527,254	148,698	92,544	140,086
-	-	-	-	-
367,500	269,500	544,300	46,000	1,544,000
(414,247)	-	-	-	-
<u>\$ 1,687,458</u>	<u>\$ 3,294,528</u>	<u>\$ 4,342,120</u>	<u>\$ 5,730,950</u>	<u>\$ 8,324,860</u>

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

	2009	2010	2011	2012
<b>Revenues</b>				
Taxes	\$ 11,072,772	\$ 10,181,596	\$ 9,345,265	\$ 8,976,565
Licenses, permits and charges for services	541,751	593,628	592,741	707,290
Intergovernmental revenue	1,702,135	1,920,810	2,128,755	2,189,075
Fines and forfeitures	134,082	185,191	183,928	267,524
Miscellaneous revenue	581,073	666,113	626,737	754,863
Total revenues	<u>14,031,813</u>	<u>13,547,338</u>	<u>12,877,426</u>	<u>12,895,317</u>
<b>Expenditures</b>				
General government	2,495,243	2,572,221	2,703,988	2,726,600
Public safety	4,113,289	4,049,532	3,844,218	3,693,101
Physical environment	1,281,725	1,036,985	1,293,887	1,175,027
Culture and recreation	2,736,377	2,709,375	2,518,328	2,528,643
Capital outlay	3,140,502	2,264,288	3,410,447	1,656,716
Debt service				
Principal retirement	138,599	100,000	100,000	110,000
Interest and fiscal charges	227,151	96,570	91,550	86,645
Total expenditures	<u>14,132,886</u>	<u>12,828,971</u>	<u>13,962,418</u>	<u>11,976,732</u>
Excess of revenues over (under) expenditures	(101,073)	718,367	(1,084,992)	918,585
<b>Other Financing Sources (Uses)</b>				
Refunding bonds proceeds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	838	25,204	7,992	12,496
Transfers in	280,000	908,013	35,000	-
Transfers out	(280,000)	(908,013)	(35,000)	-
Total other financing sources (uses)	<u>838</u>	<u>25,204</u>	<u>7,992</u>	<u>12,496</u>
Net change in fund balances	(100,235)	743,571	(1,077,000)	931,081
Fund balances - beginning of year	<u>8,146,559</u>	<u>8,046,324</u>	<u>8,789,895</u>	<u>7,712,895</u>
Fund balances - end of year	<u>\$ 8,046,324</u>	<u>\$ 8,789,895</u>	<u>\$ 7,712,895</u>	<u>\$ 8,643,976</u>
Debt service as a percentage of noncapital expenditures	3.3%	1.9%	1.8%	1.9%



2013	2014	2015	2016	2017	2018
\$ 8,616,629	\$ 9,391,492	\$ 9,449,002	\$ 9,575,711	\$ 9,705,954	\$ 9,961,606
734,139	903,538	809,964	815,767	981,833	1,050,674
3,276,563	3,383,897	4,166,542	2,497,424	2,593,855	2,933,900
601,194	436,436	192,056	143,321	153,596	126,929
733,500	763,864	966,163	860,484	910,348	1,057,082
13,962,025	14,879,227	15,583,727	13,892,707	14,345,586	15,130,191
2,110,427	2,931,858	3,153,244	3,115,252	3,536,679	3,735,150
3,831,140	3,622,629	3,586,594	3,578,333	3,561,122	3,785,804
1,860,695	1,235,254	1,274,888	1,329,238	1,437,968	1,394,076
2,584,740	2,679,704	2,712,822	2,955,570	2,979,454	2,955,708
4,516,543	3,727,798	3,409,149	1,405,954	1,895,343	2,128,012
-	141,000	143,000	150,000	150,000	156,000
63,663	26,335	23,808	21,200	18,530	15,806
14,967,208	14,364,578	14,303,505	12,555,547	13,579,096	14,170,556
(1,005,183)	514,649	1,280,222	1,337,160	766,490	959,635
1,550,000	-	-	-	-	-
(1,649,735)	-	-	-	-	-
50,534	535,432	504,379	341,223	290,223	43,627
-	100,000	740,000	325,000	745,000	1,250,000
-	(100,000)	(740,000)	(325,000)	(745,000)	(1,000,000)
(49,201)	535,432	504,379	341,223	290,223	293,627
(1,054,384)	1,050,081	1,784,601	1,678,383	1,056,713	1,253,262
8,643,976	7,589,592	8,639,673	10,424,274	12,102,657	13,159,371
\$ 7,589,592	\$ 8,639,673	\$10,424,274	\$12,102,657	\$13,159,371	\$14,412,633
0.6%	1.6%	1.5%	1.5%	1.4%	1.4%

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

	2009	2010	2011
<b>Function / Program</b>			
Governmental activities :			
Charges for services			
General government	\$ 619,211	\$ 731,442	\$ 713,598
Law enforcement	-	-	-
Fire Protection	411,253	423,257	401,944
Technical services/Community Redevelopment	78,352	111,910	91,474
Public Works/Transportation and Drainage	74,519	30,074	94,943
Culture and Recreation	200,235	204,897	249,157
Total charges for services	<u>1,383,570</u>	<u>1,501,580</u>	<u>1,551,116</u>
Operating grants and contributions			
General government	110	-	500
Fire Protection	136,026	140,429	115,945
Culture and Recreation	252,103	250,947	201,108
Total operating grants and contributions	<u>388,239</u>	<u>391,376</u>	<u>317,553</u>
Capital grants and contributions			
General Government	-	-	-
Law Enforcement	2,120	6,100	5,248
Fire Protection	-	3,135	-
Public Works/Transportation	184,372	140,747	90,921
Community redevelopment	-	-	-
Culture and Recreation	65,536	146,115	409,231
Total capital grants and contributions	<u>252,028</u>	<u>296,097</u>	<u>505,400</u>
Sub-total governmental activities	<u>2,023,837</u>	<u>2,189,053</u>	<u>2,374,069</u>
Business-type activities:			
Charges for services			
Water/Distribution and Collection	3,312,562	3,187,492	3,423,459
Sewer/Water Reclamation	2,733,157	2,677,226	2,823,148
Reclaimed/Reverse Osmosis water plant	355,877	302,261	367,302
Stormwater Utility	384,864	385,469	490,027
Solid Waste	2,299,537	2,331,704	2,285,974
Total charges for services	<u>9,085,997</u>	<u>8,884,152</u>	<u>9,389,910</u>
Operating grants and contributions			
Water recalculation	-	-	-
Stormwater Utility	-	12,667	12,667
Solid Waste	10,506	10,480	10,500
Total operating grants and contributions	<u>10,506</u>	<u>23,147</u>	<u>23,167</u>
Capital grants and contributions			
Water/Reverse Osmosis water plant	1,070,676	1,901,192	2,685,122
Water reclamation	-	-	-
Reclaimed	-	127,479	-
Stormwater Utility	-	27,323	41,678
Total capital grants and contributions	<u>1,070,676</u>	<u>2,055,994</u>	<u>2,726,800</u>
Sub-total business-type activities	<u>10,167,179</u>	<u>10,963,293</u>	<u>12,139,877</u>
Total primary government revenues	<u>\$ 12,191,016</u>	<u>\$ 13,152,346</u>	<u>\$ 14,513,946</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.

2012	2013	2014	2015	2016	2017	2018
\$ 717,813	\$ 1,476,041	\$ 1,339,577	\$ 1,129,586	\$ 1,041,029	\$ 1,239,965	\$ 1,305,549
85,295	-	-	-	-	-	-
427,134	447,356	483,145	474,678	471,643	466,427	525,409
149,035	26,977	71,506	77,886	36,623	48,163	38,501
140,356	45,857	33,446	71,075	58,789	72,734	88,751
289,865	248,440	269,843	339,290	321,100	370,006	350,862
1,809,498	2,244,671	2,197,517	2,092,515	1,929,184	2,197,295	2,309,072
15,115	3,400	3,178	26,135	10,170	224,698	509,408
120,106	122,786	125,441	120,970	107,153	91,256	75,236
214,475	202,422	174,233	188,215	209,548	228,839	229,059
349,696	328,608	302,852	335,320	326,871	544,793	813,703
-	-	143,102	-	-	-	-
3,841	2,684	2,699	2,343	2,748	-	-
-	-	-	8,238	-	-	-
369,211	3,199	172,812	84,921	193,417	665	40,273
-	-	-	-	282,784	311,373	346,516
114,092	1,280,248	1,345,567	1,835,539	3,769	8,709	-
487,144	1,286,131	1,664,180	1,931,041	482,718	320,747	386,789
2,646,338	3,859,410	4,164,549	4,358,876	2,738,773	3,062,835	3,509,564
3,832,550	-	-	-	-	-	-
2,960,689	3,124,453	3,222,036	3,478,925	3,522,312	3,659,091	3,751,385
-	3,778,087	3,673,009	3,662,741	3,719,559	4,006,076	4,092,202
578,122	513,380	516,084	654,263	673,829	733,971	731,360
2,240,994	2,250,478	2,368,719	2,541,225	2,620,667	2,664,441	2,818,928
9,612,355	9,666,398	9,779,848	10,337,154	10,536,367	11,063,579	11,393,875
12,640	-	-	-	-	-	-
12,667	12,667	12,667	10,556	-	-	-
10,520	10,446	10,469	10,480	10,485	10,435	10,486
35,827	23,113	23,136	21,036	10,485	10,435	10,486
3,824,234	199,171	-	-	-	102,621	95,619
-	225,849	156,507	31,588	2,228	179,228	176,086
-	-	-	-	-	-	-
-	-	4,814	29,615	25,881	23,908	40,889
3,824,234	425,020	161,321	61,203	28,109	305,757	312,594
13,472,416	10,114,531	9,964,305	10,419,393	10,574,961	11,379,771	11,716,955
\$ 16,118,754	\$ 13,973,941	\$ 14,128,854	\$ 14,778,269	\$ 13,313,734	\$ 14,442,606	\$ 15,226,519

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
2018	\$5,024,275	\$ 1,403,988	\$ 1,095,543	\$ 1,568,462	\$ 799,160	\$ 70,178	\$ 9,961,606
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

(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:

2018	\$ 532,500
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
2018	\$ 963,352,986	\$ 504,443,802	\$ 93,667,964	\$ 16,498,270	\$ 197,199,865
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

	Percentages				
2018	54.27%	28.42%	5.28%	0.93%	11.11%
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%

Source: Pinellas County Property Appraiser

Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
\$ 1,775,162,887	\$ 489,643,979	\$ 1,285,518,908	4.0500
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

---

100.00%	27.58%	72.42%
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%



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

Fiscal Year	Direct City	County Operating			Total County Operating	Transit District	Emergency Medical Services
		General Fund	Health Department	Mosquito Control			
2018	4.0500	5.2755	0.0835	-	5.3590	0.7500	0.9158
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

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					
4.2610	2.7480	7.0090	0.3131	0.8981	-	0.0150	19.3100
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

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

Taxpayer	2018			2009		
	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	\$ 52,100,860	1	4.05%	\$ -		0.00%
The Nielsen Company (US) LLC	38,401,270	2	2.99%	-		0.00%
MT (2002) Statutory Trust	32,325,000	3	2.51%	-		0.00%
Pacifica Forest Lakes LLC	30,400,000	4	2.36%	-		0.00%
Woodlands Square C R P LLC	28,456,503	5	2.21%	-		0.00%
PROLOGIS U S L V TRS S U B I LLC	19,366,600	6	1.51%	-		0.00%
Wal-Mart Stores East LP	18,205,000	7	1.42%	-		0.00%
MT (2003) Statutory Trust	16,025,000	8	1.25%	-		0.00%
S P T W A H Westminster LLC	13,880,221	9	1.08%	-		0.00%
Tampa Electric Company	13,431,746	10	1.04%	7,512,635	9	0.54%
Oldsmar Statutory Trust	-		-	73,183,100	1	5.29%
Nielsen Media Research, Inc.	-		-	55,427,070	2	4.01%
PPFL Woodlands LLC	-		-	36,900,000	3	2.67%
ICS Village	-		-	17,550,000	6	1.27%
Wal-Mart Stores East, LLC	-		-	21,800,000	5	1.58%
580 Industrial, Ltd.	-		-	21,971,000	4	1.59%
TWC 79, LTD	-		-	12,300,000	7	0.89%
Metal Industries, Inc.	-		-	12,036,310	8	0.87%
MTN Tampa Rd Partners	-		-	8,900,000	10	0.64%
Total Principal Taxpayers	262,592,200		20.43%	267,580,115		19.35%
All Other Taxpayers	1,022,926,708		79.57%	1,115,519,809		80.65%
Total	<u>\$ 1,285,518,908</u>		<u>100.00%</u>	<u>\$ 1,383,099,924</u>		<u>100.00%</u>

Note:

Source: Pinellas County Property Appraiser's Office & 2009 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
2018	\$ 5,215,309	\$ 4,936,256	94.65%	\$ 88,019	\$ 5,024,275	96.34%
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%

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
2018	\$ -	\$ -	\$ 810,000	\$ -	\$ -	\$ 665,535	\$ 2,367,988
2017	-	-	966,000	1,439,392	-	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	-

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
\$ -	\$ 3,796,318	\$ 7,639,841	1.17%	\$ 527
-	4,021,245	9,739,691	1.55%	680
-	4,240,773	10,795,968	1.76%	759
-	4,455,035	11,812,331	2.04%	844
-	4,664,154	12,781,171	2.28%	922
-	4,868,255	13,710,379	2.44%	999
-	4,609,353	12,997,001	2.44%	957
5,563,935	1,002,854	14,800,616	2.88%	1,089
5,563,935	-	13,802,705	3.66%	998
-	-	7,879,889	1.54%	570

City of Oldsmar  
Schedule 12  
Direct and Overlapping Governmental Activities Debt  
As of September 30, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Pinellas County School Board	\$ 1,197,000		
Capital leases	6,111,013		
Pinellas County Governmental Activities Bonds	<u>9,578,209</u>		
Total overlapping debt (1)	\$ 16,886,222	1.749%	\$ 295,328
City direct debt			<u>810,000</u>
Total direct and overlapping debt			<u><u>\$ 1,105,328</u></u>

Notes:

Source: Pinellas County and Pinellas County School Board.

(1) The City's share is calculated based on the ratio of the 2018 City Taxable Value of \$1,285,518,908 to the County's Taxable Value of \$73,503,171,055

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

Year	Half-cent Sales Tax	Capital Improvement Revenue Bonds Series 1989			Communications Service Taxes	Public Services Tax	Revenue l Principal
		Principal	Interest	Coverage			
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,806	\$ -
2017	-	-	-	-	-	168,530	-
2016	-	-	-	-	-	171,200	-
2015	-	-	-	-	-	172,535	-
2014	-	-	-	-	-	169,020	-
2013	-	-	-	-	-	163,547	1,590,000
2012	-	-	-	-	-	195,670	110,000
2011	-	-	-	-	-	191,550	100,000
2010	-	-	-	-	-	196,570	100,000
2009	170,000	43,599	126,401	1.00	-	195,750	95,000

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.

Bonds Series 2002		Refunding Revenue Note Series 2012		
Interest	Coverage	Principal	Interest	Coverage
\$ -	\$ -	\$ 156,000	\$ 15,806	1.00
-	-	150,000	18,530	1.00
-	-	150,000	21,200	1.00
-	-	143,000	23,808	1.03
-	-	141,000	26,355	1.01
44,935	0.10	-	14,791	0.84
86,645	1.00	-	-	-
91,550	1.00	-	-	-
96,570	1.00	-	-	-
100,750	1.00	-	-	-

(continued)

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

Year	Revenues	Expenses	Net Available Revenue	Refunding and Improvement Revenue Bonds Series 1990		State Revolving Loan	
				Principal	Interest	Principal	Interest
2018	\$7,938,197	\$4,255,337	\$3,682,860	\$ 71,405	\$ 474,618	\$ -	\$ -
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

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
\$135,984	\$ 23,417	\$143,547	\$ 67,072	\$224,926	\$ 96,903	\$ 575,862	\$662,010	2.98
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

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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)
2018	14,489	\$ 652,975,763	\$ 45,067	39.3	1,256	2.7%
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%

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	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage Total City Employment
Nielsen Media Research (5)	1,800	#1	N/A	1,725	#1	N/A
United Health Care (5)	500	#2	N/A	644	#2	N/A
Walmart	373	#3	N/A	-		N/A
City of Oldsmar	151	#4	N/A	147	#4	N/A
Osgood Industries	147	#5	N/A	-		N/A
Micon Packaging	125	#6	N/A	80	#6	N/A
Knight Dental Group	120	#7	N/A	-		N/A
S&S Electrical Company (4)	99	#8	N/A	-		N/A
MI Metals	95	#9	N/A	55	#7	N/A
IC Intracom	35	#10	N/A	52	#8	N/A
Baycare Health Systems (3)	15	#11	N/A	290	#3	N/A
Goodrich Lighting Systems (1,2)	N/A	N/A	N/A	99	#5	N/A
	<u>3,460</u>		<u>-</u>	<u>3,092</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) Baycare Health Systems has temporarily relocated outside of Oldsmar City Limits, but is repurposing the facility for use in 2017.

(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

Function/Program	Full-time Equivalent Employees as of September 30					
	2018	2017	2016	2015	2014	2013
General government						
City Manager	2.5	1.5	1.5	1.5	1.5	2.0
Administrative Services	18.5	18.0	18.0	18.0	17.5	17.0
City Clerk	5.0	5.0	5.0	5.0	4.5	4.5
Public Safety						
Fire	20.0	20.0	20.0	20.0	20.0	22.0
Police	*	*	*	*	*	*
Protective Inspections/Planning	7.0	7.0	7.0	7.0	8.0	6.0
Public Works						
Technical Services/Building	5.0	3.5	2.5	2.5	2.5	2.0
Road and Street Facilities	10.0	11.0	11.0	10.0	10.0	10.0
Utilities Maintenance	3.0	3.0	4.0	4.0	4.0	4.0
Water Distribution	12.0	12.0	12.0	11.0	11.0	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	7.0	6.0
Solid Waste	0.5	1.0	1.0	1.0	1.0	1.0
Stormwater	4.0	4.0	4.0	4.0	4.0	4.0
Culture and recreation						
Library	12.0	12.0	12.0	12.0	11.5	11.5
Parks	12.4	15.4	22.9	19.9	18.4	16.9
Recreation	9.3	8.8	7.8	7.8	7.8	8.3
Olsmar Sports Complex	8.0	6.5	-	-	-	-
Facilities	6.0	5.0	5.0	5.0	5.0	5.0
	<u>151.2</u>	<u>149.7</u>	<u>149.7</u>	<u>144.7</u>	<u>142.7</u>	<u>141.2</u>

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

Source: City of Oldsmar Budget

2012	2011	2010	2009
2.0	2.0	4.0	5.0
17.5	17.5	17.5	18.0
4.5	4.5	2.5	2.5
23.0	23.0	23.0	23.0
*	*	*	*
7.0	7.0	9.0	6.0
2.0	2.0	5.0	9.5
10.0	10.0	10.0	14.0
5.0	-	-	-
12.0	17.0	12.0	12.0
9.0	14.0	14.0	14.0
-	1.0	1.0	1.0
6.0	-	-	-
2.0	2.0	2.0	2.0
4.0	4.0	4.0	-
12.0	12.0	12.0	12.0
15.9	15.9	17.9	17.9
8.3	8.3	8.8	9.8
-	-	-	-
5.0	5.0	-	-
145.2	145.2	142.7	146.7

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

<u>Function/Program</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Police (1)					
Physical arrests	456	492	501	448	601
Parking violations	20	39	117	228	307
Traffic violations	6,699	7,876	5,801	6,432	7,355
Fire (2)					
Total Responses	1,819	1,962	1,681	1,619	1,531
EMS Responses	1,546	1,618	1,415	1,385	1,316
Fire Responses	273	344	266	234	215
Inspections	621	617	314	300	562
Recreation (3)					
Memberships	1,846	1,674	1,171	1,744	1,456
Library (4)					
Volumes in collection	63,793	62,363	61,643	60,613	59,398
Water (5)					
Number of connections	5,396	5,385	5,384	5,372	5,359
Average daily consumption (mgd)	1.328	1.324	1.253	1.202	1.236
Sewer (6)					
Number of connections	5,221	5,207	5,211	5,213	5,214
Average daily flow (mgd)	1.625	1.518	1.520	1.471	1.524
Reclaimed water (7)					
Number of connections	1,838	1,819	1,791	1,770	1,726

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



2013	2012	2011	2010	2009
633	219	552	504	491
565	895	751	704	329
6,835	7,214	5,049	4,264	3,660
1,526	1,562	1,656	1,722	1,526
1,315	1,323	1,387	1,400	1,224
211	239	269	322	302
564	1,032	1,401	1,708	1,717
1,957	2,038	1,779	893	759
61,155	68,410	60,450	60,139	60,809
5,332	5,305	5,334	5,584	5,649
1,221	1,327	1,296	1,320	1,525
5,215	5,215	5,251	5,301	5,316
1,460	1,672	1,274	1,620	1,653
1,701	1,656	1,641	1,615	1,576

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

<u>Function/Program</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Police (1)						
Stations	1	1	1	1	-	-
Fire (2)						
Stations	1	1	1	1	1	1
Public works (3)						
Streets (miles)	50.30	49.70	49.70	50.30	49.21	51.63
Recreation (4)						
Number of parks	11	11	11	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	8	7	7	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	3	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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
-	-	-	-
1	1	1	1
51.63	51.63	51.63	49.80
9	8	8	8
8	8	8	8
1	1	1	2
1	1	1	1
8	9	9	9
3	3	3	3
4	4	4	4
3	3	3	3
3	3	3	3
25	25	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, 2018

Federal/State Agency Pass-through entity Federal Program/State Project	CFDA/ CSFA No.	Contract or grant number	Expenditures
<b>FEDERAL AWARDS</b>			
U.S. Environmental Protection Agency (indirect)			
Florida Department of Environmental Protection			
State Revolving Loan	66.458	669090	\$ -
Capitalization Grant for Drinking Water State			
Revolving Fund Loan	66.468	DW5214 000	-
American Recovery & Reinvestment Act (ARRA)			
Capitalization Grants for Drinking Water			
State Revolving Funds	66.468	DW5214020	-
Federal Highway Administration			
U.S. Department of Transportation (indirect)			
Florida Department of Transportation			
Local Agency Program (LAP)			
Design of Douglas Trail	20.205	FPN # 415738-7-38-01	40,000
Federal Emergency Management Agency			
Florida Department of Emergency Management			
Flood Mitigation Assistance Grant	97.029	15FM-J2-08-62-02-401	-
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 40,000</u>
<b>STATE FINANCIAL ASSISTANCE</b>			
Florida Department of Transportation			
Economic Development Transportation Projects			
Douglas Road/Burbank Road Improvement	55.032	439418-1-54-01	\$ -
Highway Landscape Reimbursement and Maintenance			
SR 580/Forest Lakes Blvd Phase II	N/A	#AS356	-
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<u>\$ -</u>

CITY OF OLDSMAR, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

CITY OF OLDSMAR, FLORIDA

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

September 30, 2018

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, 2018, 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 24, 2019.

**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 24, 2019



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, 2018 and have issued our report thereon dated March 24, 2019.

**Auditor's Responsibility**

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

**Other Reporting Requirements**

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 24, 2019, 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 and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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 to identify the specific 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.b. 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.

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

### **Special District Component Units**

Section 10.554(1)(i)5.c. 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.

### **Additional Matters**

Sections 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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.

A handwritten signature in blue ink, appearing to read "Wells, Houser & Schatzel, P.A.", is located above the typed name of the firm.

Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida  
March 24, 2019

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, 2018. 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, 2018.



Wells, Houser & Schatzel, P.A.  
St. Petersburg, Florida  
March 24, 2019