



Oviedo Photo Club



CITY OF OVIEDO

Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2018

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

CITY OF OVIEDO, FLORIDA

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018

PREPARED BY:
FINANCE DEPARTMENT

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Introductory Section

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CITY OF OVIEDO FLORIDA

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March 14, 2019

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Oviedo, Florida, for the fiscal year ended September 30, 2018. This report fulfills the requirements of the City Charter, Florida Statutes, and the Rules of the Florida Auditor General. It is presented in conformity with generally accepted accounting principles (GAAP) and audited by an independent firm of certified public accountants. The organization, form and contents of this report plus the accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board (GASB), the State of Florida and the Government Finance Officers Association of the United States and Canada (GFOA).

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

McDermitt Davis and Company, LLC, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended September 30, 2018, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2018, and that the statements are fairly presented in conformity with GAAP. The independent auditor's report is presented at the front of the Financial Section of this report.

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

Profile of the City

The City of Oviedo, Florida was incorporated in 1925. Located in Central Florida and considered part of the Orlando Metropolitan area, the City encompasses approximately 16 square miles and is the home of approximately 39,739 residents.

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

The annual budget serves as the foundation for the City of Oviedo's financial planning and control. The City Charter requires the City Manager to submit the proposed budget and the City Manager's Budget Message to the City Council on or before July 31st of each year. The City Council is then required to hold public hearings on the proposed budget and adopt a final budget by resolution on or before the 30th day of September of the fiscal year currently ending. The budget is legally adopted at the fund level. Expenditures may not legally exceed appropriations at the fund level. Transfers of appropriations between funds require the approval of City Council. The budget may be formally amended by the City Council at any time. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the Required Supplementary Information (RSI) subsection of this report. For other governmental funds with appropriated budgets, this comparison is presented in the Combined and Individual Statements subsection of this report. The financial plan may be obtained from the City's Budget Department or the City's website <http://www.cityofoviedo.net>.

Local Economy

The City of Oviedo is greatly encouraged by its most recent economic trends. The City's 2018-19 total taxable property assessed valuation increased 10.87% from the previous fiscal year. Estimates are not yet available for fiscal year 2019-20; however, the trend is expected to maintain its positive momentum. The unemployment rate for Seminole County was 2.6% for September 2018, which is lower than the State of Florida's rate of 3.3%, and the national average of 3.7%.

In March 2013, the City broke ground on Oviedo on the Park, the City's new downtown neighborhood for living, working and playing. At the heart of Oviedo on the Park is Center Lake Park and the Amphitheater/Cultural Center, which were completed in May of 2015. To date, 552 apartments, 219 townhomes, 44 single family homes, and 45,108 square feet of commercial use space has been constructed. Future phases will include additional commercial retail, restaurants, offices and mixed-use residential over commercial development.

Oviedo Medical Center opened in January 2017 with a 60-bed, 184,000 square foot hospital and an 80,000 square foot medical building. The redevelopment of the northwest quadrant of the Mitchell Hammock Road/SR434 intersection, a 31,665 square foot commercial center known as

Stonehill Plaza, began in 2017. The redevelopment of the former Albertson's Plaza into Central Square, an 89,281 square foot commercial center, began in 2018.

Seminole County, in conjunction with the City of Oviedo and the Florida Department of Transportation, is currently working on the widening of State Road (SR) 426 and County Road (CR) 419 in the City of Oviedo. Because of funding issues, the project was divided into three phases for design. Construction of Phase 1, SR 434 Widening from Smith Street to Franklin Street, started in January 2017 and is complete. The design of Phase 2, from Pine Avenue to Avenue B, is complete. Right-of-way acquisition has already begun and is over half complete. Construction of Phase 2 is anticipated to commence in 2020-2021. Phase 3, from Avenue B to west of Lockwood Boulevard, is currently not funded and is a County only project.

The City is in the process of developing a downtown regional stormwater pond. The pond would be located in the City's historic downtown area located on the south side of Franklin Street and west side of Geneva Drive. The intent of the pond is to provide a master drainage facility within the historic downtown to facilitate and incentivize economic development and redevelopment of the City's downtown core. Stormwater management is an important factor to consider in encouraging future private sector investment.

How Money Walks rated Oviedo as the 3rd best place to raise kids in the U.S. in 2015 outranking places in Colorado and Texas due to our highly rated public schools, coupled with a median household income of \$81,068 and the absence of state income tax. Additionally, the access to year-round outdoor recreation and affordable cost of living makes Oviedo one of the best places to raise kids. How Money Walks utilized data that tracks the migration of Americans and their income and the resulting effect on jurisdictions. Furthermore, Oviedo was named a Healthy Weight Community Champion in 2014, 2015, 2016, 2017 and again in 2018 for its commitment to promoting physical activity and for increasing awareness to improve nutrition through policy and environmental change. Oviedo continues to be one of the 20 Safest Cities to live in the State of Florida as evidenced by Safe Choice Security in 2014 as well as a Most Charitable Community in Central Florida by the Orlando Business Journal in 2013. These prestigious recognitions are in addition to previous acknowledgements from Family Circle's "10 Best Towns for Families", Relocate America's, "Top 100 Cities to live", Coldwell Banker's "Top 25 Suburbs to Live in Florida", and Bloomberg Business Weeks "Best Places to Raise Kids 2013".

Long-term Financial Planning

The Budget serves as the annual financial plan for the City. It articulates public priorities, helps management make informed choices about the allocation of resources, promotes effective communications, establishes broad goals and management strategies to guide decision making and develops approaches to achieve those goals. The City develops and maintains a three (3) to five (5) year financial trend model that forecasts revenues and expenditures based on a set of accepted assumptions. A ten (10) year Capital Improvement Program is prepared and updated annually to reflect the capital investment needs of the City consistent with the Comprehensive Plan and other master plans approved by the City Council. Management has developed fiscal policies for the adopted financial plan regarding revenues, expenditures, reserves, capital improvements and debt management.

Relevant Financial Policies

Budget and financial policies adopted by the City are intended to guide elected officials, the City Manager and staff in their on-going roles as financial stewards of the City. Financial reserve policies have been established to provide sufficient cash flow for daily financial needs, to have the ability to offset significant economic downturns or revenue shortfalls, and to provide for unforeseen expenditures related to emergencies or other unanticipated needs. The General Fund financial reserve policy is to maintain at a minimum, un-appropriated fund balance equal to fifteen percent (15%) of the annual General Fund expenditure budget. Should the unassigned fund balance fall below 15%, the City Council will take necessary steps to replenish the reserve to the target level prior to the close of the following fiscal year. In order to protect the resources necessary to ensure continued operations of the Water and Sewer Utility System, a working cash reserve shall be established equal to a minimum of one hundred and twenty (120) days of the Utility System's operating budget less depreciation. Debt management policies include maintaining minimum debt service coverage of 125% in the Water and Sewer Utility Fund (income available for debt service divided by the maximum debt service requirement). The City shall also maintain a minimum capital reserve balance in the Water and Sewer Renewal and Replacement Fund equal to fifty percent (50%) of the prior year depreciation expense for plant and equipment. The City constantly reviews its outstanding debt for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue in an effort to reduce debt service costs. The City has also adopted an investment policy that governs cash reserves in excess of amounts needed to meet current expenses. The objectives are to first protect and safe keep City funds; second, to provide sufficient liquidity to meet operating, payroll and capital requirements; and third, to maximize return on the City's portfolio while minimizing risks. During the fiscal year, the City's investment portfolio earned 1.35% as calculated using the average portfolio balance.

Major Initiatives

City Clerk:

- Processed nine hundred eighty-seven (987) lien searches.
- Researched, located, and scanned three hundred sixty-eight (368) pages of Transportation Master Plans.
- Authorized the disposition of one hundred seventy-two (172) cubic feet of records in accordance with State Statutes.
- Evaluated the conditions of the records storage facility. Addressed the process being used to store records and contacted the departments using the facility.
- Provided the updated Records Management Handbook to all departments and requested an updated Records Coordinator designation form.
- Completed election for Mayor and Council Member Group I under budget.
- Started preliminary preparation for a 2018 referendum election regarding a possible change to the City Charter.
- Completed translation of election qualifying ad to be published in July 2018. Provided election packages to potential candidates.
- Completed translation of the election ad to be published in the September and October 2018 newspapers.
- Completed election packages for the November 6, 2018, general election.
- Completed qualifying and provided candidate information to the Supervisor of Elections.
- Re-opened qualifying to allow for additional candidates after the withdrawal of a candidate.
- Provided election packages to potential candidates.

- Completed election report filing schedule for the November 5, 2019, general election.
- Coordinated monthly Mayors and Managers meetings.
- Hosted CALNO meeting; transcribed minutes.
- Continued discussions with the Assistant City Manager and IT Director regarding the conversion of SIRE agenda and document imaging to OnBase.
- Processed supplements for the Land Development Code and Code of Ordinances.
- Obtained and repaired the large document scanner from GIS and started scanning old, oversized documents into SIRE.
- Attended election training.
- Attended FACC conference.
- Deputy City Clerk received training on updating the City's website.
- Records Specialist received audio visual training to assist with recording and televising Special Magistrate Meetings and to be a backup for any other meetings if needed.

Development Services:

- Adopted the Following Ordinances:
 - Ordinance No. 1653 approving a Public Arts Policy.
 - Ordinance No. 1660 creating a Public Arts Board.
- Adopted ten (10) Architectural Design Orders.
- Hired Tindale Oliver to prepare the impact fee study required every five years. The results of the study will be adopted in 2019.
- Coordinated sixty (60) pre-application meetings.
- The Public Arts Board approved a Public Arts Master Plan draft to be taken to City Council for approval.
- The Public Arts Board approved a "Call to Artists" for a mural painting at Round Lake Park to celebrate Black History in Oviedo. This item will be taken to City Council for final approval.
- Received the first donation to the Public Arts Fund (\$10,000). The Public Arts Board is discussing a proposal to be submitted to the City Council on two projects to kick-off the Public Arts program.
- Received the first contribution to the Multi-Mobility Fund (\$7,600).

Finance:

- Completed Selectron Paymentus implementation.
- Presented Fiscal Year 2017 Comprehensive Annual Financial Report and related financial results to City Council.
- Held Budget Workshops with City Council for March, April, and June.
- Completed Interim Audit testing in September.
- Received the Certificate of Achievement for Excellence in Financial Reporting for the year ended September 30, 2017. The award represents the City's twenty-seventh (27th) year in a row of this prestigious achievement.
- Additionally, the City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2017. This was the thirteenth (13th) consecutive year that the City has received this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.
- The FY 2018-19 Budget and related Capital Plan was adopted by City Council on September 17, 2018.

Information Technology:

Technology Services

- Installed additional infrastructure and wireless access points in Cultural Center.
- Replaced end of life core Cisco routers.
- Completed Unified Messaging transition to Microsoft Exchange 2016.
- Upgraded Federal Signal Commander One software (Tornado sirens).
- Provided infrastructure and support for City election.
- Assisted with deployment of new City website.
- Completed phase 1 of Cisco desk phone replacements.
- Recycled one thousand eight (1,008) pounds of electronics.
- Replaced legacy AT&T T1 circuit at COPS Center with AT&T Network on Demand.
- Updated all affected servers, computers, and network devices against Specter and Meltdown vulnerability.
- Deployed new Cisco desktop phones and conference phones.
- Upgraded Naviline to version 9.7.17.3.
- Replaced Microsoft Primary Domain Controller.
- Deployed additional Dell virtual desktops.
- Deployed additional host server to virtual desktop pool.
- Upgraded Naviline, Click2Gov, and Rectrac payment gateways to TLS 1.2.
- Turned up new Rectrac server for testing conversion from version 3.1 to 10.3.
- Upgraded Rec-Trac from server-based version 10.3 to web version 3.1.
- Installed new KVM console in Data Center.
- Installed new Nexgen SAN in Data Center.
- Installed new burglar alarm and camera system in City Hall and Annex buildings.
- Replaced Kaspersky antivirus software with Trend Micro.

GIS

- Designed maps for Great Day in the Country, Halloween, holiday events and multiple City events.
- Redesigned GIS apps for new City website.
- Updated Santa Tracker for Christmas 2017.
- Provided records for FEMA recovery efforts.
- Created internal GIS apps for Planning, Recreation and Parks, Building Services, and Police Department.
- Created grant maps for the Recreation and Parks Department.
- Created an ISO map and data for the Fire Department.
- Attended Census 2020 kick-off meeting.
- Updated ArcGIS from version 10.3 to 10.5.1.
- Updated damage assessment (ARM360) software to current data.
- Corrected multiple addressing discrepancies.
- Addressed multiple properties and businesses.
- Completed 2020 Local Update of Census Addresses (LUCA).
- Provided research and maps for street light assessment.
- Validated BEBR population estimate for 2018.

Human Resources:

Recruitment and Selection Employment Services

- Recruited and filled sixty-six (66) position vacancies.
- Reviewed/screened one thousand six hundred sixty (1,660) applications.
- Processed the hiring of ninety-three (93) external candidates to fill vacancies.
- Processed the promotion of twenty-four (24) employees to fill vacancies.
- Processed six (6) reclassifications.

Safety Program

- The Human Resources Department coordinates and chairs the Safety Committee. Safety Accomplishments to date include:
 - Reviewed job accidents and injuries for the first, second, third, and fourth quarters of FY 2017/18. Discussed possible corrective actions and preventative measures.
 - Established access to over six hundred (600) online training videos through the Training Network.
 - Installed eye wash stations based on Safety Committee recommendations during building inspections.
 - Implemented installation of additional speed limit signs and reduction of speed limit around Center Lake Park due to Safety Committee concerns expressed about safety risks associated with speeding at Center Lake Park and Oviedo Boulevard.
- Completed 2018 building safety inspections.

Training and Employee Development

- The HR Department coordinated forty-one (41) employee development trainings conducted by outside vendors such as FirstNet. The following training topics were delivered:
 - Active Shooter in the Workplace.
 - Avoiding Collisions while Backing and Parking.
 - Avoiding the Crush Zone.
 - Back Safety.
 - CPR/AED Certification.
 - CyberSAFE – Cybersecurity in the Workplace.
 - Defensive Driving.
 - Emergency Response in the Workplace.
 - Ethical Decision Making.
 - Intersections, Turning and Right of Way.
 - Ladder Safety.
 - Managing Speed.
 - New Employee Safety Orientation.
 - Preventing Slips, Trips, and Falls.
 - Sexual Harassment Awareness.
 - Sexual Harassment Prevention for Employees.
 - Stress Management Workshop.
 - Supervisory Series Module 1 – Communication and Coaching.
 - Supervisory Series Module 2 – Employment Law.
 - Supervisory Series Module 3 – Interviewing and Hiring.
 - Supervisory Series – Performance Management.
 - Survival Driving – Urban Driving.
 - Tailgate Topic – Avoiding Accidents.
 - Tailgate Topic – Buckle Up.

- Tailgate Topic – Drowsy Driving.
- Tailgate Topic – Safe Following.
- The Power of Respectful Language.
- Workplace Violence and Bullying Prevention.

Risk Management

- The City is self-insured for property and casualty claims. The HR department processes all workers' compensation, general liability, property, and auto claims against the City. HR investigates, adjusts, and works towards settling each claim. The following claims have been managed by the department to date:
 - Reviewed and investigated thirty-eight (38) workers' compensation claims.
 - Reviewed and investigated eighteen (18) property claims.
 - Reviewed and investigated thirty-one (31) liability claims.
 - Reviewed and investigated forty-one (41) auto claims.
 - Reviewed and updated the City's property schedule.
 - Completed PRM 2018/19 renewal application.
 - Continued to review and update the City's property schedule.
 - Continued to work with assigned insurance property adjuster and department points of contact with the processing of Hurricane Irma property damage claims.
 - Worked with HCA Building Appraiser to schedule and coordinate updated appraisals on buildings valued over \$150,000. Results will be used to update Schedule of Values for property insurance and FY 2018/19 renewal.
 - Continued work with FEMA recovery service, DMS, to ensure claim documentation from insurance company includes the necessary information required by FEMA.

Personnel Policy and Procedures Revision

- Conducted a systematic review of each chapter of City Personnel Policies and Procedures with the Department Directors and City Manager.
 - Completed revisions to Chapters I through X

Safety Orientation for New Hires

- FirstNet Learning System, through PRM, provides safety and compliance training. All new hires, promotions, and supervisory personnel will go through assigned classes. FirstNet covers all core compliance and safety training topics which include sexual harassment, diversity, personal protective equipment, hazard communications, and reporting of workers' compensation and auto accidents. Conducted forty-nine (49) new hire safety orientations.

Safety Training

- Safety Trainings topics delivered year to date:
 - Keep Your Eye on Workplace Visitors.
 - Safety Talk Topic, Are You a Good Driver?
 - Safety Talk Topic: Do Someone Else a Good Turn.
 - Safety Talk Topic: Falls from Ladders.
 - Safety Talk Topic: Give Safety a Lift: Lifting Techniques.
 - Safety Talk Topic: Heat Stress.
 - Safety Talk Topic: Review Your Driving Habits.
 - Safety Talk Topic: Safety in Reverse.
 - Safety Talk Topic: Slips, Trips, and Falls: Falls from all Heights.
 - Safety Talk Topic: Urban Driving.
 - Watch Your Footing Around Vehicles.

- Provided opportunity for twenty (20) employees to attend 2018 Safety Day Training sponsored by the Alliance for Central Florida Safety.
- Coordinated training opportunity for eight (8) employees to attend a two-day Intermediate Maintenance of Traffic (MOT) training in partnership with the City of Winter Springs and presented by Florida League of Cities.
- Hosted a Maintenance of Traffic Training – Intermediate refresher course, sponsored by the Florida League of Cities, for fifteen (15) employees from multiple municipalities, with four (4) attending from Oviedo.

Wellness and Health Care Management

- Coordinated the first Project Zero Weight Management Challenge to encourage employees to maintain and/or lose weight during the holiday season. Eighty-nine (89) employees participated in the challenge from November 2017 through January 2018. Eight (8) employees lost 5% of their body weight during the challenge.
- Coordinated the Second Annual Walking Challenge. There were twenty-three (23) registered teams, with a total of ninety-eight (98) employees participating in the challenge from February 11 through April 7, 2018.
- Provided support to employees and retirees for the effective utilization of their benefit plans.
- Awarded one hundred seventy-five (175) gift cards to employees for completing their HRA and follow-up at the clinic.
- Coordinated monthly Wellness Committee meetings with department representatives throughout the City.
- Coordinated a City-sponsored team with thirty-one (31) employees walking/running in a City-sponsored team for Live, Walk, Move Seminole held on April 7, 2018.
- Managed the FMLA, short term disability, and long-term disability programs. Fifty-eight (58) employees utilized leave either on a continuous or intermittent basis.
- Distributed 1095C forms to all benefit-eligible employees and submitted the 1094C form to the government required by the ACA.
- Coordinated the annual Wellness Fair for employees held May 7th at the Center Lake Park Cultural Center. Seventy-six (76) employees attended and received health and wellness information from over twenty (20) vendors, which included bone density screenings and dermascans.
- Reviewed and evaluated existing and expiring benefit contracts. Solicited new rates through our broker, The Gehring Group, for open enrollment and plan year beginning October 1, 2018.
- Coordinated benefits Open Enrollment for FY 2018-19. Provided educational sessions with vendors and assisted employees with their electronic online enrollments for FY 2018-19 benefits in Bentek.
- Completed the Wellness Incentive Program Year (July 1, 2017 – June 30, 2018), awarding over one hundred thirty (130) employees with a second \$50 gift card and a wellness day off with pay.

Public Information

- Attended the Following Webinars:
 - Be Seen on Social Media.
 - Nextdoor for Public Agencies 101.
 - Everything You Need to Know about Nextdoor as a Tool to Engage and Delight Your Residents.
 - Strategies & Tools for Local Governments Awesomeness.
 - CivicReady: Maximum Reach. No Subscriptions. IPAWS Standalone.
 - Enhancing Your Community Engagement Strategy: Tools, Targets, Trolls & More.

- Issued one (1) press release.
- Produced thirty-four (34) internal publications for Public Works, Utilities, Stormwater, and Oviedo in the News.
- Handled eight hundred forty-one (841) internal media requests.
- Broadcasted thirty-eight (38) public meetings.
- Posted one thousand three hundred twenty-nine (1,329) Facebook posts.
- Posted one thousand one hundred ninety-four (1,194) Twitter posts.

Public Safety Initiatives Included:

Police

- Crime Prevention:
 - Handled large volume of public records demands and video redaction.
 - Created an Assistant Squad Leader (ASL) Program.
 - Planned and implemented traffic safety for opening week of school after the holidays.
 - Conducted monthly sexual offender checks.
 - Assisted with a county wide DUI operational plan for the holidays.
 - Conducted alcohol and tobacco compliance checks.
 - Conducted registered felon checks.
 - Investigated six hundred six (606) cases assigned, with one hundred forty-six cases (146) cleared.
 - Eighty-six (86) call outs after hours to respond to alleged crimes/crime scenes.
 - Responded to nine (9) death investigations.
 - Enacted an action plan for increased patrols for shopping areas through the holiday season.
 - Enacted traffic plans to educate about school zones and bike/pedestrian safety.
 - Conducted seven (7) background investigations on new employees.
 - Arrested a group from St. Petersburg who travelled around the state committing credit card fraud. Statewide prosecutor is looking at adopting the case.
 - Arrested a group from New York for committing credit card fraud. They were in possession of dozens of credit/gift cards, as well as merchandise that was purchased by fraudulent means.
 - Initiated a night time anti-burglary team to combat vehicle burglaries that normally rise in the summertime.
 - Assisted with traffic and crowd control during the July 4th Celebration special event.
 - Conducted an investigation of a vehicle burglary hotspot and was able to catch the perpetrator attempting to commit a crime. The perpetrator was implicated in several other burglaries and stolen vehicles.
 - Received a Pedestrian/Bicycle Grant for overtime hours.
 - Continued with active shooter training.
 - Initiated a traffic plan for the start of school.
 - Assisted Seminole County Law Enforcement agencies helping Calhoun County after Hurricane Michael.
- Attended the Following:
 - Met with architect to discuss building assessment and cost for new Police Headquarters.
 - Met with Boys and Girls Club and formed a steering committee.
 - Met with most school principals for second semester of school plans.

- Hosted, Held, Provided or Participated in the Following:
 - Completed disaster management and recovery operations for Hurricane Irma.
 - Assisted Oviedo Citizens in Action with a 3-on-3 basketball tournament.
 - Participated in the MLK parade.
 - Completed FOCUS training in three (3) out of four (4) elementary schools.
 - Hosted Coffee with a Cop at McDonald's, Maple Street Biscuit Company, Starbucks and The Town House Restaurant.
 - Hosted Shop with a Cop at T.W. Lawton Elementary School and Walmart.
 - Participated with Cops for Kids Car show at the Oviedo Mall.
 - Taught a class at Seminole State College to ESOL students on what to do if you are stopped by law enforcement.
 - Participated in lunch with students at Lawton Chiles Middle School.
 - Improving Oviedo Neighborhoods (ION) cleanup.
 - Camp for youth to work on social skills while having fun and being involved.
 - A bike rodeo.
 - Citizens Police Academy.
 - Held a mock assessment for the upcoming reaccreditation in November.
 - Midnight Basketball on a monthly schedule.
 - Tip a Cop at Texas Roadhouse, with money going to Shop with a Cop in December.
 - Annual bowling tournament for the Oviedo Police Foundation.
- Completed the Following:
 - Completed year-end audits and reports for accreditation.
 - Submitted articles for City newsletter and HOA newsletters.
 - Completed a new program of training for newly promoted supervisors.

Fire

- Completed 2018 ISO reassessment and retained the ISO Class 2 Protection Classification.
- Completed an update of the Comprehensive Emergency Management Plan.

Recreation and Parks:

Cultural Center, Concessions & Special Events

- Hosted the Following:
 - Oktoberfest at Center Lake Park.
 - Carnival of Screams at Riverside Park.
 - Teenie Weenie Halloween at Riverside Park.
 - Oviedo Women's Club 44th Annual Great Day in the Country event at Center Lake Park.
 - 12 Days of Christmas at Center Lake Park.
 - Fitness 5K and Wellness Expo at Center Lake Park.
 - Car Show at Center Lake Park.
 - Dr. Martin Luther King, Jr. celebration at Round Lake Park.
 - Marshmallow Drop at the Oviedo Sports Complex.
 - Oviedo-Winter Springs Relay for Life main event at Center Lake Park.
 - Annual Relay for Life Golf Outing at Twin Rivers Golf Course.
 - Bacon, Bourbon & Blues at Center Lake Park.
 - Oviedo-Winter Springs Chamber of Commerce's BBQ Blowout at Center Lake Park.
 - Oviedo-Winter Springs Chamber of Commerce monthly luncheons at the Center Lake Park Cultural Center.
 - Annual Memorial Day Ceremony at the Center Lake Park Cultural Center.

- Family Festival at Center Lake Park.
- Independence Day Celebration at the Oviedo Mall on July 4th.
- Rockin' the Park event in conjunction with Helpful Hands at Center Lake Park.
- Dueling Pianos at the Center Lake Park Cultural Center.
- Seminole County Elections Office polling location for the primary election at the Center Lake Park Cultural Center.
- Movie in the Park series at Center Lake Park.
- 5th Grade Dances at the Center Lake Park Cultural Center.
- Monthly Food Truck Thursdays at Center Lake Park.
- Comedy Night series at the Center Lake Park Cultural Center.
- Quarterly Employee Appreciation Luncheon at the Center Lake Park Cultural Center.
- Facility rentals at Center Lake Park.

Athletics & Gymnasium

- Hosted the Following:
 - Oviedo Babe Ruth opening day at the Oviedo Sports Complex.
 - Babe Ruth State T-Ball Tournament at the Oviedo Sports Complex.
 - Volleyball Camp, Basketball Camp, and Adventure Camp.
 - Summer Grill Nights every Friday at the Gymnasium concession stand.
 - Youth Basketball, Youth Volleyball, Youth Flag Football, Adult Flag Football, Rock Climbing League, Archery, and Adult Basketball.
 - Florida primary election voting on Tuesday, August 28th.
- Completed the Following:
 - Resurfacing of the Gymnasium floor; added two (2) Recreation and Parks logos and three (3) pickle ball court corners.
 - Portable lighting at Shane Kelly Park for our Youth Flag Football program.
 - Swapped out belay line #5 on the Rock Wall.

Aquatics & Riverside

- Hosted the Following:
 - New senior program "Lunch-N-Learn" at Riverside Park.
 - Blue Dolphins Annual Fire Cracker Swim Meet at the Oviedo Aquatic Facility.
 - American Red Cross Water Safety Instructors Course at the Oviedo Aquatic Facility. Of the nine (9) candidates, eight (8) were City of Oviedo Lifeguards who became certified Water Safety Instructors for the Swim Lesson Program offered at Riverside Park.
 - World's Largest Swim Lesson at the Oviedo Aquatic Facility and Riverside Park.
 - Club Riverside Summer Camp.
 - Final stop of the FLBMX Skate Park Series at Rippin' Riverside Skate Park.
 - 38th annual National Veterans Wheelchair Games on August 3rd at the Oviedo Aquatic Facility.
 - Oviedo High, Hagerty High, Circle Christian, and the Master's Academy Swim Teams started their swim season at the Aquatic Facility on August 1st.
 - Senior Living Expo on September 27th.
- Repaired the Following:
 - Replaced the loop pump and motor within the geothermal pool heating units at the Aquatic Facility.
 - Filled cracks and resurfaced the tennis courts at Riverside Park.
 - Replaced the impeller on the Splash Zone recirculation pump.

- Completed the Following:
 - End of season maintenance around the Splash Zone pool.
 - Collaborated with the Public Works division to address a safety concern at the Skate Park between the large bowl and the south side quarter pipe. The concrete blocks had shifted creating an approximately two-inch lip between them. The lip has been shaved creating a safe riding surface for the participants.
 - Installed a new white PVC fence and gate door at the entrance of the multi-purpose field.

Facilities Maintenance

- Repaired the Following:
 - Major water leak at AM Jones Water Plant.
 - Thirty (30) light fixtures at Riverside Park.
 - Water fountain at Riverside Park.
 - Spot lights at Gateway Monuments on Lockwood Boulevard.
 - Exterior stairs on Annex Building.
 - Parking lot lights at the Oviedo Aquatic Facility and Center Laker Park.
 - Multiple roof repairs were completed in relation with Hurricane Irma.
- Replaced the Following:
 - Ten (10) ballast street lights at Center Lake Park.
 - Exterior light illuminating a sign in front of the police station.
 - HVAC at City Hall and the Annex Building.
 - HVAC software at City Hall and the Annex Building.
 - Electrical panel for City Hall chiller.
 - Carpet in the Public Safety Building.
 - HVAC in medical storage room at Fire Station #48.
 - HVAC in lifeguard office at Riverside.
 - HVAC at Twin Rivers Clubhouse.
 - HVAC at Mitchell Hammock Water Plant.
 - Missing soffit at Twin Rivers Clubhouse.
 - Roll-up door safety sensors at Fire Station #1.
- Installed or Maintained the Following:
 - Christmas decorations at City Hall, Annex Building, Public Safety Buildings, and Aulin House.
 - Painted the exterior doors at Riverside Park.
 - Hose and hose reel at the Center Lake Park Dog Park.
 - Flow meter at the Gymnasium and Aquatic Facility (Geothermal System).
- Facilitated the Following:
 - Inspections of City facilities with FEMA representatives (Hurricane Irma).
 - Roof repair at the Police Station and Fire Station 48.
 - Roof replacement at Oviedo Sports Complex maintenance shed.
 - Painting of the City Hall first floor hallway.
 - HVAC duct work installation to the City Council audio-visual operational room.
 - Cleaning of the City Hall HVAC duct work system.
 - Various meeting set-ups in Council Chambers and Center Lake Park.
 - Hand rail sanding at Center Lake Park.
 - Fence staining at City Hall.
 - Roof and interior lighting repair of the records room at the Water Plant.
 - Pressure cleaning at City Hall, Gym/Aquatics, and the Fuel Station Island.
 - Quarterly HVAC preventative maintenance service at all locations.

- Quarterly fire inspections at all locations.
- Quarterly fire suppression systems (Halon) at Public Safety and IT.

Parks

- Repaired the Following:
 - Wiring on softball field #3 at the Oviedo Sports Complex.
 - Main irrigation line at Center Lake Park and common areas of the Oviedo Sports Complex.
 - Pavers at Oviedo Sports Complex and Center Lake Park.
 - Fence as needed at Oviedo Sports Complex.
 - Water faucet at Riverside Park back pavilion.
 - Four mainline water breaks at Center Lake Park.
 - The playground, including the Poured-In-Place (PIP) safety surface, at Shane Kelly Park.
 - Flushed drainage system and replaced all valves at Center Lake Park Splash Pad.
 - Ground power box at Boston Hill Park and Center Lake Park.
 - Back storage area roof at the Oviedo Sports Complex.
 - Repaired Babe Ruth batting cage at the Oviedo Sports Complex.
 - Repaired batting cage lights at the Oviedo Sports Complex.
 - Parking lot fence and Lockwood fence at Shane Kelly Park.
 - Repaired fountain at Mike Roberto Way and City Plaza Way.
 - Automated gate at the Oviedo Sports Complex.
 - Potable water lines at the Riverside Park pavilions.
 - Pavilion power boxes at Riverside Park.

- Replaced the Following:
 - Backstop at Boston Hill Park ball field.
 - Outdoor basketball goals and backboards.
 - All flags on flag poles.
 - Windscreen at Oviedo Sports Complex.
 - Lights at Riverside Park.
 - Hurricane damaged canopy at Center Lake Park.
 - Playground at Long Lake Park.
 - Thor Guard pole at Riverside Park.
 - Shade sails at Friendship Park.
 - Mulch at Center Lake Park.
 - Granite chips and river rock at Center Lake Park.
 - Softball irrigation pump at the Oviedo Sports Complex.
 - Fence at Long Lake Park.
 - Pump housing on veteran fountain at Center Lake Park.
 - Pump motor at Mike Roberto Way at Center Lake Park.
 - Irrigation controller at Friendship Park.
 - Rope Climber at the Center Lake Park playground.
 - Sand in sand filters at Center Lake Park Splash Pad.

- Installed the Following.
 - Drains in Long Lake Park playground.
 - Installed fencing, tires, handicap ramp, fill, irrigation, and rail-tie steps at the Shane Kelly Park Dog Park.
 - Reclaimed asphalt parking lot material at Round Lake Park.
 - Pavilion and picnic tables at Long Lake Park.
 - Crimson Stone in Oviedo Sports Complex parking lot.
 - Fiber at the Oviedo Mall COPS Center.

- Memorial bench at the Lawton House.
- No Parking signs at the Oviedo Sports Complex and Shane Kelly Park.
- Monument and two benches for The Oviedo Lions at Friendship Park.
- All new LED lighting along the Shane Kelly Park driveway.
- New push button at the Center Lake Park Splash Pad.
- Maintained the Following
 - Performed playground light inspections and cleaned Thor Guardian units.
 - Checked all AED's for functionality.
 - Playgrounds and irrigation systems.
 - Friendship Park, the Lawton House, Riverwoods Park, Center Lake Park, Oviedo Sports Complex, Shane Kelly Park, and the Splash Zone.
 - Tennis courts, basketball courts, boardwalks, trash and dog pot stations at all parks.
 - Sports fields at the Oviedo Sports Complex, Shane Kelly Park, and Long Lake Park.
 - Stubbs property.
- Facilitated the Following:
 - Preparations and field setup for Holiday Classic Tournament at the Oviedo Sports Complex.
 - Kickball tournament at the Oviedo Sports Complex.
 - Roadhouse Softball Tournament at the Oviedo Sports Complex.
 - Pressure washing of sidewalk around Center Lake Park Amphitheatre and tennis courts.
 - Carnival of Screams, Great Day in the Country, 12 Days of Christmas, Snow Mountain, Martin Luther King Day, Bark and Brew, Cops and Cars, Taste of Oviedo, Food Trucks, and Movies in the Park.
 - Lacrosse field at Long Lake Park.
 - Float construction for Snow Mountain and MLK parades.
 - Removal of a beehive at the Boston Hill Park horseshoe pits.
 - Cleanup in all parks following Hurricane Irma.
 - Connecting a reclaimed water source to Long Lake Park.
 - Resurfacing of hard courts at the Gymnasium, Boston Hill Park, and Round Lake Park, as well as repairs at Riverside Park.
 - Disassembling and storing of the holiday tree.
 - Ordered material for boardwalks.
 - Setup and worked the Oviedo Babe Ruth State T-ball Tournament.
 - Picked up fire hydrants for the Shane Kelly Park Dog Park.
 - Curb installation and construction of a monument for Friendship Park sitting area.
 - Cleaned area behind Oviedo Sports Complex Fields F and G along the fence for a walking path survey.
 - Trimmed trees along the entrance road at Shane Kelly Park.
 - Concrete walks at the Shane Kelly Park Dog Park.
 - Design and installation of the irrigation at the Shane Kelly Park Dog Park.
 - Purchase of Z Plug machine for Center Lake Park turf.
 - Installation of sod at Center Lake Park and the Shane Kelly Park Dog Park.
 - The purchase of material for three new Little Libraries with the Boy Scouts.
 - Installation of 50 yards of mulch at Friendship Park.
 - Re-sanded the volleyball court at Riverside Park.
- Performed the Following Field Maintenance:
 - Re-built pitching mounds at Oviedo Sports Complex.
 - Fertilized all facilities at Oviedo Sports Complex, Shane Kelly Park, and Center Lake Park.

- Aerated all sports fields at the Splash Zone, Big Kahuna Pool, Oviedo Sports Complex, Long Lake Park, and Shane Kelly Park, as well as all turf areas at Center Lake Park.
 - Applied pre-emergent, fungicides, herbicides, and insecticides on all fields at Oviedo Sports Complex, Long Lake Park, and Shane Kelly Park.
 - Performed basic field maintenance at Shane Kelly Park.
 - Tilled all ballfields.
 - Aerated, rolled, and top dressed all sport fields at Boston Hill Park, Long Lake Park, Oviedo Sports Complex, and Shane Kelly Park.
 - Treated Center Lake Park for snails.
 - Inspected all sport lighting at Boston Hill Park, Gymnasium and Aquatic Facility, Oviedo Sports Complex, Riverside Park, Round Lake Park, Shane Kelly Park, and Sweetwater Park.
 - Applied Nimitz G insecticide at Center Lake Park and Oviedo Sports Complex.
 - Field edging at Oviedo Sports Complex.
 - Wall-to-wall fertilization on all fields at Long Lake Park, Oviedo Sports Complex, and Shane Kelly Park.
 - Fertilized Aquatic Facility splash area and Center Lake Park.
 - Fertilized all beds at Center Lake Park.
 - Applied Top Choice for ants at Boston Hill Park, Long Lake Park, Oviedo Sports Complex, and Shane Kelly Park.
 - Sliced in curfew (fumigant) on field 1 at Shane Kelly Park.
- Completed the following Plantings and Treatments:
 - Removed and relocated shilling plants at Center Lake Park.
 - Planted four hundred (400) Jazmine at Center Lake Park.
 - Sprayed insecticide at Center Lake Park Dog Park.
 - Planted annuals and peanut plants at Center Lake Park.
 - Treated and fertilized all beds throughout Center Lake Park.
 - Re-sodded areas at Center Lake Park.
 - Replanted the planters at Center Lake Park in front and back of the Cultural Center.
 - Fifteen (15) trees at the Twin Rivers Golf Course.
 - Seventeen (17) trees at the Shane Kelly Park Dog Park and office.
 - Bed around Daktronics display at Center Lake Park.

Public Works Design and Construction:

- Completed Garden Grove drainage improvements.
- Re-landscaped the Franklin and Division Street roundabout.
- Activated new traffic signal at the intersection of Mitchell Hammock Road and South Lake Jessup Avenue and intersection of Mitchell Hammock Road and Henson Drive.
- Initiated the Lake Charm Drainage Improvements Study.
- Completed the Preliminary Design for the West Mitchell Hammock Clearwell Improvements.
- Completed the FY 2017-18 road resurfacing.

Awards and Acknowledgements

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2017, which is the 27th time the City has received this prestigious award. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

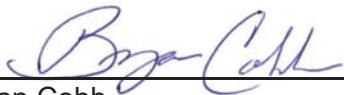
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such CAFR must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City believes the current report continues to conform to the Certificate of Achievement program requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

Additionally, the City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2017, the same period covered by this CAFR. This was the 13th consecutive year that the City has received this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. This award is valid for a period of one (1) year only.

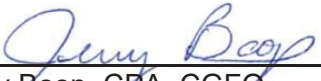
The preparation of the CAFR, on a timely basis, was made possible by the dedicated service of the entire staff of the City's Finance Department. Each department member has our sincere appreciation for the contribution made in the preparation of this report. The other City departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's auditors whose suggestions and attention to detail enhanced the quality of this report.

In closing, we would also like to thank the members of the City Council for their active support of our efforts for maintaining fiscal accountability and responsibility for the City.

Respectfully submitted,



Bryan Cobb
City Manager



Jerry Boop, CPA, CGFO
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Oviedo
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

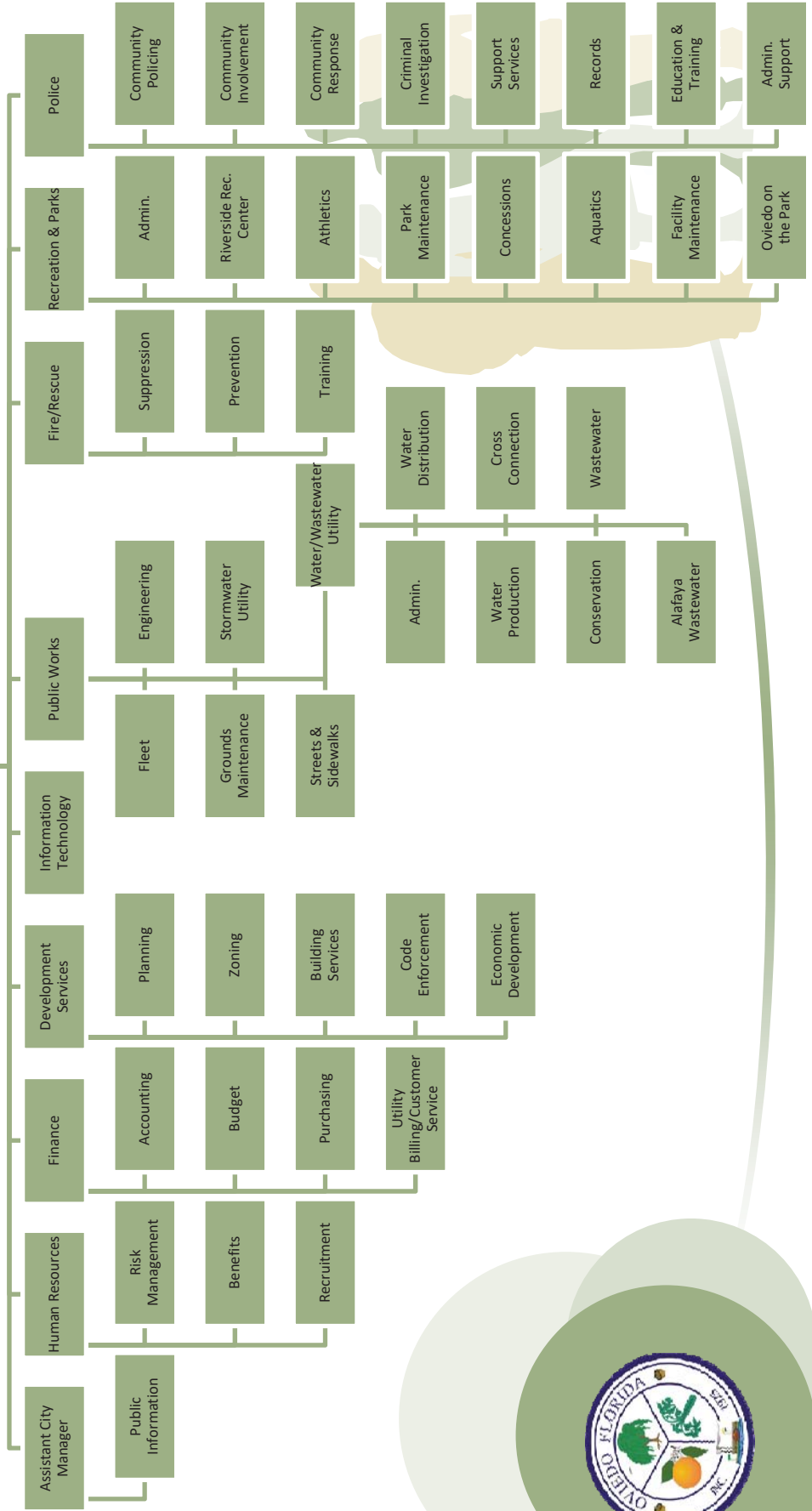
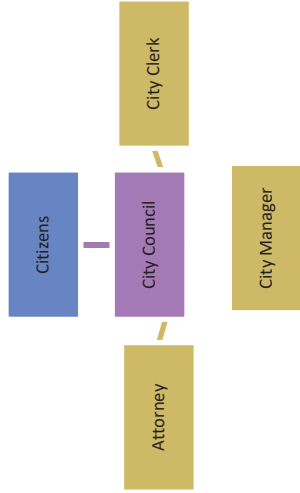
September 30, 2017

Christopher P. Morill

Executive Director/CEO

City of Oviedo Organization Chart

FY2018



**CITY OF OVIEDO, FLORIDA
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2018**

CITY COUNCIL

Keith Britton
Jeff Chudnow
Steven Henken
Robert Pollack, Deputy Mayor

MAYOR

Dominic Persampiere

CITY MANAGEMENT

GENERAL GOVERNMENT

Bryan Cobb, City Manager
Barbara J. Barbour, City Clerk
Jerry Boop, Director of Finance
Constance M. Collins, Director of Human Resources
Teresa Correa, Development Services Director
Kelly Jones, Assistant Finance Director
Patrick Kelly, Assistant City Manager
Michael Kushi, Director of IT

PUBLIC SAFETY

Jeff Buchanan, Fire Chief
Dale Coleman, Police Chief

PUBLIC WORKS

Bobby Wyatt, Director

RECREATION AND PARKS

Dru D. Boulware, Director

LEGAL COUNSEL

Stenstrom, McIntosh, Colbert & Whigham P.A.

BOND COUNSEL

Bryant, Miller and Olive, P.A.

AUDITORS

McDermitt Davis & Company, LLC

Financial Section

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Florida

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Oviedo, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Oviedo, Florida* (the City) as of and for the year ended September 30, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter- Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended September 30, 2018, the City adopted the provisions of Governmental Accounting Standards Board Statement (“GASBS”) 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASBS 75, the City reported a restatement for the change in accounting principle as of October 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, and pension and other post-employment benefit information on pages 3 through 15 and 71 through 81, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2019, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

McDiarmid Davis & Company, LLC

Orlando, Florida
March 14, 2019

Management's Discussion and Analysis

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Florida

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The purposes of the City of Oviedo, Florida's (the City) Management's Discussion and Analysis (MD&A) are to:

- Assist the reader in focusing on significant financial issues,
- Provide an overview of the City's financial activity,
- Identify changes in the City's financial position (its ability to address the next and subsequent year challenges),
- Identify any material deviations from the financial plan (the approved budget), and
- identify individual fund issues or concerns.

The MD&A focuses on the current year's activities, resulting changes and currently known facts. Therefore, it is recommended that it be read in conjunction with the Transmittal Letter beginning on page i and the City's financial statements beginning on page 16.

Financial Highlights

- At the close of fiscal year 2018, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$125,066,754 (*net position*). Of this amount, \$17,305,879 (unrestricted net position) may be utilized to meet the City's ongoing obligations to citizens and creditors.
- During fiscal year 2018, the City's total net position increased by \$706,609 or 0.6%.
- At the close of the fiscal year 2018, the City's governmental funds reported combined ending fund balances of \$13,889,689, a decrease of \$54,321 in comparison with the prior year. Approximately 40% or \$5,500,106 of the total amount is *unassigned fund balance* and is available for spending at the City's discretion.
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed, assigned, and unassigned* components of *fund balance*) for the governmental funds was \$8,253,159, or approximately 20.3% of total governmental funds expenditures.
- The City's total debt decreased by \$4,371,507 during the current fiscal year.

Overview of the Financial Statements

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

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of the following three (3) components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, economic development, and recreation and parks. The business-type activities of the City consist of the water and sewer systems, stormwater system and the Twin Rivers golf course.

The government-wide financial statements include only the City itself (known as the *primary government*) and one blended component unit (The City of Oviedo Community Redevelopment Agency). The business-type activities function as departments of the City, and therefore, have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 16-17 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three (3) categories: governmental, proprietary, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty-five (25) individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and Community Redevelopment Agency, which are considered to be major funds. Data from the other twenty-three (23) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements and required supplementary information.

The City adopts an annual appropriated budget for its General, Community Redevelopment Agency, certain Special Revenue and Debt Service Funds except for the State Pension Contributions. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budget and are presented as required supplementary information for the General Fund, Community Redevelopment Agency, and combining schedules for the nonmajor governmental funds.

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

Proprietary Funds

The City maintains two (2) proprietary fund types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer system, stormwater system, and Twin Rivers golf course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance health plan and city paid employee long-term disability and life insurance and fleet maintenance operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

Fiduciary Funds

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-70 of this report.

Required Supplementary Information (RSI)

RSI can be found on pages 71-81 of this report.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the RSI. Combining and individual fund statements and schedules can be found on pages 82-109 of this report.

**City of Oviedo, Florida
Management's Discussion and Analysis**

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$125,066,754 (*net position*) as of the close of the most recent fiscal year.

Over three quarters (\$102,215,796 or 82%) of the City's net position reflect its investment in capital assets (e.g., land, buildings, improvements, infrastructure, vehicles and equipment); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

\$5,545,079 of the City's net position represents resources that are subject to external restrictions on how they may be used, primarily for capital improvements. The remaining balance of *unrestricted net position* (\$17,305,879 or 14%) may be used to meet the City's ongoing obligations to citizens and creditors.

The following table reflects the condensed *Statement of Net Position* for the current and prior year. For more detailed information, see the *Statement of Net Position* on page 16.

Statement of Net Position
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 18,205,696	\$ 18,501,891	\$ 17,615,047	\$ 18,517,475	\$ 35,820,743	\$ 37,019,366
Capital Assets	78,432,497	79,726,033	98,450,020	100,351,339	176,882,517	180,077,372
Total assets	96,638,193	98,227,924	116,065,067	118,868,814	212,703,260	217,096,738
Total Deferred Outflows of Resources	1,228,761	1,332,334	26,447	29,262	1,255,208	1,361,596
Current Liabilities	2,952,877	3,509,852	2,595,859	2,814,690	5,548,736	6,324,542
Long Term Liabilities	26,663,936	29,100,397	54,776,263	56,466,159	81,440,199	85,566,556
Total liabilities	29,616,813	32,610,249	57,372,122	59,280,849	86,988,935	91,891,098
Total Deferred Inflows of Resources	1,902,779	1,743,091	-	-	1,902,779	1,743,091
Net Position:						
Net investment in capital assets	57,884,267	56,634,638	44,331,529	44,753,990	102,215,796	101,388,628
Restricted for:						
Debt service	420,284	411,378	-	-	420,284	411,378
Public safety	421,164	441,449	-	-	421,164	441,449
Community redevelopment	246,922	171,903	-	-	246,922	171,903
Capital improvements	4,456,709	5,205,401	-	-	4,456,709	5,205,401
Unrestricted	2,918,016	2,342,149	14,387,863	14,863,237	17,305,879	17,205,386
Total net position	\$ 66,347,362	\$ 65,206,918	\$ 58,719,392	\$ 59,617,227	\$ 125,066,754	\$ 124,824,145

Statement of Activities

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

Fiscal year 2018 activities increased the City's net position by \$706,609 or 0.6%. The previous fiscal year, 2017, net position increased by \$5,684,119 or 4.8%.

Governmental activities increased net position by \$1,505,051 in fiscal year 2018 compared to a decrease of \$10,269,793 in 2017. Fiscal year 2017 activities decreased net position primarily due to the change of classification of the stormwater fund from a special revenue fund to an enterprise fund. A prior period restatement was recorded in fiscal year 2018 to adjust governmental activities for the effect of the implementation of GASB Statement 75.

Business-type activities decreased net position by \$798,442 or -1.3% in fiscal year 2018 compared to an increase of \$15,953,912 or 36.5% in 2017. Fiscal year 2017 activities increased primarily due to the stormwater fund transfer mentioned above. A prior period restatement was recorded in fiscal year 2018 to adjust business-type activities for the effect of the implementation of GASB Statement 75.

Following the *Changes in Net Position* table is a series of bar and pie charts that relay in pictorial form the revenues and expenses for each of the governmental and business-type activities, as well as, the revenue "source" for each.

Additional information regarding the changes in fund balances of the governmental and business-type activities can be found in the section entitled **Financial Analysis of the City's Fund's** on page 11.

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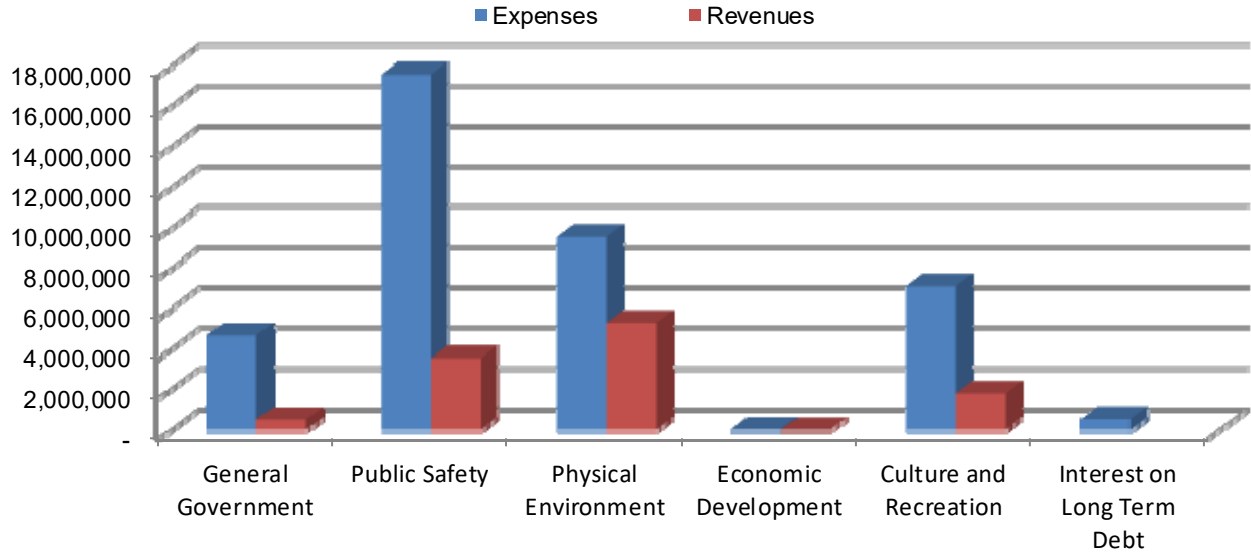
**City of Oviedo, Florida
Management's Discussion and Analysis**

Changes in Net Position
For the Years Ended September 30,

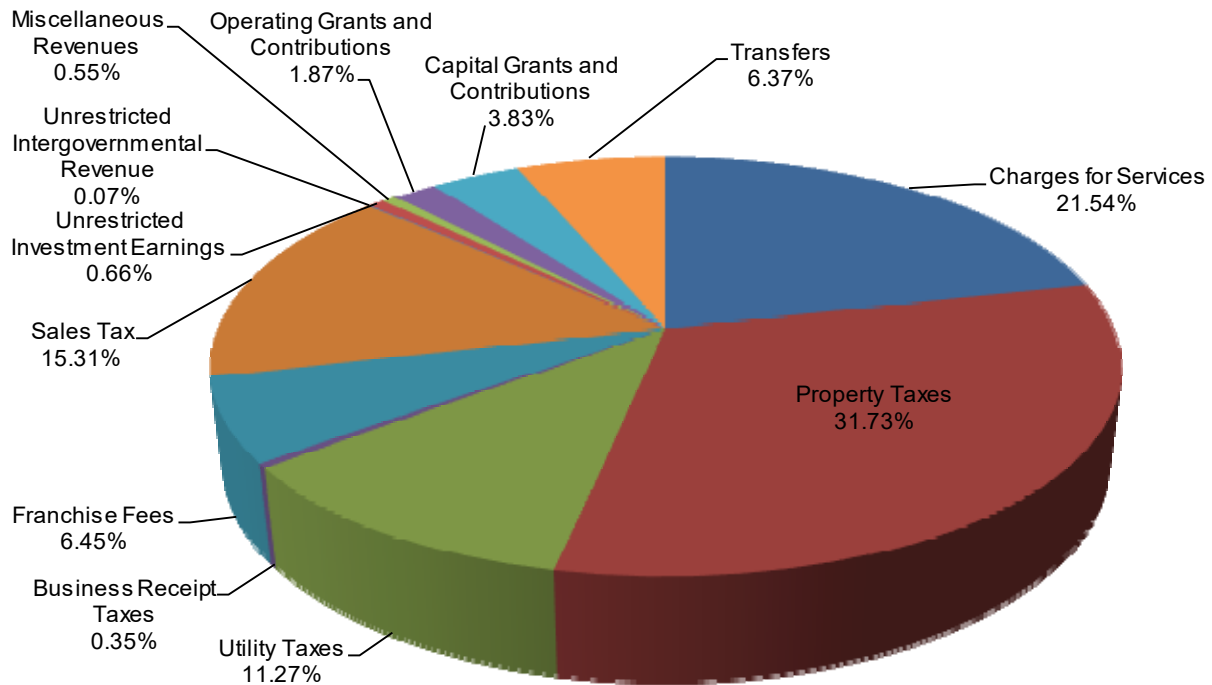
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 8,845,003	\$ 9,163,598	\$ 18,490,363	\$ 17,089,370	\$ 27,335,366	\$ 26,252,968
Operating grants and contributions	769,171	860,051	-	-	769,171	860,051
Capital grants and contributions	1,574,219	2,188,815	681,577	3,341,946	2,255,796	5,530,761
General revenues:						
Property taxes	13,028,723	11,837,793	-	-	13,028,723	11,837,793
Other taxes	13,734,283	13,024,767	-	-	13,734,283	13,024,767
Other revenue	495,109	738,803	290,330	183,815	785,439	922,618
Total revenues	38,446,508	37,813,827	19,462,270	20,615,131	57,908,778	58,428,958
Expenses:						
General government	4,684,321	4,462,549	-	-	4,684,321	4,462,549
Public safety	17,592,025	17,303,720	-	-	17,592,025	17,303,720
Physical environment	9,560,579	8,216,852	-	-	9,560,579	8,216,852
Economic Development	43,312	41,586	-	-	43,312	41,586
Culture and recreation	7,114,759	6,229,387	-	-	7,114,759	6,229,387
Interest & other on long-term debt	563,997	609,572	-	-	563,997	609,572
Water and sewer	-	-	13,697,122	12,804,756	13,697,122	12,804,756
Twin Rivers Golf Course	-	-	1,851,926	907,320	1,851,926	907,320
Stormwater	-	-	2,094,128	2,169,097	2,094,128	2,169,097
Total expenses	39,558,993	36,863,666	17,643,176	15,881,173	57,202,169	52,744,839
Increase (decrease) in net position before transfers	(1,112,485)	950,161	1,819,094	4,733,958	706,609	5,684,119
Transfers	2,617,536	(11,219,954)	(2,617,536)	11,219,954	-	-
Increase (decrease) in net position	1,505,051	(10,269,793)	(798,442)	15,953,912	706,609	5,684,119
Net position, October 1	65,206,918	75,476,711	59,617,227	43,663,315	124,824,145	119,140,026
Prior period adjustment	(364,607)	-	(99,393)	-	(464,000)	-
Net position, September 30	\$ 66,347,362	\$ 65,206,918	\$ 58,719,392	\$ 59,617,227	\$ 125,066,754	\$ 124,824,145

Note that the first graph depicts governmental program-specific revenues and expenses. For this graph the revenue includes charges for services, operating grants and contributions, and capital grants and contributions. This chart is intended to show the amount of program expenses funded by specific program revenues.

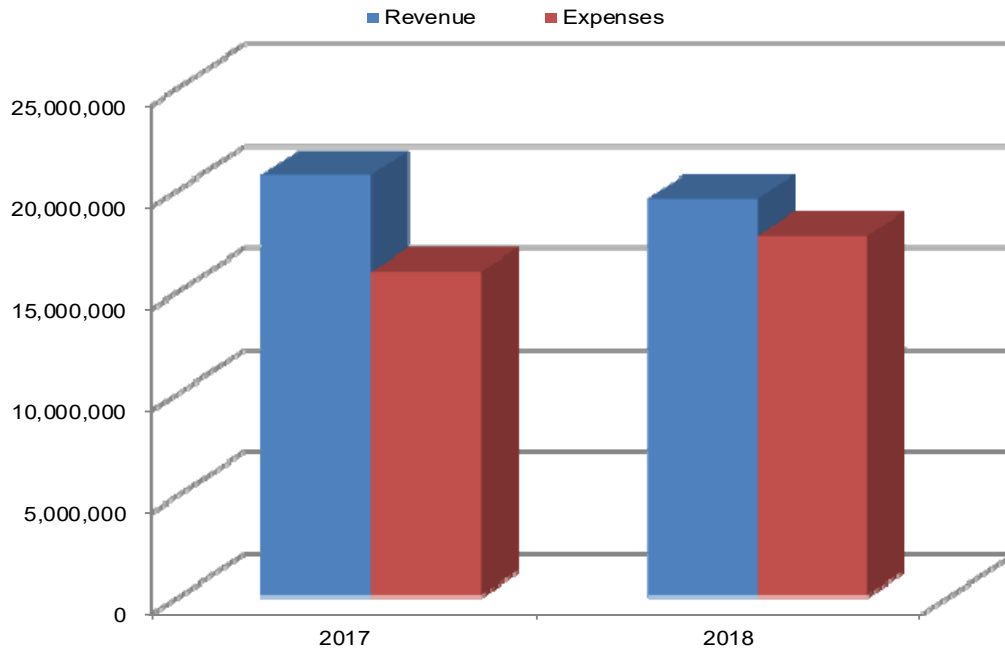
Governmental Program Specific Revenues and Expenses



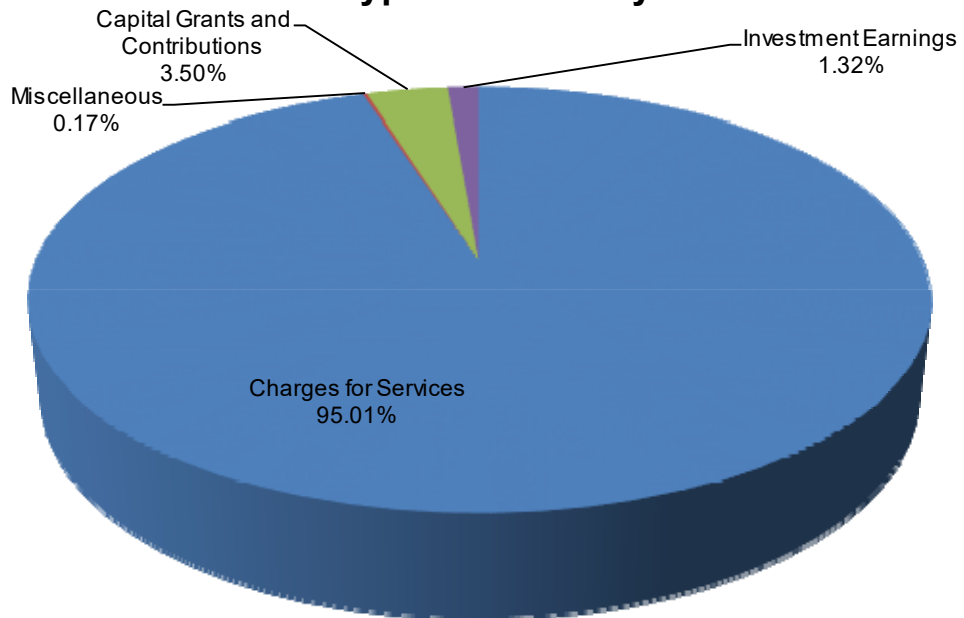
Governmental Revenues by Source



Business-type Program Specific Revenues and Expenses



Business-type Revenues by Source



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds.

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2018, the City's governmental funds reported combined ending fund balances of \$13,889,689, a decrease of \$54,321 in comparison with the prior year. Approximately 40% of this total amount, \$5,500,106, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance, \$8,389,583, is either nonspendable, as inventories and prepaid items, restricted for special revenue funds, debt service funds and capital projects, or committed or assigned to specific purposes.

The General Fund is the chief operating fund of the City. At September 30, 2018, the unassigned fund balance of the General Fund was \$6,865,245, while the total fund balance was \$7,116,169. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26% of total General Fund expenditures, while total fund balance represents 27% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund increased by \$803,073, due to overall decrease in expenditures.

The Community Redevelopment Agency, increased in fund balance by \$75,019 in its third year of operations.

The total fund balance of all the nonmajor governmental funds is \$6,526,598, a net decrease of \$932,413 when compared with the prior year. The decrease in fund balance is primarily due to ongoing construction activities and the purchase of capital assets. These items are included as capital assets in the government-wide statement of net position.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Utility Fund at September 30, 2018 amounted to \$14,857,196. There was an increase in net position of the Water and Sewer Utility Fund of \$310,168 in 2018 compared to an increase of \$1,249,699 in 2017. The increase in fiscal year 2018 was primarily due to capital contributions related to dedicated improvements.

The Stormwater fund was reclassified as a proprietary fund at the beginning of fiscal year 2017. The fund issued \$5,000,000 in new debt which was used to purchase a privately-owned golf course, which also functions as an integral part of the City's stormwater management plan. In fiscal year 2018, the fund had a decrease in net position of \$36,711.

The Twin Rivers golf course fund was created in 2017 to account for the management activities of the golf course property that is owned by the stormwater fund. In fiscal year 2018, the fund's net position decreased by \$1,063,340, primarily due to repairs and maintenance required for the golf course.

General Fund Budgetary Highlights

Differences between the adopted budget and the final amended budget (\$396,791 increase in revenues and \$1,548,812 increase in appropriations) can be briefly summarized as follows:

Revenues:

- Increase in charges for services of \$80,413;
- Increase in interest income of \$90,000;
- Increase in miscellaneous income of \$33,753;
- Increase in transfers from in transfers from the Building Services Fund of \$189,095; increase in transfers from the Fire Rescue Construction Fund of \$3,530.

Expenditures:

Adjustments within the various General Fund departments resulted in an increase in expenditures of \$1,584,812. Significant adjustments include increases in the following: \$95,720 for Impact Fee Study; \$35,000 for Federal Lobbyist; \$700,000 for Hurricane Irma expenditures; \$75,218 for an increase in Repairs and Maintenance; \$38,996 for an increase in Utility Services expenditures; and \$94,924 in capital expenditures. The increase also includes adjustments for both carry forwards and mid-year adjustments.

Transfers out increased by \$430,257. This includes increases in transfers to the following funds:

- Tree Bank Fund of \$262,546 to establish the new Tree Bank Fund;
- Health Insurance Fund of \$235,737 to help off-set higher than anticipated claims;
- Debt service fund of \$6,400.

The increase in transfers out was offset slightly by a decrease in transfers out of \$70,500 to the Water and Sewer Fund; and \$3,926 to the General Facility Improvement Fund.

Increases in expenditures were partially offset by increases in revenues. The difference was made up by the use of fund balance. The General Fund use of fund balance was approved to help fund the increase in expenditures and various transfers noted above.

Differences between the final amended budget and actuals (\$719,740 increase in revenues and other financing sources and \$1,493,243 decrease in expenditures and other financing uses) can be briefly summarized as follows:

Revenues:

Actual year end revenues were over budget by \$676,789 or 2.5%. This variance is attributed primarily to increases in the following:

- Property Taxes of \$23,190;
- Utility Service Taxes of \$289,727;
- Licenses, permits and fees of \$217,813;
- Intergovernmental Revenues of \$181,049;
- Fines and forfeitures of \$13,607;
- Investment income of \$13,972;
- Miscellaneous income of \$15,576.

These increases were offset by decreases in the following;

- Business receipts of \$27,955
- Charges for services of \$50,190

Expenditures:

Actual year end expenditures were under budget by \$1,493,243 or 5.3%. The variance was primarily attributable to decreases in the following:

- Salaries and benefits of \$743,020 due to open positions;
- Professional services of \$187,385, primarily due to professional services budgeted in Development Services that were not incurred or were carried forward to FY 2018/19;
- Other contractual services of \$254,833;
- Travel and per-diem of \$25,035;
- Communications of \$27,007;
- Insurance of \$15,710;
- Printing and binding of \$21,214;
- Promotional Activities of \$15,883;
- Other current charges of \$14,370;
- Operating supplies of \$62,462;
- Employee reimbursement of \$36,712 for educational reimbursement budgeted that weren't used;
- Books and publications of \$73,093;

Overall:

The net increase in fund balance was \$803,073.

Capital Asset and Debt Administration

Capital assets

The City's total capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$176,882,517 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, and machinery and equipment. The total decrease in the City's total capital assets for the current fiscal year was \$3,194,855 (a 1.77% decrease in total assets).

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 12,859,550	\$ 12,807,901	\$ 9,856,867	\$ 9,856,867	\$ 22,716,417	\$ 22,664,768
Buildings	11,110,254	11,478,207	1,156,106	1,211,576	12,266,360	12,689,783
Infrastructure and improvements	48,321,285	47,840,620	81,416,918	83,411,168	129,738,203	131,251,788
Machinery and equipment	2,953,040	3,671,467	2,218,989	2,229,461	5,172,029	5,900,928
Intangibles	12,278	26,795	1,339,887	1,385,564	1,352,165	1,412,359
Construction in progress	3,176,090	3,901,043	2,461,253	2,256,703	5,637,343	6,157,746
Total capital assets, net	\$ 78,432,497	\$ 79,726,033	\$ 98,450,020	\$ 100,351,339	\$ 176,882,517	\$ 180,077,372

**City of Oviedo, Florida
Management's Discussion and Analysis**

Additional information on the City's capital assets can be found in Note 5 in the accompanying notes to financial statements.

Long-Term Debt

At September 30, 2018, the City had \$68,196,000 in bonded debt outstanding. Of this amount, \$265,000 related to General Obligation Bonds, \$5,825,000 related to General Obligation Notes, \$3,845,000 related to Public Improvement Revenue Notes, \$5,061,000 related to Capital Improvement Revenue Notes and \$49,900,000 related to Utility Revenue Bonds/Notes.

In addition, the City had \$3,664,138 related to the State Revolving Fund Loan, \$139,160 related to the City's Landfill post-closure care obligation and \$2,838,425 related to capital leases on equipment.

There was a reduction in principal outstanding of \$3,516,000 in annual principal payments for the fifteen (15) outstanding bond and note issues, \$875,324 in principal payments for the capital leases, and principal payments totaling \$280,935 on the state revolving loan.

There are no limitations placed on the amount of debt the City may issue either by the City's charter, code of ordinances or by the Florida State Statutes. The City's charter does require voter referendum for any lease purchase contracts or any other unfunded multi-year contracts for the purchase of real property or the construction of any capital improvement (exceeding \$5,000,000 per fiscal year), the repayment of which extends beyond the end of any fiscal year.

The City's Water and Sewer Utility Revenue Bonds obtained a one-level upgrade to the City's Utility Bonds from S&P in June 2009 (from A+ to AA). This rating was reaffirmed by S&P in January 2014. In November of 2009, Moody's reaffirmed its A2 rating.

Long Term Debt
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bond 2003	\$ 265,000	\$ 520,000	\$ -	\$ -	\$ 265,000	\$ 520,000
General Obligation Note	5,825,000	5,848,000	-	-	5,825,000	5,848,000
Public Improvement						
Refunding Revenue Notes	3,845,000	4,898,000	-	-	3,845,000	4,898,000
Capital Improvement						
Refunding Revenue Notes	5,061,000	5,679,000	-	-	5,061,000	5,679,000
Public Improvement						
Revenue Notes	3,300,000	3,600,000	-	-	3,300,000	3,600,000
Utility Revenue Bonds	-	-	32,625,000	33,200,000	32,625,000	33,200,000
Utility Revenue Notes	-	-	17,275,000	17,967,000	17,275,000	17,967,000
State Revolving Fund Loan	-	-	3,664,138	3,945,073	3,664,138	3,945,073
Landfill Post-closure Care	139,160	144,058	-	-	139,160	144,058
Capital Leases	2,276,888	2,579,527	561,537	828,572	2,838,425	3,408,099
Total	\$ 20,712,048	\$ 23,268,585	\$ 54,125,675	\$ 55,940,645	\$ 74,837,723	\$ 79,209,230

Additional information on the City's long-term liabilities can be found in Note 5 in the accompanying notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when adopting the FY 2018-19 Budget. The adopted budget reflects the culmination of the City's efforts to balance the General Fund budget, while maintaining service levels for core City services. The General Fund property millage rate for FY 2018-19 increased to 5.0970 mills, which is 5.59% greater than the rolled back millage rate of 4.8272 mills. The property millage rate for the General Obligation Bonds decreased from .2050 mills to .1850 mills, a decrease of 9.76%. The combined millage rate for both the Ad Valorem and General Obligation Bonds in FY 2017-18 was 5.2820 mills, the total combined millage rate for FY 2018-19 remains at 5.2820 mills.

The FY 2018-19 General Fund budget of \$31,331,941 is \$1,502,289 or 5.04% greater than the FY 2017-18 adopted budget. The FY 2018-19 General Fund budget was adopted with the use of fund balance, leaving the unassigned fund balance for the General Fund at \$6,655,448. The unassigned fund balance is 23% of the Adopted Budget General Fund expenditures less transfers for FY 2018-19. Thus, the City continues to meet its Fund Balance Reserve Policy.

As a result of the increase in the City's tax base (gross taxable value) of 10.87%, and an increase in the Ad Valorem millage rate, the General Fund budgeted revenues for property taxes increased \$1,225,713, or 10.24% from FY 2017-18.

FY 2018-19 non-ad valorem revenues of \$15,012,724 increased by \$432,641 measured against the FY 2017-18 non-ad valorem tax base of \$14,580,083. The increase is primarily due to increases in the following:

- Reimbursement from the Seminole County School for the additional School Resource Officers of \$151,829;
- Utility Service Taxes of \$73,746
- State Shared Revenues of \$101,898;
- Interest Income of \$35,000;
- Recreation Activity Fees of \$48,626;
- Receipt of revenues from the Florida Department of Transportation (FDOT) of \$56,824 related to traffic signal maintenance and the FDOT mowing contract;
- Collection of Fines and Forfeitures of \$9,184;

The increases were offset by decreases in the following revenues:

- Licenses, Permits and Fees of \$51,556

The total adopted budget for all City funds combined of \$67.24 million (exclusive of inter-fund transfers) is \$3,987,003 or 6.30% greater than the FY 2017-18 total Adopted Budget.

The City's tax base increased by \$273.8 million, or 10.87%, as compared to fiscal year 2017, based on the Certification of Taxable Value as provided by the Seminole County Property Appraiser.

Requests for Information

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

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Basic Financial Statements

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City of Oviedo, Florida
Statement of Net Position
September 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 13,505,496	\$ 14,390,769	\$ 27,896,265
Investments	1,621,780	1,110,000	2,731,780
Accounts receivable, net	1,526,621	882,541	2,409,162
Unbilled revenues	-	836,067	836,067
Due from other governments	1,294,767	-	1,294,767
Internal balances	13,221	(13,221)	-
Inventories	39,392	58,891	98,283
Prepaid expenses	91,451	-	91,451
Restricted assets:			
Cash and cash equivalents	59,885	-	59,885
Investments	-	350,000	350,000
Net pension asset	53,083	-	53,083
Capital Assets:			
Not being depreciated	16,035,640	12,318,120	28,353,760
Being depreciated, net	62,396,857	86,131,900	148,528,757
Total assets	96,638,193	116,065,067	212,703,260
Deferred Outflows of Resources:			
Deferred charge on refunding	20,686	26,447	47,133
Deferred outflows of pension earnings	1,208,075	-	1,208,075
Total deferred outflows of resources	1,228,761	26,447	1,255,208
Liabilities:			
Accounts payable	1,798,767	504,355	2,303,122
Accrued liabilities	415,404	65,966	481,370
Retainage payable	4,107	59,902	64,009
Accrued interest	244,711	1,231,405	1,476,116
Unearned revenues	327,481	-	327,481
Due to other governments	79	5,811	5,890
Liabilities payable from restricted assets	162,328	728,420	890,748
Long-term Liabilities:			
Due within one year:			
Landfill closure liability	72,290	-	72,290
Capital lease payable	672,153	276,065	948,218
Bonds payable	260,028	585,000	845,028
Loans payable	2,027,000	1,298,016	3,325,016
Compensated absences	216,563	30,620	247,183
Due in more than one year:			
Landfill closure liability	66,870	-	66,870
Capital lease payable	1,604,735	285,472	1,890,207
Bonds payable	-	32,059,268	32,059,268
Loans payable	16,004,000	19,641,122	35,645,122
Compensated absences	1,949,068	275,582	2,224,650
Net pension liability	2,143,347	-	2,143,347
Net OPEB liability	1,647,882	325,118	1,973,000
Total liabilities	29,616,813	57,372,122	86,988,935
Deferred Inflows of Resources:			
Deferred inflows of pension earnings	1,902,779	-	1,902,779
Total deferred inflows of resources	1,902,779	-	1,902,779
Net Position:			
Net investment in capital assets	57,884,267	44,331,529	102,215,796
Restricted for:			
Debt service	420,284	-	420,284
Public safety	421,164	-	421,164
Community redevelopment	246,922	-	246,922
Capital improvements	4,456,709	-	4,456,709
Unrestricted	2,918,016	14,387,863	17,305,879
Total net position	\$ 66,347,362	\$ 58,719,392	\$ 125,066,754

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City of Oviedo, Florida
Statement of Activities
For the Year Ended September 30, 2018

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 4,684,321	\$ 539,050	\$ -	\$ -	\$ (4,145,271)	\$ -	\$ (4,145,271)
Public safety	17,592,025	2,852,345	634,436	77,213	(14,028,031)	-	(14,028,031)
Physical environment	9,560,579	3,694,930	134,735	1,477,352	(4,253,562)	-	(4,253,562)
Economic development	43,312	-	-	-	(43,312)	-	(43,312)
Parks and recreation	7,114,759	1,758,678	-	19,654	(5,336,427)	-	(5,336,427)
Interest on long-term debt	563,997	-	-	-	(563,997)	-	(563,997)
Total governmental activities	39,558,993	8,845,003	769,171	1,574,219	(28,370,600)	-	(28,370,600)
Business-type activities:							
Water and sewer	13,697,122	14,836,123	-	580,199	-	1,719,200	1,719,200
Twin Rivers Golf Course	1,851,926	1,213,586	-	-	-	(638,340)	(638,340)
Stormwater	2,094,128	2,440,654	-	101,378	-	447,904	447,904
Total business-type activities	17,643,176	18,490,363	-	681,577	-	1,528,764	1,528,764
Total primary government	\$ 57,202,169	\$ 27,335,366	\$ 769,171	\$ 2,255,796	(28,370,600)	1,528,764	(26,841,836)
General Revenues:							
Property taxes					13,028,723	-	13,028,723
Utility taxes					4,626,688	-	4,626,688
Business receipt taxes					142,545	-	142,545
Franchise fees					2,649,148	-	2,649,148
Sales tax					6,288,488	-	6,288,488
Unrestricted intergovernmental revenue					27,414	-	27,414
Unrestricted investment earnings					270,898	257,680	528,578
Miscellaneous					224,211	978	225,189
Gain on sale of capital assets					-	31,672	31,672
Transfers					2,617,536	(2,617,536)	-
Total general revenues and transfers					29,875,651	(2,327,206)	27,548,445
Change in net position					1,505,051	(798,442)	706,609
Net position, beginning					65,206,918	59,617,227	124,824,145
Prior period adjustment					(364,607)	(99,393)	(464,000)
Net position, ending					\$ 66,347,362	\$ 58,719,392	\$ 125,066,754

City of Oviedo, Florida
Balance Sheet
Governmental Funds
September 30, 2018

	General Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 5,544,632	\$ 241,154	\$ 6,838,860	\$ 12,624,646
Investments	681,780	30,000	800,000	1,511,780
Receivables, net	1,207,954	-	162,984	1,370,938
Due from other governments	750,116	-	544,651	1,294,767
Due from other funds	130,520	-	600,000	730,520
Prepaid items	13,180	-	78,271	91,451
Restricted assets:				
Cash and cash equivalents	27,947	-	31,938	59,885
Total assets	\$ 8,356,129	\$ 271,154	\$ 9,056,704	\$ 17,683,987
Liabilities and Fund Balances:				
Accounts payable	\$ 459,229	\$ 24,232	\$ 917,830	\$ 1,401,291
Accrued liabilities	409,051	-	-	409,051
Retainage payable	-	-	4,107	4,107
Due to other funds	-	-	1,489,961	1,489,961
Due to other governments	79	-	-	79
Unearned revenue	327,481	-	-	327,481
Payable from restricted assets	44,120	-	118,208	162,328
Total liabilities	1,239,960	24,232	2,530,106	3,794,298
Fund Balances:				
Nonspendable	13,180	-	78,271	91,451
Restricted	27,947	246,922	5,270,210	5,545,079
Assigned	209,797	-	2,543,256	2,753,053
Unassigned	6,865,245	-	(1,365,139)	5,500,106
Total fund balances	7,116,169	246,922	6,526,598	13,889,689
Total Liabilities and Fund Balances	\$ 8,356,129	\$ 271,154	\$ 9,056,704	\$ 17,683,987

Reconciliation of the Balance Sheet to the Statement of Net Position

September 30, 2018

Total Fund Balance, governmental funds	\$	13,889,689
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Governmental capital assets	\$	143,421,644	
Less: accumulated depreciation		<u>(65,003,529)</u>	78,418,115

Internal service funds are used by management to account for the cost of health insurance, long-term disability, life insurance and fleet maintenance. The assets and liabilities of the internal service funds are included in governmental activities in the statements of net position.		1,520,707
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Deferred inflows and outflows of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(694,704)
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Net pension assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		53,083
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Governmental bonds and notes payable	\$	(18,296,000)	
Deferred charge on refunding		20,686	
Unamortized discount		4,972	
Lease payable		(2,276,888)	
Landfill closure		(139,160)	
Compensated absences		(2,145,664)	
Net pension liability		(2,143,347)	
Accrued interest payable		(244,711)	
Net OPEB liability		<u>(1,619,416)</u>	<u>(26,839,528)</u>

Net Position of Governmental Activities in the Statement of Net Position	\$	<u>66,347,362</u>
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Statement of Revenues, Expenditures and Changes in Fund Balances**Governmental Funds**

For the Year Ended September 30, 2018

	General Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property taxes	\$ 12,082,999	\$ 443,880	\$ 501,844	\$ 13,028,723
Utility taxes	4,626,688	-	-	4,626,688
Business receipt	142,545	-	-	142,545
Licenses, permits and fees	2,671,317	-	1,254,367	3,925,684
Intergovernmental	4,187,350	-	3,818,616	8,005,966
Charges for services	3,286,604	-	3,310,744	6,597,348
Fines and forfeitures	129,207	-	131,705	260,912
Investment income	146,572	5,382	106,194	258,148
Service assessments	-	-	692,407	692,407
Miscellaneous	242,565	-	52,533	295,098
Total revenues	27,515,847	449,262	9,868,410	37,833,519
Expenditures:				
Current:				
General government	4,339,545	-	173,788	4,513,333
Public safety	14,855,171	-	1,718,973	16,574,144
Physical environment	1,843,834	-	5,545,903	7,389,737
Economic development	-	43,312	-	43,312
Parks and recreation	5,698,371	-	76,190	5,774,561
Debt service:				
Principal	-	-	2,857,289	2,857,289
Interest and fiscal charges	13,219	-	566,095	579,314
Capital outlay:				
General government	-	-	44,765	44,765
Public safety	-	-	373,019	373,019
Physical environment	-	63,931	2,023,529	2,087,460
Parks and recreation	94,922	-	297,984	392,906
Total expenditures	26,845,062	107,243	13,677,535	40,629,840
Excess (deficiency) of revenues Over expenditures	670,785	342,019	(3,809,125)	(2,796,321)
Other Financing Sources (Uses):				
Transfers in	3,052,573	-	4,335,434	7,388,007
Transfers out	(2,968,236)	(267,000)	(1,799,286)	(5,034,522)
Capital lease proceeds	-	-	305,650	305,650
Sale of general capital assets	47,951	-	34,914	82,865
Total other financing sources (uses)	132,288	(267,000)	2,876,712	2,742,000
Net change in fund balances	803,073	75,019	(932,413)	(54,321)
Fund balances, beginning	6,313,096	171,903	7,459,011	13,944,010
Fund balances, ending	\$ 7,116,169	\$ 246,922	\$ 6,526,598	\$ 13,889,689

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2018

Net Change in Fund Balances , total governmental funds: \$ (54,321)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

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

Expenditures for capital assets	\$ 2,702,746	
Less: current year depreciation	<u>(4,343,565)</u>	(1,640,819)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (242,804)

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

Capital leases (305,650)

Repayments of long-term debt is an expenditure in the governmental funds. But the repayment reduces long-term liabilities in the Statement of Net Position

Principal payments 2,857,289

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amount is the net effect of these differences in the treatment of these items (7,474)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in long-term compensated absences	\$ 19,567	
Change in other post employment benefits	(132,131)	
Change in landfill closure liability	4,898	
Change in accrued interest	<u>22,791</u>	(84,875)

Contributions of capital assets are not reported as revenues in the governmental funds 600,239

Cash pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and therefore decreased net position. 173,592

Internal service funds are used by management to account for the cost of health insurance, long-term disability, life insurance and fleet maintenance. The net revenue of certain activities of internal service funds is reported with governmental activities. 209,874

Change in Net Position of Governmental Activities \$ 1,505,051

City of Oviedo, FL
Statement of Net Position
Proprietary Funds
September 30, 2018

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Water and Sewer Utility Fund	Stormwater Utility Fund	Twin Rivers Golf Course Fund		Internal Service Funds
Assets:					
Current assets:					
Cash and cash equivalents	\$ 13,476,616	\$ 805,486	\$ 108,667	\$ 14,390,769	\$ 880,850
Investments	1,010,000	100,000	-	1,110,000	110,000
Restricted investments	350,000	-	-	350,000	-
Receivables, net	750,361	132,180	-	882,541	-
Insurance receivable	-	-	-	-	155,683
Unbilled revenues	836,067	-	-	836,067	-
Inventories	44,144	-	14,747	58,891	39,392
Total current assets	<u>16,467,188</u>	<u>1,037,666</u>	<u>123,414</u>	<u>17,628,268</u>	<u>1,185,925</u>
Noncurrent assets:					
Advances to other funds	1,366,521	253,547	-	1,620,068	-
Capital assets:					
Not being depreciated	4,343,869	7,974,251	-	12,318,120	-
Being depreciated, net	75,761,039	10,370,861	-	86,131,900	14,382
Total noncurrent assets	<u>81,471,429</u>	<u>18,598,659</u>	<u>-</u>	<u>100,070,088</u>	<u>14,382</u>
Total assets	<u>97,938,617</u>	<u>19,636,325</u>	<u>123,414</u>	<u>117,698,356</u>	<u>1,200,307</u>
Deferred Outflows OF Resources:					
Deferred charge on refunding	26,447	-	-	26,447	-
Total deferred outflows of resources	<u>26,447</u>	<u>-</u>	<u>-</u>	<u>26,447</u>	<u>-</u>
Liabilities:					
Current liabilities:					
Accounts payable	470,006	33,046	1,303	504,355	397,476
Accrued liabilities	54,661	11,305	-	65,966	6,353
Retainage payable	59,902	-	-	59,902	-
Compensated absences	25,997	4,623	-	30,620	1,997
Due to other governments	-	-	5,811	5,811	-
Bonds payable - current	585,000	-	-	585,000	-
Capital lease payable - current	276,065	-	-	276,065	-
Loans payable - current	1,004,016	294,000	-	1,298,016	-
Accrued interest payable	1,158,655	72,750	-	1,231,405	-
Payable from restricted assets	728,420	-	-	728,420	-
Total current liabilities	<u>4,362,722</u>	<u>415,724</u>	<u>7,114</u>	<u>4,785,560</u>	<u>405,826</u>
Noncurrent liabilities:					
Bonds payable, net of unamortized premium	32,059,268	-	-	32,059,268	-
Capital leases payable	285,472	-	-	285,472	-
Advances from other funds	-	-	860,627	860,627	-
Loans payable	14,935,122	4,706,000	-	19,641,122	-
Compensated absences	233,973	41,609	-	275,582	17,970
Net OPEB liability	244,894	80,224	-	325,118	28,466
Total noncurrent liabilities	<u>47,758,729</u>	<u>4,827,833</u>	<u>860,627</u>	<u>53,447,189</u>	<u>46,436</u>
Total liabilities	<u>52,121,451</u>	<u>5,243,557</u>	<u>867,741</u>	<u>58,232,749</u>	<u>452,262</u>
Net Position:					
Net investment in capital assets	30,986,417	13,345,112	-	44,331,529	14,382
Unrestricted	14,857,196	1,047,656	(744,327)	15,160,525	733,663
Total net position	<u>\$ 45,843,613</u>	<u>\$ 14,392,768</u>	<u>\$ (744,327)</u>	<u>\$ 59,492,054</u>	<u>\$ 748,045</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time				(772,662)	
Total net position per government-wide financial statements				<u>\$ 58,719,392</u>	

Statement of Revenues, Expenses and Changes in Net Position**Proprietary Funds**

For the Year Ended September 30, 2018

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Water and Sewer Utility Fund	Stormwater Utility Fund	Twin Rivers Golf Course Fund		Internal Service Funds
Operating Revenues:					
User charges	\$ 14,597,595	\$ 2,440,653	\$ 1,090,643	\$ 18,128,891	\$ 364,076
Other revenue	238,528	979	122,943	362,450	4,561,487
Total operating revenues	<u>14,836,123</u>	<u>2,441,632</u>	<u>1,213,586</u>	<u>18,491,341</u>	<u>4,925,563</u>
Operating Expenses:					
Cost of sales/services	6,263,512	818,470	1,841,889	8,923,871	4,990,897
Administration	1,835,736	306,690	-	2,142,426	-
Depreciation and amortization	3,817,496	823,971	-	4,641,467	10,152
Total operating expenses	<u>11,916,744</u>	<u>1,949,131</u>	<u>1,841,889</u>	<u>15,707,764</u>	<u>5,001,049</u>
Operating income (loss)	<u>2,919,379</u>	<u>492,501</u>	<u>(628,303)</u>	<u>2,783,577</u>	<u>(75,486)</u>
Nonoperating Revenues (Expenses):					
Investment earnings	239,891	17,789	-	257,680	12,750
Interest expense	(1,771,066)	(145,750)	(10,037)	(1,926,853)	-
Gain on sale of capital assets	31,672	-	-	31,672	-
Total nonoperating revenues (expenses)	<u>(1,499,503)</u>	<u>(127,961)</u>	<u>(10,037)</u>	<u>(1,637,501)</u>	<u>12,750</u>
Income (loss) before contributions and transfers	1,419,876	364,540	(638,340)	1,146,076	(62,736)
Capital contributions	580,199	101,378	-	681,577	-
Transfers in	778,432	186,721	175,000	1,140,153	278,856
Transfers out	(2,468,339)	(689,350)	(600,000)	(3,757,689)	(14,805)
Change in net position	<u>310,168</u>	<u>(36,711)</u>	<u>(1,063,340)</u>	<u>(789,883)</u>	<u>201,315</u>
Net position, beginning	45,599,141	14,448,577	319,013	60,366,731	572,480
Prior period adjustment	(65,696)	(19,098)	-	(84,794)	(25,750)
Net position, ending	<u>\$ 45,843,613</u>	<u>\$ 14,392,768</u>	<u>\$ (744,327)</u>	<u>\$ 59,492,054</u>	<u>\$ 748,045</u>
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund				(8,559)	
Change in Business-Type Activities Net Position per Government-Wide Financial Statements.				<u>(798,442)</u>	

City of Oviedo, Florida
Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2018

	Business-type Activities			Governmental Activities	
	Water and Sewer Utility Fund	Stormwater Utility Fund	Twin Rivers Golf Course Fund	Total Enterprise Funds	Internal Service Funds
Cash Flows From Operating Activities:					
Receipts from customers	\$ 14,563,346	\$ 2,412,395	\$ 1,213,586	\$ 18,189,327	\$ -
Receipts from internal services provided	-	-	-	-	4,858,812
Payments to suppliers	(5,130,665)	(517,596)	(1,865,702)	(7,513,963)	(4,972,526)
Payments to employees	(3,070,125)	(629,469)	-	(3,699,594)	(247,202)
Net cash provided by (used in) operating activities	6,362,556	1,265,330	(652,116)	6,975,770	(360,916)
Cash Flows From Non-capital Financing Activities:					
Increase in due from other funds	(513,759)	(253,547)	-	(767,306)	-
Increase in due to other funds	-	-	860,627	860,627	-
Transfers in	778,432	186,721	175,000	1,140,153	278,856
Transfers out	(2,468,339)	(689,350)	(600,000)	(3,757,689)	(14,805)
Net cash provided by (used in) non-capital financing activities	(2,203,666)	(756,176)	435,627	(2,524,215)	264,051
Cash Flows From Capital and Related Financing Activities:					
Proceeds from sale of capital assets	31,672	-	-	31,672	-
Purchase of capital assets	(1,446,656)	(846,448)	-	(2,293,104)	-
Principal paid on capital debt	(1,814,970)	-	-	(1,814,970)	-
Interest paid on capital debt	(1,799,436)	(145,500)	(10,037)	(1,954,973)	-
Capital contributions	234,533	-	-	234,533	-
Net cash used in capital and related financing activities	(4,794,857)	(991,948)	(10,037)	(5,796,842)	-
Cash Flows From Investing Activities:					
Sale of investments	2,961,714	150,246	50,000	3,161,960	70,000
Investment income	239,891	17,789	-	257,680	12,750
Net cash provided by (used in) investing activities	3,201,605	168,035	50,000	3,419,640	82,750
Net increase (decrease) in cash and cash equivalents	2,565,638	(314,759)	(176,526)	2,074,353	(14,115)
Cash and cash equivalents, beginning	10,910,978	1,120,245	285,193	12,316,416	894,965
Cash and cash equivalents, ending	\$ 13,476,616	\$ 805,486	\$ 108,667	\$ 14,390,769	\$ 880,850

Continued

City of Oviedo, Florida
Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2018

	Business-type Activities			Governmental Activities	
	Water and Sewer Utility Fund	Stormwater Utility Fund	Twin Rivers Golf Course Fund	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:					
Operating income (loss)	\$ 2,919,379	\$ 492,501	\$ (628,303)	\$ 2,783,577	\$ (75,486)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:					
Depreciation	3,817,496	823,971	-	4,641,467	10,152
(Increase) decrease in:					
Accounts receivable	(340,726)	(29,237)	-	(369,963)	(66,751)
Inventories	(7,685)	-	(4,080)	(11,765)	7,684
Unbilled revenues	75,070	-	-	75,070	-
Prepaid expenses	5,000	-	-	5,000	2,400
Increase (decrease) in:					
Accounts payable	(65,178)	(42,712)	(13,694)	(121,584)	(244,580)
Accrued liabilities and compensated absences	5,643	14,016	-	19,659	2,949
Retainage payable	35,829	-	-	35,829	-
Due to other governments	(98,513)	-	(6,039)	(104,552)	-
Payable from restricted assets	(7,121)	-	-	(7,121)	-
Net OPEB liability	23,362	6,791	-	30,153	2,716
Net cash provided by (used in) operating activities	\$ 6,362,556	\$ 1,265,330	\$ (652,116)	\$ 6,975,770	\$ (360,916)
Noncash Capital and Financing Activities:					
Contributed capital assets	\$ 345,666	\$ 101,378	\$ -	\$ 447,044	\$ -

City of Oviedo, Florida
Statement of Net Position
Fiduciary Funds
September 30, 2018

	<u>Total Employee Retirement Funds</u>
Assets:	
Cash and cash equivalents	\$ 1,265,766
Receivables:	
Interest receivable	47,134
Contributions receivable	389,928
Total receivables	<u>437,062</u>
Investments, at fair value:	
U.S. Treasury & government agency	1,110,137
Real estate investment trusts	3,024,823
Corporate & foreign bonds	2,395,924
Mutual funds & common stocks	32,193,011
Total Investments	<u>38,723,895</u>
Total assets	<u>40,426,723</u>
Liabilities:	
Refunds payable and others	154,583
Total liabilities	<u>154,583</u>
Net Position:	
Net position restricted for pensions	<u>\$ 40,272,140</u>

City of Oviedo, Florida
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended September 30, 2018

	<u>Total Employee Retirement Funds</u>
Additions:	
Contributions:	
City	\$ 849,405
State	580,652
Employee	457,091
Total contributions	<u>1,887,148</u>
Investment income:	
Interest	977,388
Net increase in fair value of investments	2,314,803
Net investment earnings	<u>3,292,191</u>
Total additions	<u>5,179,339</u>
Deductions:	
Benefit payments	1,249,932
Administrative expenses	285,303
Total deductions	<u>1,535,235</u>
Change in net position	3,644,104
Net position, beginning	<u>36,628,036</u>
Net position, ending	<u>\$ 40,272,140</u>

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting entity

The City of Oviedo, Florida (the City), a municipality that was incorporated under Chapter 10950, *Laws of Florida* in 1925, operates under the Council - City Manager form of government. The City is located near the center of the State of Florida in the eastern section of Seminole County.

The City is a municipal corporation with a five-member council including the Mayor. The Mayor acts as the presiding officer of the council, with the Deputy Mayor serving during the Mayor's absence.

The City provides a full range of municipal services including police and fire protection, public works activities, parks and recreation, planning and development, and general administrative services. In addition, the City operates a water and sewer utility, stormwater utility and golf course.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, the City has one blended component unit as follows:

The City of Oviedo City Council adopted City Resolution 1836-08 in June of 2008, thereby creating the Community Redevelopment Agency (CRA) of Oviedo. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Notification to the affected taxing authorities was done in compliance with Chapter 163.346, Florida Statutes. Taxes are levied annually on the incremental increase in taxable value over the base year. The tax revenues will be used to fund projects designed to enhance and improve the described area. The purpose of the CRA is to utilize appropriate private and public resources to rejuvenate blighted areas by establishing and stimulating new development, creating new job opportunities, and focusing public investment in designated areas within the City. The term of the CRA's existence is 30 years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Oviedo Community Redevelopment Plan was adopted by Ordinance No. 1496 by the Oviedo City Council to govern the use of these resources. The City Council serves as the governing board of the CRA, along with two (2) representatives of the Seminole County government or selected by the Seminole County government. The adoption of Ordinance No. 1496 and modified by Ordinance No. 1510, established the Redevelopment Trust Fund to account for all transactions generated by activity within the CRA. Separate financial statements are not issued for the CRA; they are included on pages 18 and 20.

C. Basis of presentation - government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

D. Basis of presentation - fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category-governmental, proprietary, and fiduciary-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *Community Redevelopment Agency* was established as a dependent taxing district. The incremental annual increase in tax over the base year will be used to fund projects designed to enhance and improve the described area.

The City reports the following major enterprise funds:

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Twin Rivers Golf Course Fund* is used to account for the City's golf operations which are financed in a manner similar to private business enterprises, where the costs of providing services to the general public are financed primarily through user charges.

Additionally, the City reports the following fund types:

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

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

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

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

Capital Project Funds account for financial resources segregated for the acquisition or construction of major capital facilities. Nonmajor capital project funds include the Local Option Sales Tax Fund, Vehicle Replacement Fund, Technology Improvements Fund, General Facility Improvement Fund, Recreational Facility Improvement Fund, OSC Extension Landfill Fund, Fire Rescue Construction Fund, 3rd Generation Sales Tax Fund, and Police Construction Fund.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal services funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees and utility taxes, state revenue sharing, charges for services, and investment earnings associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and pension funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Unearned revenues in governmental funds include amounts collected before the revenue recognition criteria are met. The unearned amount typically consists of license revenue collected in advance of the ensuing year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, community redevelopment agency, nonmajor special revenue funds, and debt service funds. The capital projects funds are appropriated on a project-length basis.

The appropriated budget is prepared by fund, function, and department. The City's department directors may make transfers of appropriations within a department. Transfers of appropriations between funds require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

2. Excess of expenditures over appropriations

For the year ended September 30, 2018, expenditures exceeded appropriations in the following funds (the legal level of budgetary control): (a) solid waste special revenue fund by \$116,799, (b) law enforcement special revenue fund by \$19,071, (c) police donations special revenue fund by \$36,882, (d) second dollar education special revenue fund by \$3,000, (e) public improvement revenue bonds debt service fund by \$26, (f) lease financing debt service fund by \$10,751, and (g) capital expansion special revenue fund by \$81,025.

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

1. Cash and cash equivalents

For purposes of cash flows, cash and cash equivalents include cash on hand; amounts due from banks, mutual funds and investment pools; and, all highly liquid investments (including restricted assets) with a maturity of 90 days or less when purchased. All cash and certain investments of the enterprise funds represent an equity position in the City's internal pool of cash and investments. The City currently holds \$3,997 available as petty cash.

Because the enterprise funds may withdraw cash from the pool without prior notice or penalty, the cash and certain investments are considered cash equivalents.

The City maintains a cash and investment pool that is used by all funds. This pool includes deposits and overnight repurchase agreements, government agencies as well as amounts on deposit with the State Board of Administration (SBA) and Florida Safe. Pooled cash is classified as "Cash" in the Balance Sheet. Interest income earned as a result of pooling is distributed to the appropriate funds based on the average daily balance of cash in each fund for the period.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Investments

Investments for the City are reported at fair value within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for the position in the Florida State Board of Administration's and Florida Safe's Local Government Surplus Investment Pools (LGIP). In accordance with state law, the LGIP's operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the LGIP's qualify as a 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Florida State Board of Administration is subject to regulatory oversight by the State of Florida, although it is not registered with the SEC.

3. Receivables

All receivables are shown net of an allowance for uncollectibles. Accounts receivable in excess of 90 days comprise the accounts receivable allowance for uncollectibles.

4. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and repair parts. The cost of such inventories is recorded as expenditures or expense when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures or expenses when consumed rather than when purchased.

5. Capital assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed.

The City has some capital assets that meet the definition of intangible assets per Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, including computer software and reclaimed water capacity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following useful lives:

<u>Classification</u>	<u>Useful Life</u>
Buildings	50 years
Machinery and Equipment	5 - 25 years
Intangibles	5 - 25 years
Improvements and Infrastructure	10 - 50 years

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

6. Deferred outflows/inflows of resources

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

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

7. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

8. Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the finance director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

Under Florida law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten (10) mills. The millage rate in effect for the City for the fiscal year ended September 30, 2018 was 5.077 mills.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Compensated absences

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

4. Proprietary funds operating and nonoperating revenues and expenses

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

I. Other significant accounting policies

1. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

J. New GASB statement implemented

In fiscal year 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These statements replace the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources for postemployment benefits other than pensions.

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NOTE 2 ACCOUNTING CHANGES AND PRIOR PERIOD RESTATEMENT

Beginning net position of the Governmental Activities, Business-Type Activities, Water and Sewer Utility Fund, Stormwater Fund, and Internal Service Funds have been adjusted for the effects of implementation of GASB Statement No. 75.

	Government-Wide		
	Governmental Activities	Business-Type Activities	
Net position, October 1, 2017, previously stated	\$ 65,206,918	\$	59,617,227
Restatement of net position due to implementation of GASB 75*	(364,607)	(99,393)	
Net position October 1, 2017, restated	<u>\$ 64,842,311</u>	<u>\$</u>	<u>59,517,834</u>

	Proprietary Funds		
	Water and Sewer Utility Fund	Stormwater Fund	Internal Service Funds
Net position, October 1, 2017, previously stated	\$ 45,599,141	\$ 14,448,577	\$ 572,480
Restatement of net position due to implementation of GASB 75*	(65,696)	(19,098)	(25,750)
Net position October 1, 2017, restated	<u>\$ 45,533,445</u>	<u>\$ 14,429,479</u>	<u>\$ 546,730</u>

* The amount of the total restatement for the proprietary funds does not agree to the amount of the restatement of business-type activities due to the adjustment of cumulative internal balances between the internal service funds and the enterprise funds.

NOTE 3 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

NOTE 4 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

In accordance with the Fund Reserve Policy, the City reserves an amount equal to 15 percent of the annual General Fund budget and a minimum of one hundred twenty (120) days of the Water and Sewer Utility Enterprise Fund operating budget less depreciation, annual debt service and capital expenditures. The City also maintains a minimum capital reserve balance in the Water and Sewer Renewal and Replacement Fund equal to 50 percent of the prior year depreciation expense for plant and equipment. The purpose of this policy is to provide capacity to provide sufficient cash flow for daily financial needs, to have the ability to offset significant economic downturns or revenue shortfalls, and to provide funds for unforeseen expenditures related to emergencies or other unanticipated needs.

NOTE 4 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash deposits with financial institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2018, the carrying amount of the City's deposits was \$10,265,498 and the bank balance was \$10,277,885. All of the bank balance was covered by federal depository insurance or by collateral held by the City's agent in the City's name. None of the amount was covered by collateral held in the pledging bank's trust department in the City's name.

The City's bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. Remaining balances are collateralized pursuant to Chapter 280, Florida Statutes. Under this chapter all depositories holding public funds collateralize deposits in excess of FDIC insurance with the State Treasurer. In the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

B. Investments

As of September 30, 2018, the City's investment portfolio was composed of the following investments:

Investment Type	Fair Value	Investment Maturities		
		Less Than 1 Year	1 to 5 Years	More than 5 Years
Pooled Interest Bearing				
Checking Account	\$ 10,369,820	\$ 10,369,820	\$ -	\$ -
Florida Prime	4,976	4,976	-	-
Certificates of Deposit	-	-	-	-
FL Safe Time Series	5,000,000	5,000,000	-	-
Money Market	15,592,073	15,592,073	-	-
	<u>\$ 30,966,869</u>	<u>\$ 30,966,869</u>	<u>\$ -</u>	<u>\$ -</u>

The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. As of September 30, 2018, the carrying amount of investments includes accrued interest of \$67,064.

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

State statutes allow investments in certificates of deposit to be made only with banks and/or savings and loans that qualify as authorized depositories under Florida law. City policy provides for other investments to be made through authorized depositories. State statutes and City policy authorize investments in U.S. Treasury Bills, Notes and Bonds; insured or fully collateralized certificates of deposit or bank savings accounts; U.S. Government Instrumentalities; Local Government Investment Pools (LGIP); State Board of Administration intermediate term investment pool; money market funds and mutual funds that invest solely in U.S. Government obligations.

The following schedule reconciles the cash, cash equivalents, and investment balances as shown in the financial statements with the portfolio totals shown above authorized under Sections 218.415 and 163.01 of Florida State Statutes:

Cash and Investments - Statements of Net Position:

Cash and cash equivalents	\$ 27,896,265
Investments	2,731,780
Restricted assets:	
Cash and cash equivalents	59,885
Restricted investments	350,000
Total cash and investments	<u>\$ 31,037,930</u>
Portfolio Total Shown Above	\$ 30,966,869
Plus: cash on hand	3,997
Plus: accrued interest	67,064
Total cash and investments	<u>\$ 31,037,930</u>

Interest rate risk. The investment portfolio policy of the City has the objective of regularly exceeding the average return on the State Board of Administration's Local Surplus Funds Trust Fund (SBA Pool) for short-term investments (less than a year in duration) and for long-term investments, an index of the United States Treasury or Government securities. These indices are considered benchmarks for the riskless investment transactions and therefore comprise a minimum standard for the portfolio rate of return.

The investment portfolio policy of the City states that investments shall be held to maturity unless called. Investments shall be structured so as to maintain a Portfolio Average Maturity of no longer than five years. For purposes of meeting this limitation, variable rate securities shall be measured on the basis of the period elapsed between interest reset dates. No investment shall be made in an instrument with a stated final maturity longer than five years. Below are the credit quality distributions for securities with credit exposure as a percentage of total investments with investments held in the City's portfolio as of September 30, 2018.

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

<u>Type of Investment</u>	<u>Credit Rating</u>	<u>Percentage of Total</u>
Prime Money Market Fund	Aaa	76%
Florida Prime	AAAm	0%
Florida Safe Time Series	AAAm	24%

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Credit risk

Securities shall be limited to those rated BAA or higher by Moody's or Standard & Poor's rating services. Unrated investments are typically U.S. Agency backed securities.

Concentration of credit risk

The investment portfolio policy of the City has the objective of structuring investments as to not allow for an investment in any one type of issue (e.g. Federal Home Loan Bank) that is in excess of 50% of the City's total investments.

Custodial credit risk-investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of September 30, 2018, the City has satisfied all of the objectives and requirements laid out in the City's investment policy and held no investments that were not in compliance with policy.

Investment income for the year ended September 30, 2018 consisted of the following:

	General Fund	Community Redevelopment Agency	Other Governmental Funds	Water & Sewer Utility Fund	Stormwater Utility Fund	Internal Service Funds
Interest Income	\$ 146,572	\$ 5,382	\$ 106,194	\$ 239,891	\$ 17,789	\$ 12,750

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NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

The Firefighters' Pension Trust Fund and the Police Officers' Retirement Trust Fund have the following recurring fair value measurements as of September 30, 2018:

	9/30/2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Firefighters' Pension Trust Fund				
Equities:				
Common stock	\$ 4,620,621	\$ 4,620,621	\$ -	\$ -
Foreign stock	107,330	107,330	-	-
Unit investment trusts	1,444,414	133,188	-	1,311,226
Fixed income - mutual funds	8,786,173	8,786,173	-	-
Total	\$ 14,958,538	\$ 13,647,312	\$ -	\$ 1,311,226
Police Officers' Retirement Trust Fund				
Equities:				
Common stock	\$ 10,905,384	\$ 10,905,384	\$ -	\$ -
Foreign stock	250,394	250,394	-	-
Mutual funds	6,477,089	6,477,089	-	-
Unit investment trusts	1,580,409	367,277	-	1,213,132
Fixed Income:				
Mutual funds	1,046,020	1,046,020	-	-
US government obligations	1,110,137	1,110,137	-	-
Collateralized mortgage obligations	502,062	-	502,062	-
Municipal obligations	14,596	-	14,596	-
Corporate bonds	1,879,266	-	1,879,266	-
Total	\$ 23,765,357	\$ 20,156,301	\$ 2,395,924	\$ 1,213,132

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

C. Receivables

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

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Water & Sewer Utility Fund</u>	<u>Stormwater Fund</u>
Accounts Receivable	\$ 3,546,808	\$ 244,129	\$ 1,340,533	\$ 362,455
Less: allowance for doubtful accounts	<u>(2,338,854)</u>	<u>(81,145)</u>	<u>(590,172)</u>	<u>(230,275)</u>
Accounts receivable, net	<u><u>\$ 1,207,954</u></u>	<u><u>\$ 162,984</u></u>	<u><u>\$ 750,361</u></u>	<u><u>\$ 132,180</u></u>

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NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

D. Capital assets

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

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 12,807,901	\$ 51,649	\$ -	\$ 12,859,550
Construction in Progress	3,901,043	2,152,964	(2,877,917)	3,176,090
Total Capital Assets, not being depreciated	16,708,944	2,204,613	(2,877,917)	16,035,640
Capital Assets, being depreciated:				
Buildings	16,037,641	-	-	16,037,641
Machinery and Equipment	11,560,104	289,267	(159,033)	11,690,338
Intangibles	495,468	-	-	495,468
Infrastructure and Improvements	95,819,855	3,444,218	-	99,264,073
Total Capital Assets, being depreciated	123,913,068	3,733,485	(159,033)	127,487,520
Less Accumulated Depreciation for:				
Buildings	(4,559,434)	(367,953)	-	(4,927,387)
Machinery and Equipment	(7,888,637)	(1,007,694)	159,033	(8,737,298)
Intangibles	(468,673)	(14,517)	-	(483,190)
Infrastructure and Improvements	(47,979,235)	(2,963,553)	-	(50,942,788)
Total Accumulated Depreciation	(60,895,979)	(4,353,717)	159,033	(65,090,663)
Total Capital Assets, being depreciated, net	63,017,089	(620,232)	-	62,396,857
Governmental Activities Capital Assets, net	\$ 79,726,033	\$ 1,584,381	\$ (2,877,917)	\$ 78,432,497
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 9,856,867	\$ -	\$ -	\$ 9,856,867
Construction in Progress	2,256,703	1,799,998	(1,595,448)	2,461,253
Total Capital Assets, not being depreciated	12,113,570	1,799,998	(1,595,448)	12,318,120
Capital Assets, being depreciated:				
Buildings	2,389,360	-	-	2,389,360
Machinery and Equipment	5,714,168	501,675	(115,596)	6,100,247
Intangibles	1,635,260	-	-	1,635,260
Infrastructure and Improvements	144,972,761	2,033,923	-	147,006,684
Total Capital Assets, being depreciated	154,711,549	2,535,598	(115,596)	157,131,551
Less Accumulated Depreciation for:				
Buildings	(1,177,784)	(55,470)	-	(1,233,254)
Machinery and Equipment	(3,484,707)	(512,147)	115,596	(3,881,258)
Intangibles	(249,696)	(45,677)	-	(295,373)
Infrastructure and Improvements	(61,561,593)	(4,028,173)	-	(65,589,766)
Total Accumulated Depreciation	(66,473,780)	(4,641,467)	115,596	(70,999,651)
Total Capital Assets, being depreciated, net	88,237,769	(2,105,869)	-	86,131,900
Business-type Activities Capital Assets, net	\$ 100,351,339	\$ (305,871)	\$ (1,595,448)	\$ 98,450,020

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

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

Governmental Activities:

General government	\$ 110,473
Public safety	915,622
Transportation, including depreciation of general infrastructure assets	2,013,394
Culture and recreation	1,304,076
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	10,152
Total depreciation expense	<u>\$ 4,353,717</u>

Business-type Activities:

Water and sewer utility	\$ 3,817,496
Stormwater	823,971
Total depreciation expense	<u>\$ 4,641,467</u>

E. Interfund balances

The composition of interfund transfers for the year ended September 30, 2018 is as follows:

	Transfer in:						Total
	General Fund	Nonmajor Governmental Funds	Water and Sewer Utility Fund	Stormwater Fund	Twin Rivers Golf Fund	Internal Service Funds	
Transfer out:							
General fund	\$ -	\$ 2,732,499	\$ -	\$ -	\$ -	\$ 235,737	\$ 2,968,236
Community redevelopment agency	267,000	-	-	-	-	-	267,000
Nonmajor governmental funds	410,573	1,388,713	-	-	-	-	1,799,286
Water/sewer utility fund	2,150,000	131,618	-	186,721	-	-	2,468,339
Stormwater fund	225,000	82,604	178,432	-	175,000	28,314	689,350
Twin rivers golf fund	-	-	600,000	-	-	-	600,000
Internal service funds	-	-	-	-	-	14,805	14,805
Total	<u>\$ 3,052,573</u>	<u>\$ 4,335,434</u>	<u>\$ 778,432</u>	<u>\$ 186,721</u>	<u>\$ 175,000</u>	<u>\$ 278,856</u>	<u>\$ 8,807,016</u>

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Transfers are used to 1) move revenue from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

The due to other funds balances consists of \$759,441 advanced from the water and sewer utility fund to fund the Oviedo on the Park Project and to fund the new fire station. The advance for Oviedo on the Park was approved by council as a promissory note of up to \$300,000 and is to be repaid in equal installments over 10 years, plus interest at 2.71%. The advance for the new fire station was approved by council as a promissory note of up to \$705,000 to be repaid over 10 years, plus interest at 2.5%.

The capital expansion fund advanced \$600,000 to the 3rd generation sales tax fund to fund the City's matching requirement for grants related to park improvements. The advance will be repaid, with no interest, with future Recreation Impacts Fees as the funds become available.

The water and sewer utility fund and the stormwater fund advanced \$860,627 to the twin rivers golf course fund to be repaid by June 19, 2022, plus interest at a rate equal to the City's deposit earnings, 1.92% at September 30, 2018.

Other interfund receivables and payables are the result of transfers of resources resulting from pooled cash transactions. In addition, temporary advances between funds occurred that will be repaid or offset during the next fiscal year.

F. Lease obligations

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

	Governmental Activities	Business-type Activities
Machinery and equipment	\$ 3,526,769	\$ 1,513,392
Less: accumulated depreciation	(1,407,331)	(839,722)
Total	<u>\$ 2,119,438</u>	<u>\$ 673,670</u>

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018, were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2019	\$ 709,316	\$ 291,396
2020	688,169	291,396
2021	514,979	-
2022	248,247	-
2023	201,580	-
Total Minimum Lease Payments	<u>2,362,291</u>	<u>582,792</u>
Less: amount representing interest	<u>(85,403)</u>	<u>(21,255)</u>
Present Value of Minimum Lease Payments	<u>\$ 2,276,888</u>	<u>\$ 561,537</u>

G. Long-term liabilities

General obligation bonds

The City issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government, provided that the levy of ad valorem taxes by the City in each year for the payment of debt service on the Series 2003 bonds shall not exceed 0.9 mills on all of the taxable property in the City. The total principal and interest remaining to be paid on this series is \$270,631. For the fiscal year, principal and interest paid on this series was \$271,522 and total pledged revenue was \$501,844.

General obligation notes

The City issued general obligation notes to provide funds for the acquisition and construction of major capital facilities. General obligation notes are direct obligations and pledge the full faith and credit of the government, provided that the levy of ad valorem taxes by the City in each year for the payment of debt service on the Series 2013 notes shall not exceed 0.9 mills on all of the taxable property in the City. On November 5, 2018, the notes were reissued due to changes in the federal tax code. The interest rate was lowered from 3.425% to 3.25% resulting in a reduction of total future debt service payments in the amount of \$86,526. The total principal and interest remaining to be paid on this series is \$7,550,419. For the fiscal year, principal and interest paid on this series was \$222,902 and total pledged revenue was \$501,844.

General obligation bonds and notes outstanding at September 30, 2018 are as follows:

Governmental Activities:

<u>General Obligation Bonds</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 9/30/2018</u>
Limited Ad Valorem Bonds	2003	\$ 9,000,000	2% - 4.75%	2018	\$ 265,000
<u>General Obligation Note</u>					
Limited Ad Valorem Notes	2013	\$ 5,900,000	3.25%	2033	\$ 5,825,000

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Public improvement notes

Public Improvement notes outstanding at September 30, 2018 are as follows:

Governmental Activities:

<u>Public Improvement Notes</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 9/30/2018</u>
Public Improvement (Refunding - Series A)	2012	\$ 6,526,000	1.94%	2022	\$ 3,434,000
Public Improvement (Refunding - Series B)	2012	\$ 2,370,000	1.46%	2018	\$ 411,000
Public Improvement	2013	\$ 3,900,000	2.44%	2028	\$ 3,300,000

The Public Improvement Revenue Refunding Note, Series 2012A is secured by utility tax revenue and communication services tax revenue. The total principal and interest remaining to be paid on this series is \$3,603,090. For the fiscal year, principal and interest paid on this series was \$720,905 and total pledged revenue was \$4,626,688.

The Public Improvement Revenue Refunding Note, Series 2012B is secured by utility tax revenue and communication services tax revenue. The total principal and interest remaining to be paid on this series is \$414,000. For the fiscal year, principal and interest paid on this series was \$413,957 and total pledged revenue was \$4,626,688.

The Public Improvement Revenue Note, Series 2013 is secured by utility tax revenue and communication services tax revenue. The Note is not to exceed \$3,900,000. During 2014, the City drew the remaining funds available on the note. The total principal and interest remaining to be paid on this series is \$3,742,860. For the fiscal year, total principal and interest paid on this series was \$384,202 and total pledged revenue was \$4,626,688.

Capital improvement notes

Capital improvement notes outstanding at September 30, 2018, are as follows:

Governmental Activities:

<u>Capital Improvement Notes</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 9/30/2018</u>
Capital Improvement (Refunding - Series A)	2012	\$ 1,422,000	1.68%	2020	\$ 558,000
Capital Improvement (Refunding - Series B)	2012	\$ 4,779,000	2.31%	2027	\$ 3,380,000
Capital Improvement (Refunding - Series C)	2012	\$ 595,000	2.11%	2023	\$ 343,000
Capital Improvement (Refunding - Series D)	2012	\$ 1,194,000	2.36%	2025	\$ 780,000

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

The Capital Improvement Revenue Refunding Note, Series 2012A is secured by half-cent sales tax and electric franchise fee revenues. The total principal and interest remaining to be paid on this series is \$572,162. For the fiscal year, principal and interest paid on this series was \$189,878 and total pledged revenue was \$4,977,820.

The Capital Improvement Revenue Refunding Note, Series 2012B is secured by half-cent sales tax and electric franchise fee revenues. The total principal and interest remaining to be paid on this series is \$3,785,105. For the fiscal year, principal and interest paid on this series was \$383,724 and total pledged revenue was \$4,977,820.

The Capital Improvement Revenue Refunding Note, Series 2012C is secured by half-cent sales tax and electric franchise fee revenues. The total principal and interest remaining to be paid on this series is \$365,166. For the fiscal year, principal and interest paid on this series was \$60,796 and total pledged revenue was \$4,977,820.

The Capital Improvement Revenue Refunding Note, Series 2012D is secured by half-cent sales tax and electric franchise fee revenues. The total principal and interest remaining to be paid on this series is \$855,874. For the fiscal year, principal and interest paid on this series was \$107,446 and total pledged revenue was \$4,977,820.

Self-supporting revenue bonds/notes

The City also issued bonds where the City pledges income derived from the acquired or constructed assets to pay debt service.

Self-supporting revenue bonds/notes outstanding at September 30, 2018, are as follows:

<i>Business-type Activities:</i>		Original	Interest	Final	Outstanding
<u>Utility Revenue Bonds/Notes</u>	<u>Sale Date</u>	<u>Borrowing</u>	<u>Rates to Maturity</u>	<u>Maturity</u>	<u>9/30/2018</u>
Utility Revenue Note Series 2007	2007	\$ 3,752,000	3.86%	2027	\$ 2,242,000
Utility Revenue Bonds (Series A)	2010	\$ 5,080,000	2% to 3%	2020	\$ 1,805,000
Utility Revenue Bonds (Series B)	2010	\$ 30,820,000	5.03% to 5.96%	2040	\$ 30,820,000
Utility Refunding Revenue Note Series 2014	2014	\$ 8,054,000	3.25%	2033	\$ 7,338,000
Utility Refunding Revenue Note Series 2014A	2014	\$ 3,628,000	2.50%	2026	\$ 2,695,000
Utility Revenue Note Series 2017	2017	\$ 5,000,000	2.91%	2031	\$ 5,000,000

The Utility Revenue Note, Series 2007 is secured by the net revenues of the water, sewer and stormwater system. The total principal and interest remaining to be paid on this series is \$2,701,533. For the fiscal year, principal and interest paid on this series was \$267,541 and total pledged revenue was \$9,144,539.

The Utility Revenue Bonds, Series 2010A are secured by the net revenues of the water, sewer and stormwater system. The total principal and interest remaining to be paid on this series is \$1,883,928. For the fiscal year, principal and interest paid on this series was \$625,456 and total pledged revenue was \$9,144,539.

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

The Utility Revenue Bonds, Series 2010B are Build America Bonds, which the City receives a federal subsidy to reduce the total debt service payments. These bonds are secured by the net revenues of the water, sewer and stormwater system. The total principal and interest remaining to be paid on this series is \$59,707,883. For the fiscal year, interest paid on this series was \$1,784,472 and total pledged revenue was \$9,144,539.

The Utility Refunding Revenue Note, Series 2014 is secured by the net revenues of the water, sewer and stormwater system. On November 5, 2018, the note was reissued due to changes in the federal tax code. The interest rate was increased from 3.13% to 3.25% resulting in an increase of total future debt service payments in the amount of \$79,831. The total principal and interest remaining to be paid on this series is \$9,635,968. For the fiscal year, principal and interest paid on this series was \$439,698 and total pledged revenue was \$9,144,539.

The Utility Refunding Revenue Note, Series 2014A is secured by the net revenues of the water, sewer and stormwater system. The total principal and interest remaining to be paid on this series is \$2,973,038. For the fiscal year, principal and interest paid on this series was \$368,417 and total pledged revenue was \$9,144,539.

The Utility Revenue Note, Series 2017 is secured by the net revenues of the water, sewer and stormwater system. The total principal and interest remaining to be paid on this series is \$6,086,217. For the fiscal year, no principal was paid and interest paid on this series was \$145,750 and total pledged revenue was \$9,144,539.

Notes payable

In 2006 and 2012, the City executed loan agreements with the Department of Environmental Protection. Revenues pledged are derived from the City's Water and Sewer Utility System.

Notes payable outstanding at September 30, 2018, are as follows:

Business-type Activities:

<u>Notes Payable</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding 9/30/2018</u>
State of Florida State Revolving Fund (SRF) Loan	2006	\$ 3,732,834	2.71%	2026	\$ 1,698,199
State of Florida State Revolving Fund (SRF) Loan	2012	\$ 2,278,893	3.15%	2032	\$ 1,965,939

The State of Florida - State Revolving Fund (SRF) Loans Series 2006 and 2012 are secured by the gross revenues of the water and sewer system after operation and maintenance expenses and debt payments. The total principal and interest remaining to be paid on these series is \$1,900,363 and \$2,517,915, respectively. For the fiscal year, principal and interest paid on these series was \$235,211 and \$157,369, respectively, and total pledged revenue was \$5,175,270.

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Summary of debt service requirement to maturity

The debt service requirements for the City's bonds, loan, and notes are as follows:

Governmental activities:

Year Ending September 30,	General Obligation	Revenue Notes	Total Interest	Total Principal & Interest
2019	\$ 289,000	\$ 2,003,000	\$ 447,095	\$ 2,739,095
2020	305,000	1,617,000	393,302	2,315,302
2021	313,000	1,646,000	348,944	2,307,944
2022	326,000	1,480,000	305,294	2,111,294
2023	333,000	1,504,000	262,412	2,099,412
2024-2028	1,854,000	3,656,000	833,696	6,343,696
2029-2033	2,187,000	300,000	264,716	2,751,716
2034	483,000	-	7,849	490,849
	6,090,000	\$ 12,206,000	\$ 2,863,308	\$ 21,159,308
Less Amount Representing:				
Unamortized Discount	(4,972)			
Net Debt	\$ 6,085,028			

Business-type activities:

Year Ending September 30,	SRF Loans	Revenue Notes	Revenue Bonds	Total Interest	Total Principal & Interest
2019	\$ 289,016	\$ 1,009,000	\$ 585,000	\$ 2,450,525	\$ 4,333,541
2020	297,331	1,040,000	600,000	2,400,394	4,337,725
2021	305,887	1,072,000	620,000	2,342,215	4,340,102
2022	314,690	1,103,000	640,000	2,274,955	4,332,645
2023	323,747	1,134,000	660,000	2,199,185	4,316,932
2024-2028	1,279,203	6,294,000	3,620,000	9,765,270	20,958,473
2029-2033	700,529	5,623,000	5,690,000	7,357,092	19,370,621
2034-2038	153,735	-	11,905,000	4,297,707	16,356,442
2039-2041	-	-	8,305,000	755,363	9,060,363
	\$ 3,664,138	\$ 17,275,000	32,625,000	\$ 33,842,706	\$ 87,406,844
Plus Amount Representing:					
Unamortized Premium			19,268		
Net Debt			\$ 32,644,268		

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Changes in long-term liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2018 are as follows:

	Beginning Balance (as Restated)	Additions	Reductions	Ending Balance	Due within one year
Governmental Activities:					
General Obligation Bonds	\$ 520,000	\$ -	\$ (255,000)	\$ 265,000	\$ 265,000
Unamortized discount	(5,552)	-	580	(4,972)	-
General Obligation Notes	5,848,000	-	(23,000)	5,825,000	24,000
Public Improvement Revenue Notes	3,600,000	-	(300,000)	3,300,000	300,000
Public Improvement Refunding					
Revenue Notes	4,898,000	-	(1,053,000)	3,845,000	1,072,000
Capital Improvement Refunding					
Revenue Notes	5,679,000	-	(618,000)	5,061,000	631,000
Landfill Post-closure Care	144,058	-	(4,898)	139,160	72,290
Capital Lease	2,579,527	305,650	(608,289)	2,276,888	672,153
Compensated Absences	2,183,312	264,074	(281,755)	2,165,631	216,563
Net Pension Liability	2,520,223	-	(376,876)	2,143,347	-
Net OPEB Liability	1,513,035	134,847	-	1,647,882	-
Governmental Activity Long-term Liabilities	\$ 29,479,603	\$ 704,571	\$ (3,520,238)	\$ 26,663,936	\$ 3,253,006
Business-type Activities:					
Utility Revenue Bonds	\$ 33,200,000	\$ -	\$ (575,000)	\$ 32,625,000	\$ 585,000
Unamortized (discount) premium	28,902	-	(9,634)	19,268	-
Utility Revenue Notes	17,967,000	-	(692,000)	17,275,000	1,009,000
SRF Loans	3,945,073	-	(280,935)	3,664,138	289,016
Capital Lease	828,572	-	(267,035)	561,537	276,065
Compensated Absences	286,441	100,611	(80,850)	306,202	30,620
Net OPEB Liability	294,965	30,153	-	325,118	-
Business-type Activity Long-term Liabilities	\$ 56,550,953	\$ 130,764	\$ (1,905,454)	\$ 54,776,263	\$ 2,189,701

Landfill post-closure care is discussed in Note 4, I. - Commitments and Contingencies, 3. - Landfill Post-Closure Care. Pension and OPEB liabilities related to governmental activities are liquidated by the general fund.

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Risk management

1. Public Risk Management of Florida

On October 1, 1998, the City became a member of Public Risk Management of Florida (the pool), a local government liability risk pool. The pool has 56 local government agency members. The pool administers insurance activities relating to property, general liability, police professional, automobile liability, public officials' liability, workers' compensation, and boiler and machinery. The pool absorbs losses up to a specified amount for each pool year and purchases excess and other specific coverage from third-party carriers. The pool assesses each member it's pro rata share of the estimated amount required to meet current year losses and operating expenditures/expenses. If total member assessments do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pool's ability to assess its members would revert back to the member that incurred the loss. There were no additional assessments levied against the City for the fiscal year ended September 30, 2018. The cost of the insurance is allocated among the appropriate departments.

2. Self-insured for Employee Health Insurance

The City is self-insured for employee health insurance. As permitted by GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the City accounts for its self-insured assets, liabilities, net position and activities in an internal service fund.

The claims liability of \$152,765 has been actuarially determined and represents the best estimate available of incurred but not reported claims. The actuarial estimate is comprised of the following components:

Estimated unpaid medical costs	\$	106,102
25% Margin		26,526
Estimated unpaid prescription drugs		20,137
		<u>152,765</u>

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

	<u>2018</u>	<u>2017</u>
Claims liability, beginning of year	\$ 185,133	\$ 193,014
Incurred claims	3,207,551	3,100,314
Payments on claims	(3,239,919)	(3,108,195)
Claims liability, end of year	<u>\$ 152,765</u>	<u>\$ 185,133</u>

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NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

I. Commitments and contingencies

1. Litigation

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

2. Commitments Under Construction Contracts and Encumbrances

At September 30, 2018, the City had general fund encumbrances of \$128,798, other governmental encumbrances of \$184,055, ongoing governmental construction commitments of \$1,604,394 and proprietary construction commitments of \$1,021,865 for various infrastructure improvements.

3. Landfill Post - Closure Care

A landfill was acquired in its present state from Seminole County and has never been operated by the City in any capacity. The Florida Department of Environmental Protection (FDEP) requires the City to perform post-landfill closure, typically for a maximum period of 30 years, unless contamination persists at the facility. Recently, the FDEP has reduced ongoing monitoring requirements to include testing for only one compound, ammonia, significantly reducing long-term analytical costs. Groundwater monitoring at the landfill, initiated in 1994, is currently performed on a semi-annual basis and includes sampling, analysis, and reporting to the FDEP. Since ammonia has been shown to be persistent within groundwater at the landfill, the length of time for which testing must be performed is unknown. Based on the information available, the City has recorded \$50,000 in the government-wide statement of net position.

During 2009, the City acquired property that was previously used as a landfill. This landfill site was officially closed on June 12, 2002 for a 20-year long-term care period. The City is required by the FDEP to perform maintenance and monitoring functions until 2022 at a cost annually adjusted for inflation. The current estimated future cost for post-closure care amounting to \$89,160 is reported as a long-term liability in the government-wide statement of net position.

The City is required under Section 62-701.630 of the Florida Administrative Code to prepare and submit to the State of Florida Department of Environmental Protection the "Schedule of Cash Receipts and Disbursements" of the City of Oviedo, Florida Oviedo Sports Complex Extension Escrow Account. The City records the landfill management escrow as restricted cash to fund post-closure costs of the landfill. Sufficient funds are to be deposited or maintained in an interest bearing escrow account in order to fund the estimated annual post-closure care costs to be incurred in the subsequent year. The escrow is held in a qualified public depository pursuant to the Florida Security for Public Deposits Act Chapter 280, Florida Statutes. The escrow is calculated based on estimates made by a registered professional engineer. Such estimates are subject to change due to inflation, technology or applicable laws and regulations.

At September 30, 2018, the escrow was based on the following estimates:

Balance - October 1, 2017	\$	31,938
Required deposit		-
Investment income		-
Balance - September 30, 2018	<u>\$</u>	<u>31,938</u>

There were no withdrawals made from the Escrow Account for the fiscal year ended September 30, 2018. This account is included in the OSC Extension Landfill Fund. The post-closure care costs for the year ended September 30, 2018, were funded from the operating revenue of the OSC Extension Landfill Fund.

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

4. Grants

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

5. Transportation Impact Fee Credits

The City has entered into a number of agreements with developers under which the developer donates transportation infrastructure improvements or rights of way to the City and receives credit for future transportation impact fee payments. As of September 30, 2018, credit balances for future impact fees total approximately \$3,842,645.

J. Defined contribution plan

The City established a single employer, defined contribution money purchase plan (the Plan) in June 1995 administered by ICMA Retirement Corporation, that covers all full-time employees other than those covered by the Police Officers' Retirement Trust Fund and Firefighters' Pension Trust Fund (see below). The City Manager, Assistant City Manager, and Department Directors have the option of contributing 0% to 10% and vesting immediately. Other plan members are required to contribute 1% - 10% (employee choice upon hire).

The city matches participant contributions up to a maximum of 5% of the employee's salary. At September 30, 2018 there were 163 plan members.

All full-time employees hired after the effective date of the Plan are required to participate in the Plan. Employees hired prior to the effective date may choose whether or not to participate in the Plan. However, once an employee chooses to participate, they must continue to participate as long as they are a full-time employee of the City. All employees participate in the Plan. The Plan also includes loan provisions for participating employees. For the year ended September 30, 2018, the City's expense for matching contributions was \$350,059. No forfeitures were used to reduce the City's expense in 2018 and there is no outstanding employer liability at September 30, 2018.

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

<u>Years of Service Completed</u>	<u>Specified Percent Vesting</u>
1	20%
2	40%
3	60%
4	80%
5	100%

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

K. Deferred compensation plan

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

L. Defined Benefit Pension Plans

The City has two defined benefit single-employer pension plans:

- Police Officers' Retirement Trust Fund
- Firefighters' Pension Trust Fund

The plans do not issue stand-alone financial reports and are not included in any other retirement system's or entity's financial report. The City accounts for both plans as pension trust funds; therefore, they are accounted for in substantially the same manner as proprietary funds. Plan member contributions, employer contributions and contributions from other entities are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

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NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

The following are the financial statements for the Police Officers' Retirement Trust Fund and Firefighters' Pension Trust Fund as of September 30, 2018:

Combining Statement of Net Position
Fiduciary Funds

	Police Officers' Retirement Trust Fund	Firefighters' Pension Trust Fund	Total Employee Retirement Funds
Assets:			
Cash and cash equivalents	\$ 1,135,480	\$ 130,286	\$ 1,265,766
Receivables:			
Interest receivable	36,357	10,777	47,134
Contributions receivable	373,513	16,415	389,928
Total receivables	409,870	27,192	437,062
Investments, at fair value:			
U.S. Treasury & government agency	1,110,137	-	1,110,137
Real estate investment trusts	1,580,409	1,444,414	3,024,823
Corporate & foreign bonds	2,395,924	-	2,395,924
Mutual funds & common stocks	18,678,887	13,514,124	32,193,011
Total Investments	23,765,357	14,958,538	38,723,895
Total assets	25,310,707	15,116,016	40,426,723
Liabilities:			
Refunds payable and others	8,638	145,945	154,583
Total liabilities	8,638	145,945	154,583
Net position:			
Net position restricted for pensions	\$ 25,302,069	\$ 14,970,071	\$ 40,272,140

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NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Combining Statement of Changes in Net Position
Fiduciary Funds

	Police Officers' Retirement Trust Fund	Firefighters' Pension Trust Fund	Total Employee Retirement Funds
Additions:			
Contributions:			
City	\$ 609,212	\$ 240,193	\$ 849,405
State	323,492	257,160	580,652
Employee	261,584	195,507	457,091
Total contributions	<u>1,194,288</u>	<u>692,860</u>	<u>1,887,148</u>
Investment income:			
Interest	640,207	337,181	977,388
Net increase (decrease) in fair value of investments	1,379,472	935,331	2,314,803
Net investment earnings	<u>2,019,679</u>	<u>1,272,512</u>	<u>3,292,191</u>
Total additions	<u>3,213,967</u>	<u>1,965,372</u>	<u>5,179,339</u>
Deductions:			
Benefit payments	784,538	465,394	1,249,932
Administrative expenses	186,163	99,140	285,303
Total deductions	<u>970,701</u>	<u>564,534</u>	<u>1,535,235</u>
Change in net position	2,243,266	1,400,838	3,644,104
Net position, beginning	23,058,803	13,569,233	36,628,036
Net position, ending	<u>\$ 25,302,069</u>	<u>\$ 14,970,071</u>	<u>\$ 40,272,140</u>

In addition to other disclosures, the GASB requires a schedule of changes in the net pension liability and related ratios; a schedule of contributions; and a schedule of investment returns that include historical trend information. These schedules are included as required supplementary information to the financial statements.

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NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

1. Fire

Effective October 1, 2002, the City established a single employer, defined benefit pension plan that covers all full-time firefighters. Benefits, eligible employees, contribution requirements, and other benefits are established by State statute and City ordinance. Additionally, employee contributions are tax deferred for federal withholding purposes under Section 414 (h) of the Internal Revenue Code.

The Plan is administered by a Board of Trustees comprised of two council appointees, two members of the Department elected by the membership, and a fifth member elected by the other four members, and appointed by Council.

Benefits Provided - The Plan provides retirement, termination, disability and death benefits. Normal retirement is defined as the earlier of age 55 and 10 years of credited service, or age 52 and 25 years of credited service. Retirement benefits are calculated as 3% of average final compensation times credited service. Early retirement for Firefighters is defined as age 50 and 10 years of credited service. Retirement benefits are reduced 3% per year. Employees are 100% vested after 10 years of credited services. Members will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal retirement date. All plan members are eligible for non-service incurred disability benefits after 10 years of credited service, and for service incurred disability benefits upon date of employment. Disability benefits are accrued to date of disability but not less than 42% of average final compensation (service incurred) or 25% of average final compensation (not service incurred). Vested members will receive pre-retirement death benefits as a monthly accrued benefit payable to the designated beneficiary for 10 years at the otherwise normal or early retirement date. Non-vested members will receive pre-retirement death benefits as a refund of accumulated contributions without interest.

Participants who satisfy normal retirement requirements have the option to enter the Deferred Retirement Option Program (DROP). Participation is limited to 36 months. The participant may elect either 1) net investment return credited each quarter (not less than 0%, nor greater than 10%), or 2) a fixed annual effective rate of 3.0% compounded and credited monthly. The participant has the option of changing the option once during the period of DROP participation.

Effective September 30, 2016, excess Premium tax monies received pursuant to Chapter 175, Florida Statutes will be allocated to individual member (including DROP participants) share accounts based on years of Credited Service. To assist with Plan funding, the City may use the amount of Premium Tax Monies received in fiscal 2013 (\$273,286.09) plus 50% of annual monies received in excess of this amount. The remaining 50% excess is allocated to the Share Plan, beginning with the fiscal year ending September 30, 2016. Expenses related to administration of the Share Plan are debited against individual accounts on a pro rata basis.

Plan Membership – At October 1, 2017, plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	11
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	3
Active Plan Members	51
	65
	65

Contributions

Member contributions are 7% of Salary. City and State Contributions are the remaining amount necessary to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of Chapter 112, Florida Statutes.

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined as of that date. The components of the net pension liability of the sponsor on September 30, 2018 were as follows:

Total Pension Liability	\$ 17,259,363
Plan Fiduciary Net Position	(15,116,016)
Sponsor's Net Pension Liability	<u>\$ 2,143,347</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.58%

* does not include prepaid city contributions

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.75%
Investment Rate of Return	7.75%

Mortality rates were based on the RP-2000 Generational, 100% Annuitant White Collar, Scale BB for female, and RP-2000 Generational, 10% annuitant White Collar/90% Annuitant Blue Collar, Scale BB for males. Disabled lives for female, 60% RP2000 disabled female set forward two years/ 40% annuitant white collar with no set back; no projection scale. Disabled lives for male, 60% RP2000 disabled male setback four years/ 40% annuitant white collar with no setback, no projection scale.

The actuarial assumptions used in the October 1, 2017 valuation were based on the results of an actuarial experience study performed on July 25, 2014, for the period 2004-2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For 2018, the inflation rate assumption was 2.50%

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NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
All Cap Value Equity	27.5%	7.50%
Broad Growth Equity	27.5%	7.50%
International Equity	15.0%	8.50%
Broad Market Income	15.0%	2.50%
Global Bond	5.0%	3.50%
Real Estate	10.0%	4.50%
Total	100%	

Discount rate - The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Concentrations - The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return - For the year ended September 30, 2018 the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 8.74 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2017	\$ 16,043,090	\$ 13,715,178	\$ 2,327,912
Changes for the year:			
Service cost	541,150	-	541,150
Interest	1,267,245	-	1,267,245
Differences between expected and actual experience	(154,031)	-	(154,031)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions-employer	-	240,193	(240,193)
Contributions-state	-	257,160	(257,160)
Contributions-employee	-	195,506	(195,506)
Contributions-buy back	27,304	27,304	-
Net investment income	-	1,199,140	(1,199,140)
Benefit payments, including refunds of employee contributions	(465,395)	(465,395)	-
Administrative expense	-	(53,070)	53,070
Net Changes	<u>1,216,273</u>	<u>1,400,838</u>	<u>(184,565)</u>
Balances at September 30, 2018	<u>\$ 17,259,363</u>	<u>\$ 15,116,016</u>	<u>\$ 2,143,347</u>

Sensitivity of the Net Pension Liability to changes in the Discount Rate

	1% Decrease	Current Discount Rate	1% Increase
	6.75%	7.75%	8.75%
Plan Sponsor's Net Pension Liability	\$ 4,488,549	\$ 2,143,347	\$ 203,347

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NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Deferred outflows and inflows of resources

For the year ended September 30, 2018 the Sponsor will recognize a pension expense of \$499,599. On September 30, 2018 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,024,290
Changes of assumptions	370,969	-
Net difference between projected and actual earnings on pension plan investments	-	237,772
	<u>\$ 370,969</u>	<u>\$ 1,262,062</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2019	\$ (27,281)
2020	(170,042)
2021	(231,116)
2022	(97,795)
2023	(72,115)
Thereafter	(292,744)

2. Police

The City established a single-employer, defined benefit pension plan that covers all full-time sworn police officers' effective October 1, 1991.

The Plan is administered by a Board of Trustees comprised of two council appointees, two members of the Department elected by the membership, and a fifth member elected by the other four members, and appointed by Council as a ministerial duty.

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NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Benefits Provided - The Plan provides retirement, termination, disability and death benefits. Normal retirement is defined as the earlier of age 55 and 10 years of credited service, or 25 years of credited service, regardless of age. Retirement benefits are calculated as 3% of average final compensation times credited service. Early retirement is defined as age 45 and 10 years of credited service. Retirement benefits are reduced 3% for each year that the commencement of benefits precedes normal retirement. Employees hired prior to January 1, 2006 are 100% vested after 5 years of credited services. Employees hired after December 31, 2005 are 100% vested after 10 years of credited service. Members will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal retirement date. All plan members are eligible for non-service incurred disability benefits after 10 years of credited service, and for service incurred disability benefits upon date of employment. Disability benefits are accrued to date of disability but not less than 42% (80% if intentional violence) of average final compensation (service incurred). Pre-retirement death benefits for vested members are an accrued benefit payable to the beneficiary for 10 years beginning at the deceased member's normal retirement date, or actuarially reduced for payment commencing earlier. Pre-retirement death benefits for non-vested members are a refund of accumulated member contributions.

Effective September 30, 2017, excess Premium tax monies received pursuant to Chapter 185, Florida Statutes will be allocated to individual member (including DROP participants) share accounts based on years of Credited Service. Annual Premium Tax Revenues in excess of \$215,956 will be allocated equally to eligible Plan participants. Expenses related to administration of the Share Plan are debited against individual accounts on a pro rata basis.

Plan Membership - At September 30, 2018 plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	22
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	8
Active Plan Members	66
	<u>96</u>

Contributions

Member contributions are 6% of Salary, effective September 27, 2010. City and State Contributions are the remaining amount necessary to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Net Pension Liability of the City

The City's net pension asset was measured as of September 30, 2018, and the total pension liability used to calculate the net pension asset was determined as of that date. The components of the net pension asset of the sponsor on September 30, 2018 were as follows:

Total Pension Liability	\$ 25,254,797
Plan Fiduciary Net Position	(25,307,880)
Sponsor's Net Pension Asset	<u>\$ (53,083)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Asset	100.21%

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	4.50%-8.50%
Discount Rate	7.75%
Investment Rate of Return	7.75%

Mortality rates were based on the RP-2000 Generational, 100% Annuitant White Collar, Scale BB for female, and RP-2000 Generational, 10% annuitant White Collar/90% Annuitant Blue Collar, Scale BB for males. Disabled lives for female, 60% RP2000 disabled female set forward two years/ 40% annuitant white collar with no set back; no projection scale and disabled lives for male, 60% RP2000 disabled male set back four years/ 40% annuitant white collar with no set back; no projection scale

The actuarial assumptions used in the October 1, 2017 valuation were based on the results of an actuarial experience study performed on July 30, 2015, for the period 2009-2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For 2018, the assumed rate of inflation was 2.50%.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50%	7.50%
Foreign Equity	15%	8.50%
Broad Market Fixed Income	20%	2.50%
Global Bond	5%	3.50%
Real Estate	5%	4.50%
Global Tactical Asset Allocation	5%	3.50%
Total	100%	

Discount rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at September 30, 2017	\$ 23,246,804	\$ 23,054,493	\$ 192,311
Changes for the year:			
Service cost	773,196	-	773,196
Interest	1,803,908	-	1,803,908
Share plan allocation	107,535	-	107,535
Differences between expected and actual experience	107,847	-	107,847
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions-employer	-	608,469	(608,469)
Contributions-state	-	323,492	(323,492)
Contributions-employee	-	261,584	(261,584)
Net investment income	-	1,890,921	(1,890,921)
Benefit payments, including refunds of employee contributions	(784,493)	(784,493)	-
Administrative expense	-	(46,586)	46,586
Net Changes	2,007,993	2,253,387	(245,394)
Balances at September 30, 2018	\$ 25,254,797	\$ 25,307,880	\$ (53,083)

Sensitivity of the Net Pension Asset to changes in the Discount Rate

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
	Plan Sponsor's Net Pension Liability (Asset)	\$ 3,049,835	\$ (53,083)

Concentrations - The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return - For the year ended September 30, 2018 the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 8.20 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Deferred outflows and inflows of resources

For the year ended September 30, 2018 the Sponsor will recognize a pension expense of \$756,123. On September 30, 2018 the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 669,026	\$ 272,420
Changes of assumptions	168,080	-
Net difference between projected and actual earnings on pension plan investments	-	368,297
	<u>\$ 837,106</u>	<u>\$ 640,717</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2019	\$ 200,198
2020	(85,702)
2021	(185,391)
2022	75,094
2023	119,209
Thereafter	72,981

On September 30, 2018, the Sponsor reported a payable of \$19,316 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2018.

M. Other post-employment benefits (OPEB)

Plan description

In accordance with Florida Statutes Section 112.0801, the City makes continued group health insurance coverage through the city's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met.

Retirement eligibility

General Employees

Participants are eligible for medical continuation at age 62 and 10 years of service, or 25 years of service.

Firefighters

Participants are eligible for Normal Retirement upon attaining the earlier of: 1) Age 55 and 10 Years of Credited Service; or 2) Age 52 and 25 Years of Credited Service. They are eligible for Early Retirement at Age 50 with 10 Years of Credited Service.

Police Officers

Participants are eligible for Normal Retirement upon attaining the earlier of: 1) Age 55 and 10 Years of Credited Service; or 2) 25 Years of Credited Service. They are eligible for Early Retirement at Age 45 with 10 Years of Credited Service.

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Benefits provided

Type of Coverage	Employee	Spouse
<u>Medical Coverage</u>		
Eligibility	Retiree meets City of Oviedo Retirement eligibility	Same as Retiree
Retiree cost sharing	Retiree pays 100% of premium	Retiree pays 100% of spousal premium
Coverage ceases	All forms of coverage cease upon the earlier of death or discontinuance of required cost sharing	All forms of coverage cease upon the earlier of death or discontinuance of required cost sharing
<u>Dental and Vision Coverage</u>		
	Not available to retirees.	Not available to retirees.
<u>Life Insurance Coverage</u>		
Eligibility	\$10,000	N/A
Retiree cost sharing	\$1.84/Month	N/A
Coverage ceases	All forms of coverage cease upon the earlier of death or discontinuance of required cost sharing	N/A

Post-65 Medical coverage is available but has not been elected by any retirees.

Employees covered by benefit terms

At October 1, 2016 (the valuation date), the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	12
Inactive Employees Entitled to but Not Yet Receiving Benefits	-
Active Employees	230
	242

Employer contributions

The funding policy of the plan sponsor is to contribute annually an amount sufficient to satisfy benefit payment requirements to participants.

Employee Contributions

None.

Total OPEB Liability

The City's total OPEB liability of \$1,973,000 as of September 30, 2018 for the City's fiscal year and reporting period of October 1, 2017 to September 30, 2018. The values shown for this fiscal year and reporting period are based on a measurement date of October 1, 2017 and the corresponding measurement period of October 1, 2016 to October 1, 2017. The measurement of the total OPEB liability is based on a valuation date of October 1, 2016.

Total Pension Liability	\$ 1,973,000
Plan Fiduciary Net Position	-
Sponsor's Net Pension Asset	\$ 1,973,000
Plan Fiduciary Net Position as a Percentage of Total Pension Asset	0.00%

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Actuarial assumptions and other inputs

The total OPEB liability in the October 1, 2017 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	3.5% (Municipal GO AA 20-year yield curve as of September 30, 2017)
Salary Scale	General Employees: 2.50%, Firefighters: 3.00%, Police Officers: 6.00%
Health Care Cost Trend Rates	2017: 8.00%, 2018: 10.00% (to reflect actual experience), 2019: 6.00%, decreasing 0.50% per year to 5.00%
Mortality	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2017
Actuarial Cost Method	Entry Age Actuarial Cost Method

Changes in Total OPEB Liability

	<u>OPEB Liability</u>
Balances at September 30, 2017	\$ 1,808,000
Changes for the year:	
Service cost	126,000
Interest	67,000
Contributions-employer	-
Benefit payments	<u>(28,000)</u>
Net Changes	<u>165,000</u>
Balances at September 30, 2018*	<u><u>\$ 1,973,000</u></u>

*Measurement date is October 1, 2017

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability/(asset) of the employer as of the measurement date calculated using the discount rate, as well as what the employer's net OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>2.50%</u>	Current Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Plan Sponsor's Net OPEB Liability	\$ 2,255,000	\$ 1,973,000	\$ 1,740,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower (8.5 percent decreasing to 4.5 percent) or 1-percentage-point higher (10.5 percent decreasing to 6.5 percent) than the current healthcare cost trend rates:

	1% Decrease <u> </u>	Current Trend Rate <u> </u>	1% Increase <u> </u>
Plan Sponsor's Net OPEB Liability	\$ 1,759,000	\$ 1,973,000	\$ 2,234,000

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

N. Fund balances

In accordance with GASB Statement No. 54, the components of the fund balances of governmental funds now reflect the classifications described below.

Nonspendable Fund Balance

Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance

Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

Amounts that can be used only for the specific purposes determined by a formal action of the Council Members, the City's highest level of decision making authority, with formal action occurring prior to fiscal year end. Commitments may be changed or lifted only by the Council Members taking the same formal action (ordinance) that imposed the constraint originally.

Assigned Fund Balance

Includes spendable fund balance amounts intended by management to be used for a specific purpose, as discussed previously in Note 1. Fund balance flow assumptions are also discussed in Note 1.

Unassigned Fund Balance

This is the residual classification for the general fund only. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund, except the General Fund, if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Lease Financing Debt Service Fund has a deficit fund balance of \$6,215, the Solid Waste Fund has a deficit fund balance of \$46,891, the General Facility Improvements Capital Projects Fund has a deficit fund balance of \$759,296, the Police Construction Fund has a deficit fund balance of \$124,287, and the Solid Waste Special Revenue Fund has a deficit fund balance of \$46,891 at September 30, 2018.

NOTE 5 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

At September 30, 2018, the City's governmental fund balances were classified as follows:

	General Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Fund Balances				
Nonspendable:				
Prepaid items	\$ 13,180	\$ -	\$ 78,271	\$ 91,451
Restricted for:				
General government	26,360	-	254,700	281,060
Police	1,587	-	565,422	567,009
Fire	-	-	65,071	65,071
Transportation	-	-	245,697	245,697
Road construction	-	-	3,508,235	3,508,235
Road maintenance	-	-	200,724	200,724
Recreation	-	-	10,077	10,077
Debt service	-	-	420,284	420,284
Community redevelopment	-	246,922	-	246,922
Assigned to:				
Tree bank	-	-	249,130	249,130
Building services	-	-	11,310	11,310
Landfill postclosure care	-	-	66,585	66,585
Various capital projects	-	-	2,216,231	2,216,231
Subsequent year's expenditures	209,797	-	-	209,797
Unassigned	6,865,245	-	(1,365,139)	5,500,106
Total fund balance	\$ 7,116,169	\$ 246,922	\$ 6,526,598	\$ 13,889,689

O. Tax Abatements

The City enters into tax abatement agreements with local businesses under the Qualified Target Industry Tax Refund program, authorized by Section 288.106 Florida Statutes. Under the Statutes, the City may offer tax refund incentives for companies that create high wage jobs in targeted high value-added industries. Qualified companies who create jobs in Florida receive tax refunds depending on the number of new jobs created, salary level, and certain other criteria. For the fiscal year ended September 30, 2018, the City abated taxes totaling \$92,750 under this program.

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Required Supplementary Information

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General Fund**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property Taxes	\$ 12,059,809	\$ 12,059,809	\$ 12,082,999	\$ 23,190
Utility taxes	4,336,961	4,336,961	4,626,688	289,727
Business receipts	170,500	170,500	142,545	(27,955)
Licenses, permits and fees	2,453,504	2,453,504	2,671,317	217,813
Intergovernmental	4,006,301	4,006,301	4,187,350	181,049
Charges for services	3,256,381	3,336,794	3,286,604	(50,190)
Fines and forfeitures	115,600	115,600	129,207	13,607
Investment income	42,600	132,600	146,572	13,972
Miscellaneous	193,236	226,989	242,565	15,576
Total revenues	26,634,892	26,839,058	27,515,847	676,789
Expenditures:				
Current:				
General government	5,011,229	5,253,270	4,339,545	913,725
Public safety	15,036,699	15,036,675	14,855,171	181,504
Physical environment	1,338,923	2,046,167	1,843,834	202,333
Culture and recreation	5,781,822	5,794,692	5,698,371	96,321
Debt service:				
Interest and fiscal charges	15,077	92,077	13,219	78,858
Capital outlay:				
Culture and recreation	-	115,424	94,922	20,502
Total expenditures	27,183,750	28,338,305	26,845,062	1,493,243
Excess (deficiency) of revenues over expenditures	(548,858)	(1,499,247)	670,785	2,170,032
Other Financing Sources (Uses):				
Transfers in	2,859,948	3,052,573	3,052,573	-
Transfers out	(2,537,979)	(2,968,236)	(2,968,236)	-
Sale of capital assets	5,000	5,000	47,951	42,951
Total Other Financing Sources (Uses)	326,969	89,337	132,288	42,951
Net change in fund balances	(221,889)	(1,409,910)	803,073	2,212,983
Fund balances, beginning	6,313,096	6,313,096	6,313,096	-
Fund balances, ending	\$ 6,091,207	\$ 4,903,186	\$ 7,116,169	\$ 2,212,983

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Community Redevelopment Agency Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property Taxes	\$ 435,409	\$ 435,409	\$ 443,880	\$ 8,471
Investment income	-	-	5,382	5,382
Total revenues	435,409	435,409	449,262	13,853
Expenditures:				
Current:				
Economic development	175,891	174,651	43,312	131,339
Capital outlay				
Physical environment	69,000	69,000	63,931	5,069
Economic development	-	1,240	-	1,240
Total expenditures	244,891	244,891	107,243	137,648
Excess (deficiency) of revenues over expenditures	190,518	190,518	342,019	151,501
Other Financing Sources (Uses):				
Transfers out	(267,000)	(267,000)	(267,000)	-
Total other financing sources (uses)	(267,000)	(267,000)	(267,000)	-
Net change in fund balances	(76,482)	(76,482)	75,019	151,501
Fund balances, beginning	171,903	171,903	171,903	-
Fund balances, ending	\$ 95,421	\$ 95,421	\$ 246,922	\$ 151,501

Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios - Firefighters' Retirement Trust

Last Ten Fiscal Years*

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability					
Service cost	\$ 541,150	\$ 493,651	\$ 552,414	\$ 550,448	\$ 585,000
Interest	1,267,245	1,175,695	1,109,552	1,045,163	941,288
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(154,031)	(127,274)	(736,901)	(341,180)	-
Changes of assumptions	-	-	295,018	224,555	-
Contributions-buy back	27,304	20,777	-	829	-
Benefit Payments, including refunds of employee contributions	(465,395)	(392,736)	(222,983)	(236,053)	(150,549)
Net change in total pension liability	<u>1,216,273</u>	<u>1,170,113</u>	<u>997,100</u>	<u>1,243,762</u>	<u>1,375,739</u>
Total pension liability, beginning	<u>16,043,090</u>	<u>14,872,977</u>	<u>13,875,877</u>	<u>12,632,115</u>	<u>11,256,376</u>
Total pension liability, ending (a)	<u><u>\$ 17,259,363</u></u>	<u><u>\$ 16,043,090</u></u>	<u><u>\$ 14,872,977</u></u>	<u><u>\$ 13,875,877</u></u>	<u><u>\$ 12,632,115</u></u>
Plan Fiduciary Net Position					
Contributions, employer	240,193	160,663	417,621	199,738	325,118
Contributions, state	257,160	234,633	257,616	281,879	280,765
Contributions, employee	195,506	193,905	203,522	203,092	206,887
Contributions, buy back	27,304	20,777	-	829	-
Net investment income	1,199,140	1,598,869	553,940	123,073	1,052,994
Benefit payments, including refunds of employee contributions	(465,395)	(392,736)	(222,983)	(236,053)	(150,549)
Administrative expense	(53,070)	(43,071)	(55,230)	(42,279)	(35,600)
Net change in plan fiduciary net position	<u>1,400,838</u>	<u>1,773,040</u>	<u>1,154,486</u>	<u>530,279</u>	<u>1,679,615</u>
Plan fiduciary net position, beginning	<u>13,715,178</u>	<u>11,942,138</u>	<u>10,787,652</u>	<u>10,257,373</u>	<u>8,577,758</u>
Plan fiduciary net position, ending (b)	<u><u>\$ 15,116,016</u></u>	<u><u>\$ 13,715,178</u></u>	<u><u>\$ 11,942,138</u></u>	<u><u>\$ 10,787,652</u></u>	<u><u>\$ 10,257,373</u></u>
Net pension liability, ending (a) - (b)	<u><u>\$ 2,143,347</u></u>	<u><u>\$ 2,327,912</u></u>	<u><u>\$ 2,930,839</u></u>	<u><u>\$ 3,088,225</u></u>	<u><u>\$ 2,374,742</u></u>
Plan fiduciary net position as a percentage of total pension liability	87.58%	85.49%	80.29%	77.74%	81.20%
Covered payroll	\$ 2,792,951	\$ 2,770,065	\$ 2,907,451	\$ 3,406,171	\$ 2,955,529
Net pension liability as a percentage of covered payroll	76.74%	84.04%	100.80%	90.67%	80.35%

Continued

Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios - Firefighters' Retirement Trust
Last Ten Fiscal Years*

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2016, amounts reported as changes of assumptions, as a result of Chapter 2015-157, Florida Statutes, the assumed rate of mortality was changed to the assumption used by the Florida Retirement System. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 09/30/2015, amounts reported as changes of assumptions were based on results of the July 25, 2014 Experience Study, the following assumption and method changes have been modified:

- Normal and Early Retirement Rates
- Investment Return
- Salary Scale
- Termination Rates
- Actuarial Asset Value

* only 5 years of data available; additional years' information will be displayed as it becomes available

Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios - Police Officers' Retirement Trust

Last Ten Fiscal Years*

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability					
Service cost	\$ 773,196	\$ 719,564	\$ 673,402	\$ 763,943	\$ 744,581
Interest	1,803,908	1,639,795	1,493,631	1,442,214	1,327,911
Changes in excess state money	-	79,257	73,601	56,824	51,315
Share plan allocation	107,535	-	-	-	-
Differences between expected and actual experience	107,847	460,595	369,827	(544,841)	-
Changes of assumptions	-	-	-	336,160	-
Benefit payments, including refunds of employee contributions	(784,493)	(727,512)	(666,552)	(657,351)	(668,793)
Net change in total pension liability	<u>2,007,993</u>	<u>2,171,699</u>	<u>1,943,909</u>	<u>1,396,949</u>	<u>1,455,014</u>
Total pension liability, beginning	<u>23,246,804</u>	<u>21,075,105</u>	<u>19,131,196</u>	<u>17,734,247</u>	<u>16,279,233</u>
Total pension liability, ending (a)	<u><u>\$ 25,254,797</u></u>	<u><u>\$ 23,246,804</u></u>	<u><u>\$ 21,075,105</u></u>	<u><u>\$ 19,131,196</u></u>	<u><u>\$ 17,734,247</u></u>
Plan Fiduciary Net Position					
Contributions, employer	608,469	630,428	743,361	749,270	738,705
Contributions, state	323,492	295,214	289,558	272,781	267,271
Contributions, employee	261,584	262,310	260,331	228,727	205,746
Net investment income	1,890,921	2,851,574	938,268	6,739	1,812,653
Benefit payments, including refunds of employee contributions	(784,493)	(727,512)	(666,552)	(657,351)	(668,793)
Administrative expense	(46,586)	(32,643)	(29,414)	(33,799)	(20,166)
Net change in plan fiduciary net position	<u>2,253,387</u>	<u>3,279,371</u>	<u>1,535,552</u>	<u>566,367</u>	<u>2,335,416</u>
Plan fiduciary net position, beginning	<u>23,054,493</u>	<u>19,775,122</u>	<u>18,239,570</u>	<u>17,673,203</u>	<u>15,337,787</u>
Plan fiduciary net position, ending (b)	<u><u>\$ 25,307,880</u></u>	<u><u>\$ 23,054,493</u></u>	<u><u>\$ 19,775,122</u></u>	<u><u>\$ 18,239,570</u></u>	<u><u>\$ 17,673,203</u></u>
Net pension liability, ending (a) - (b)	<u><u>\$ (53,083)</u></u>	<u><u>\$ 192,311</u></u>	<u><u>\$ 1,299,983</u></u>	<u><u>\$ 891,626</u></u>	<u><u>\$ 61,044</u></u>
Plan fiduciary net position as a percentage of total pension liability	100.21%	99.17%	93.83%	95.34%	99.66%
Covered payroll	\$ 4,359,737	\$ 4,371,823	\$ 4,338,842	\$ 3,982,036	\$ 3,429,102
Net pension liability as a percentage of covered payroll	-1.22%	4.40%	29.96%	22.39%	1.78%

Continued

Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios - Police Officers' Retirement Trust

Last Ten Fiscal Years*

Notes to Schedule:

Changes of assumptions:

For measurement date 9/30/2015, amounts reported as changes of assumptions were in light of an actuarial experience study performed on July 30, 2015, the Board of Trustees adopted numerous changes to the actuarial assumptions. The specifics of these changes can be found in the assumptions and methods section of the 10/1/2015 valuation report.

The inflation assumption rate was lowered from 3.0% to 2.5%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

* only 5 years of data available; additional years' information will be displayed as it becomes available

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City of Oviedo, Florida
Required Supplementary Information
Schedule of City Contributions - Firefighters' Trust
Last Ten Fiscal Years*

Fiscal year ended	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/30/2018	\$ 497,145	\$ 497,353	\$ (208)	\$ 2,792,951	17.81%
9/30/2017	\$ 409,970	\$ 395,296	\$ 14,674	\$ 2,770,065	14.27%
9/30/2016	\$ 514,619	\$ 675,237	\$ (160,618)	\$ 2,907,451	23.22%
9/30/2015	\$ 481,617	\$ 481,617	\$ -	\$ 3,406,171	14.14%
9/30/2014	\$ 605,883	\$ 605,883	\$ -	\$ 2,955,529	20.50%

Notes to Schedule

Valuation Date 10/1/2016

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Mortality *Healthy Lives*: Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP 2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives: Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

Interest Rate 7.75% per year, compounded annually, net of investment-related expenses.

Normal Retirement Earlier of 1) Age 55 with 10 years of Credited Service, and 2) Age 52 with 25 years of Credited Service. Active Members eligible for Normal Retirement on the valuation date are assumed to continue employment for one additional year.

Early Retirement Commencing with the earliest Early Retirement Age (age 50 with 10 years of credited service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Payroll Growth 3% per year.

Asset Methodology In conjunction with this valuation of the plan, the Actuarial Value of assets is based on a four year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased in over a four year period.

Termination Rates		Salary Increases		Disability Rates	
Years of Service	Termination Probability	Years of Service	Salary Increase	Age	Disability Probability
0	20.00%	0	13.00%	20	0.03%
1-5	5.00%	1-15	5.50%	30	0.04%
6-9	3.00%	16-20	4.00%	40	0.07%
10+	0.00%	21+	3.00%	50	0.18%

* only 5 years of data available; additional years' information will be displayed as it becomes available

Required Supplementary Information
Schedule of City Contributions - Police Officers' Trust
 Last Ten Fiscal Years*

Fiscal year ended	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/30/2018	\$ 824,426	\$ 824,426	\$ -	\$ 4,359,737	18.91%
9/30/2017	\$ 846,385	\$ 846,385	\$ -	\$ 4,371,823	19.36%
9/30/2016	\$ 959,318	\$ 959,318	\$ -	\$ 4,338,842	22.11%
9/30/2015	\$ 965,227	\$ 965,227	\$ -	\$ 3,982,036	24.24%
9/30/2014	\$ 954,662	\$ 954,662	\$ -	\$ 3,429,102	27.84%

Notes to Schedule

Valuation Date 10/1/2016
 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Mortality: *Healthy Lives:* Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives: Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

Disability Rates See table below. It is assumed that 75% of Disability retirements are duty-related.

Retirement Age Earlier of 1) attainment of age 55 and the completion of 10 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Number of Years after First Eligibility for Normal	Probability of Retirement
0	33.00%
1	33.00%
2 or more	100.00%

Early Retirement Commencing upon a Members eligibility for Early Retirement (Age 45 with 10 years of credited service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.

Interest Rate 7.75% per year, compounded annually, net of investment related expenses.

Final Salary Load	Plan Entry Date	Load Assumption
	Before 10/1/07	20%
	After 9/30/07	10%
	After 2/28/13	0%

A flat 20% load was used for valuations prior to October 1, 2013.

* only 5 years of data available; additional years' information will be displayed as it becomes available

Required Supplementary Information

Schedule of City Contributions - Police Officers' Trust

Last Ten Fiscal Years*

Asset Methodology The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a demeris bias that is above or below the Market Value of Assets.

Payroll Increase 0% per year.

Age	Disability Rates		Termination Rates		Salary Increases	
	% Becoming Disabled During the Year	Credited Service	Withdrawal Assumption	Credited Service	% Becoming Disabled During the Year	
20	0.03%	<5 Years	12.0%	<5 Years	8.5%	
30	0.04%	5-9 Years	4.0%	5+ Years	4.5%	
40	0.07%	10-14 Years	2.0%			
50	0.18%	15+ Years	0.0%			

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City of Oviedo, Florida
Required Supplementary Information
Schedule of Investment Returns
 Last Ten Fiscal Years*

	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Annual Money-Weighted Rate of Return Net of Investment Expense:					
Police Officers' Retirement Trust	8.20%	14.39%	5.11%	0.04%	11.74%
Firefighters' Pension Trust	8.74%	13.41%	5.00%	1.17%	11.81%

* only 5 years of data available; additional years' information will be displayed as it becomes available

Required Supplementary Information

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

Last Ten Fiscal Years*

	9/30/2018
Total OPEB Liability	
Service cost	\$ 126,000
Interest	67,000
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit Payments, including refunds of employee contributions	(28,000)
Net change in total OPEB liability	165,000
Total OPEB liability, beginning	1,808,000
Total OPEB liability, ending (a)	\$ 1,973,000
 Plan Fiduciary Net Position	
Contributions, employer	28,000
Contributions, employee	-
Benefit payments, including refunds of employee contributions	(28,000)
Administrative expense	-
Net change in plan fiduciary net position	-
Plan fiduciary net position, beginning	-
Plan fiduciary net position, ending (b)	\$ -
Net OPEB liability, ending (a) - (b)	\$ 1,973,000
Plan fiduciary net position as a percentage of total OPEB liability	0.00%
Covered payroll	\$ 11,907,000
Net OPEB liability as a percentage of covered payroll	16.57%
Notes to Schedule: None.	

* only 1 year of data available; additional years' information will be displayed as it becomes available

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Florida

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Combining and Individual Statements and Schedules

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Florida

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Nonmajor Special Revenue Funds

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

Capital Expansion Fund - to account for the City's Administration, Police, Fire, Recreation, Tree Bank, Multi Mobility, and Public Arts impact fee revenues and the expenditures (allowable under state statute) for increased general, police/fire protection, recreational improvements, tree bank, transportation, and public arts (resulting from growth) made there from.

Local Option Gas Tax Fund - to account for the City's share of local option gas tax revenues that are specifically restricted for the maintenance and operation of the City's highways, streets and right-of-ways, and may be used towards capital improvement projects.

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

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

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

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

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

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

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

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

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

Nonmajor Debt Service Funds

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

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

General Obligation Bonds Debt Service Fund - to account for the receipt of the revenues associated with the debt millage and the payment of the debt service for the general obligation bonds and notes.

Lease Financing Debt Service Fund - to account for the payment of the debt related to the City's capital lease.

Nonmajor Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

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

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

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

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

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

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

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

3rd Generation Sales Tax Fund - to account for the City's construction projects approved to use the extra one cent sales tax approved by voters.

Police Construction Fund - to account for the construction of the new police station.

Internal Service Funds

Internal service funds are used to account for services provided to other departments of the government on a cost -reimbursement basis.

Health Insurance Fund - to account for the City's self-insurance health plan and city paid employee long-term disability and life insurance.

Fleet Fund - to account for the City's fleet maintenance program.

City of Oviedo, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2018

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 1,867,357	\$ 370,177	\$ 4,601,326	\$ 6,838,860
Investments	190,000	50,000	560,000	800,000
Receivables, net	136,934	-	26,050	162,984
Due from other funds	-	-	600,000	600,000
Due from other governments	144,139	112	400,400	544,651
Prepays	-	-	78,271	78,271
Restricted assets:				
Cash and cash equivalents	-	-	31,938	31,938
Total assets	\$ 2,338,430	\$ 420,289	\$ 6,297,985	\$ 9,056,704
Liabilities and Fund Balances:				
Accounts payable	\$ 489,325	\$ -	\$ 428,505	\$ 917,830
Retainage payable	4,107	-	-	4,107
Due to other funds	600,000	6,220	883,741	1,489,961
Payable from restricted assets	118,208	-	-	118,208
Total liabilities	1,211,640	6,220	1,312,246	2,530,106
Fund Balances:				
Nonspendable	-	-	78,271	78,271
Restricted	1,341,691	420,284	3,508,235	5,270,210
Assigned	260,440	-	2,282,816	2,543,256
Unassigned	(475,341)	(6,215)	(883,583)	(1,365,139)
Total fund balances	1,126,790	414,069	4,985,739	6,526,598
Total liabilities and fund balances	\$ 2,338,430	\$ 420,289	\$ 6,297,985	\$ 9,056,704

Combining Statement of Revenues, Expenditures and Changes in Fund Balances**Nonmajor Governmental Funds**

For the Year Ended September 30, 2018

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ -	\$ 501,844	\$ -	\$ 501,844
Licenses and permits	1,254,367	-	-	1,254,367
Intergovernmental	1,394,254	-	2,424,362	3,818,616
Charges for services	2,597,200	-	713,544	3,310,744
Fines and forfeitures	131,705	-	-	131,705
Investment income	40,645	6,048	59,501	106,194
Service assessments	692,407	-	-	692,407
Miscellaneous	51,233	-	1,300	52,533
Total revenues	6,161,811	507,892	3,198,707	9,868,410
Expenditures:				
Current:				
General government	-	-	173,788	173,788
Public safety	1,611,002	-	107,971	1,718,973
Physical environment	3,597,066	-	1,948,837	5,545,903
Parks and recreation	16,720	-	59,470	76,190
Debt service:				
Principal	-	2,857,289	-	2,857,289
Interest and fiscal charges	-	560,180	5,915	566,095
Capital outlay:				
General government	-	-	44,765	44,765
Public safety	-	-	373,019	373,019
Physical environment	1,414,373	-	609,156	2,023,529
Parks and recreation	-	-	297,984	297,984
Total expenditures	6,639,161	3,417,469	3,620,905	13,677,535
Excess (deficiency) of revenues over expenditures	(477,350)	(2,909,577)	(422,198)	(3,809,125)
Other Financing Sources (Uses):				
Transfers in	262,546	2,912,268	1,160,620	4,335,434
Transfers out	(1,341,473)	-	(457,813)	(1,799,286)
Capital lease proceeds	-	-	305,650	305,650
Sale of general capital assets	-	-	34,914	34,914
Total other financing sources (uses)	(1,078,927)	2,912,268	1,043,371	2,876,712
Net change in fund balances	(1,556,277)	2,691	621,173	(932,413)
Fund balances, beginning	2,683,067	411,378	4,364,566	7,459,011
Fund balances, ending	\$ 1,126,790	\$ 414,069	\$ 4,985,739	\$ 6,526,598

City of Oviedo, Florida
Subcombining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2018

	Capital Expansion	Local Option Gas Tax	State Law Enforcement	Federal DEA Grant (Forfeiture)	Solid Waste
Assets:					
Cash and cash equivalents	\$ 820,633	\$ 199,165	\$ 33,262	\$ 159,628	\$ 51,625
Investments	80,000	20,000	-	20,000	10,000
Receivables, net	3,584	-	-	-	131,022
Due from other governments	-	135,612	2,053	-	1,079
Total assets	\$ 904,217	\$ 354,777	\$ 35,315	\$ 179,628	\$ 193,726
Liabilities and Fund Balances:					
Accounts payable	\$ -	\$ 149,946	\$ -	\$ -	\$ 240,617
Retainage payable	-	4,107	-	-	-
Due to other funds	600,000	-	-	-	-
Payable from restricted assets	-	-	-	-	-
Total liabilities	600,000	154,053	-	-	240,617
Fund Balances:					
Restricted	483,537	200,724	35,315	179,628	-
Assigned	249,130	-	-	-	-
Unassigned	(428,450)	-	-	-	(46,891)
Total fund balances	304,217	200,724	35,315	179,628	(46,891)
Total liabilities and fund balances	\$ 904,217	\$ 354,777	\$ 35,315	\$ 179,628	\$ 193,726

City of Oviedo, Florida
Subcombining Balance Sheet, Continued
Nonmajor Special Revenue Funds
September 30, 2018

<u>Building Services</u>	<u>Transportation Impact Fees</u>	<u>Law Enforcement</u>	<u>Police Donations</u>	<u>Second Dollar Education</u>	<u>Total</u>
\$ 160,925	\$ 251,374	\$ 118,490	\$ 26,327	\$ 45,928	\$ 1,867,357
20,000	30,000	10,000	-	-	190,000
-	2,328	-	-	-	136,934
-	-	4,411	-	984	144,139
<u>\$ 180,925</u>	<u>\$ 283,702</u>	<u>\$ 132,901</u>	<u>\$ 26,327</u>	<u>\$ 46,912</u>	<u>\$ 2,338,430</u>
\$ 51,407	\$ 45,849	\$ 758	\$ 748	\$ -	\$ 489,325
-	-	-	-	-	4,107
-	-	-	-	-	600,000
118,208	-	-	-	-	118,208
<u>169,615</u>	<u>45,849</u>	<u>758</u>	<u>748</u>	<u>-</u>	<u>1,211,640</u>
-	237,853	132,143	25,579	46,912	1,341,691
11,310	-	-	-	-	260,440
-	-	-	-	-	(475,341)
<u>11,310</u>	<u>237,853</u>	<u>132,143</u>	<u>25,579</u>	<u>46,912</u>	<u>1,126,790</u>
\$ 180,925	\$ 283,702	\$ 132,901	\$ 26,327	\$ 46,912	\$ 2,338,430

Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2018

	Capital Expansion	Local Option Gas Tax	State Law Enforcement	Federal DEA Grant (Forfeiture)	State Pension Contributions
Revenues:					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	813,602	-	-	580,652
Charges for services	-	-	-	-	-
Fines and forfeitures	12,025	-	10,789	36,351	-
Investment income	9,457	5,084	501	3,950	-
Service assessments	506,939	-	-	-	-
Miscellaneous	17,800	-	-	-	-
Total revenues	546,221	818,686	11,290	40,301	580,652
Expenditures:					
Current:					
Public safety	-	-	8,206	-	580,652
Physical environment	10,650	912,959	-	-	-
Parks and recreation	16,720	-	-	-	-
Capital outlay:					
Physical environment	-	52,434	-	-	-
Total expenditures	27,370	965,393	8,206	-	580,652
Excess (deficiency) of revenues over expenditures	518,851	(146,707)	3,084	40,301	-
Other Financing Sources (Uses):					
Transfers in	262,546	-	-	-	-
Transfers out	(828,416)	-	-	(113,484)	-
Total other financing sources (uses)	(565,870)	-	-	(113,484)	-
Net change in fund balances	(47,019)	(146,707)	3,084	(73,183)	-
Fund balances, beginning	351,236	347,431	32,231	252,811	-
Fund balances (deficit), ending	\$ 304,217	\$ 200,724	\$ 35,315	\$ 179,628	\$ -

Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance, Contined

Nonmajor Special Revenue Funds

For the Year Ended September 30, 2018

Solid Waste	Building Services	Transportation Impact Fees	Law Enforcement	Police Donations	Second Dollar Education	Total
\$ -	\$ 1,254,367	\$ -	\$ -	\$ -	\$ -	\$ 1,254,367
-	-	-	-	-	-	1,394,254
2,597,200	-	-	-	-	-	2,597,200
-	-	-	61,899	-	10,641	131,705
1,190	5,710	11,959	1,689	450	655	40,645
-	-	185,468	-	-	-	692,407
-	-	-	-	33,433	-	51,233
<u>2,598,390</u>	<u>1,260,077</u>	<u>197,427</u>	<u>63,588</u>	<u>33,883</u>	<u>11,296</u>	<u>6,161,811</u>
-	963,191	-	19,071	36,882	3,000	1,611,002
2,652,352	-	21,105	-	-	-	3,597,066
-	-	-	-	-	-	16,720
-	-	1,361,939	-	-	-	1,414,373
<u>2,652,352</u>	<u>963,191</u>	<u>1,383,044</u>	<u>19,071</u>	<u>36,882</u>	<u>3,000</u>	<u>6,639,161</u>
(53,962)	296,886	(1,185,617)	44,517	(2,999)	8,296	(477,350)
-	-	-	-	-	-	262,546
-	(293,559)	(106,014)	-	-	-	(1,341,473)
-	(293,559)	(106,014)	-	-	-	(1,078,927)
(53,962)	3,327	(1,291,631)	44,517	(2,999)	8,296	(1,556,277)
7,071	7,983	1,529,484	87,626	28,578	38,616	2,683,067
<u>\$ (46,891)</u>	<u>\$ 11,310</u>	<u>\$ 237,853</u>	<u>\$ 132,143</u>	<u>\$ 25,579</u>	<u>\$ 46,912</u>	<u>\$ 1,126,790</u>

Capital Expansion Special Revenue Fund *

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 2,050	\$ 2,050	\$ 9,457	\$ 7,407
Fines and forfeitures	-	-	12,025	12,025
Service assessments	370,160	370,160	506,939	136,779
Miscellaneous	-	-	17,800	17,800
Total revenues	372,210	372,210	546,221	174,011
Expenditures:				
Current:				
Public safety	121,235	121,235	-	121,235
Highways and streets	-	252,546	10,650	241,896
Parks and recreation	100,500	104,250	16,720	87,530
Capital outlay:				
Public safety	-	62,064	-	62,064
Parks and recreation	-	6,250	-	6,250
Total expenditures	221,735	546,345	27,370	518,975
Excess (deficiency) of revenues over expenditures	150,475	(174,135)	518,851	692,986
Other Financing Sources (Uses):				
Transfers in	-	262,546	262,546	-
Transfers out	(290,480)	(228,416)	(828,416)	(600,000)
Total other financing sources (uses)	(290,480)	34,130	(565,870)	(600,000)
Net change in fund balances	(140,005)	(140,005)	(47,019)	92,986
Fund balances, beginning	351,236	351,236	351,236	-
Fund balances, ending	\$ 211,231	\$ 211,231	\$ 304,217	\$ 92,986

* City's Administration, Police, Fire and Recreation Impact Fee, Tree Bank, Multi Mobility, and Public Arts Funds.

Local Option Gas Tax Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 910,517	\$ 910,517	\$ 813,602	\$ (96,915)
Investment income	2,400	2,400	5,084	2,684
Total revenues	912,917	912,917	818,686	(94,231)
Expenditures:				
Current:				
Physical environment	1,147,366	1,041,816	912,959	128,857
Capital outlay:				
Physical environment	-	105,550	52,434	53,116
Total expenditures	1,147,366	1,147,366	965,393	181,973
Excess (deficiency) of revenues over expenditures	(234,449)	(234,449)	(146,707)	87,742
Net change in fund balances	(234,449)	(234,449)	(146,707)	87,742
Fund balances, beginning	347,431	347,431	347,431	-
Fund balances, ending	\$ 112,982	\$ 112,982	\$ 200,724	\$ 87,742

State Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 10,789	\$ 10,789
Investment income	-	-	501	501
Total revenues	-	-	11,290	11,290
Expenditures:				
Current:				
Public safety	-	8,300	8,206	94
Total expenditures	-	8,300	8,206	94
Excess (deficiency) of revenues over expenditures	-	(8,300)	3,084	11,384
Net change in fund balances	-	(8,300)	3,084	11,384
Fund balances, beginning	32,231	32,231	32,231	-
Fund balances, ending	\$ 32,231	\$ 23,931	\$ 35,315	\$ 11,384

Federal DEA Grant (Forfeiture) Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 36,351	\$ 36,351
Investment income	-	-	3,950	3,950
Total revenues	-	-	40,301	40,301
Other Financing Sources (Uses):				
Transfers out	-	(113,484)	(113,484)	-
Total other financing sources (uses)	-	(113,484)	(113,484)	-
Net change in fund balances	-	(113,484)	(73,183)	40,301
Fund balances, beginning	252,811	252,811	252,811	-
Fund balances, ending	\$ 252,811	\$ 139,327	\$ 179,628	\$ 40,301

Solid Waste Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 2,535,453	\$ 2,535,453	\$ 2,597,200	\$ 61,747
Investment income	100	100	1,190	1,090
Total revenues	2,535,553	2,535,553	2,598,390	62,837
Expenditures:				
Current:				
Physical environment	2,535,553	2,535,553	2,652,352	(116,799)
Total expenditures	2,535,553	2,535,553	2,652,352	(116,799)
Excess (deficiency) of revenues over expenditures	-	-	(53,962)	(53,962)
Net change in fund balances	-	-	(53,962)	(53,962)
Fund balances (deficit), beginning	7,071	7,071	7,071	-
Fund balances (deficit), ending	\$ 7,071	\$ 7,071	\$ (46,891)	\$ (53,962)

Building Services Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 500,000	\$ 1,254,009	\$ 1,254,367	\$ 358
Investment income	-	5,400	5,710	310
Total revenues	500,000	1,259,409	1,260,077	668
Expenditures:				
Current:				
Public safety	395,536	965,850	963,191	2,659
Total expenditures	395,536	965,850	963,191	2,659
Excess (deficiency) of revenues over expenditures	104,464	293,559	296,886	3,327
Other Financing Sources (Uses):				
Transfers out	(104,464)	(293,559)	(293,559)	-
Total other financing sources (uses)	(104,464)	(293,559)	(293,559)	-
Net change in fund balances	-	-	3,327	3,327
Fund balances, beginning	7,983	7,983	7,983	-
Fund balances, ending	\$ 7,983	\$ 7,983	\$ 11,310	\$ 3,327

Transportation Impact Fees Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 10,000	\$ 10,000	\$ 11,959	\$ 1,959
Service assessments	238,000	238,000	185,468	(52,532)
Total revenues	248,000	248,000	197,427	(50,573)
Expenditures:				
Current:				
Physical environment	75,000	23,521	21,105	2,416
Capital outlay:				
Physical environment	250,000	1,481,689	1,361,939	119,750
Total expenditures	325,000	1,505,210	1,383,044	122,166
Excess (deficiency) of revenue over expenditures	(77,000)	(1,257,210)	(1,185,617)	71,593
Other Financing Sources (Uses):				
Transfers out	(106,014)	(106,014)	(106,014)	-
Total other financing sources (uses)	(106,014)	(106,014)	(106,014)	-
Net change in fund balances	(183,014)	(1,363,224)	(1,291,631)	71,593
Fund balances, beginning	1,529,484	1,529,484	1,529,484	-
Fund balances, ending	\$ 1,346,470	\$ 166,260	\$ 237,853	\$ 71,593

Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 1,689	\$ 1,689
Fines and forfeitures	-	-	61,899	61,899
Total revenues	-	-	63,588	63,588
Expenditures:				
Current:				
Public safety	-	-	19,071	(19,071)
Total expenditures	-	-	19,071	(19,071)
Excess (deficiency) of revenue over expenditures	-	-	44,517	44,517
Net change in fund balances	-	-	44,517	44,517
Fund balances, beginning	87,626	87,626	87,626	-
Fund balances, ending	\$ 87,626	\$ 87,626	\$ 132,143	\$ 44,517

Police Donations Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 450	\$ 450
Miscellaneous	-	-	33,433	33,433
Total revenues	-	-	33,883	33,883
Expenditures:				
Current:				
Public safety	-	-	36,882	(36,882)
Total expenditures	-	-	36,882	(36,882)
Excess (deficiency) of revenue over expenditures	-	-	(2,999)	(2,999)
Net change in fund balances	-	-	(2,999)	(2,999)
Fund balances, beginning	28,578	28,578	28,578	-
Fund balances, ending	\$ 28,578	\$ 28,578	\$ 25,579	\$ (2,999)

Second Dollar Education Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 655	\$ 655
Fines and forfeitures	-	-	10,641	10,641
Total revenues	-	-	11,296	11,296
Expenditures:				
Current:				
Public safety	-	-	3,000	(3,000)
Total expenditures	-	-	3,000	(3,000)
Excess (deficiency) of revenue over expenditures	-	-	8,296	8,296
Net change in fund balances	-	-	8,296	8,296
Fund balances, beginning	38,616	38,616	38,616	-
Fund balances, ending	\$ 38,616	\$ 38,616	\$ 46,912	\$ 8,296

City of Oviedo, Florida
Subcombining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2018

	Public Improvement Revenue Bonds	General Obligation Bonds	Lease Financing Debt Service	Total
Assets:				
Cash and cash equivalents	\$ 29	\$ 370,143	\$ 5	\$ 370,177
Investments	-	50,000	-	50,000
Due from other governments	-	112	-	112
Total assets	\$ 29	\$ 420,255	\$ 5	\$ 420,289
Liabilities and Fund Balances:				
Due to other funds	\$ -	\$ -	\$ 6,220	\$ 6,220
Total liabilities	-	-	6,220	6,220
Fund Balances:				
Restricted	29	420,255	-	420,284
Unassigned	-	-	(6,215)	(6,215)
Total fund balances	29	420,255	(6,215)	414,069
Total liabilities and fund balances	\$ 29	\$ 420,255	\$ 5	\$ 420,289

Subcombining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended September 30, 2018

	Public Improvement Revenue Bonds	General Obligation Bonds	Lease Financing Debt Service	Total
Revenues:				
Taxes	\$ -	\$ 501,844	\$ -	\$ 501,844
Investment income	-	6,048	-	6,048
Total revenues	-	507,892	-	507,892
Expenditures:				
Debt service:				
Principal	1,971,000	278,000	608,289	2,857,289
Interest and fiscal charges	292,108	216,424	51,648	560,180
Total expenditures	2,263,108	494,424	659,937	3,417,469
Excess (deficiency) of revenues over expenditures	(2,263,108)	13,468	(659,937)	(2,909,577)
Other Financing Sources (Uses):				
Transfers in	2,263,082	-	649,186	2,912,268
Total other financing sources (uses)	2,263,082	-	649,186	2,912,268
Net change in fund balances	(26)	13,468	(10,751)	2,691
Fund balances, beginning	55	406,787	4,536	411,378
Fund balances , ending	\$ 29	\$ 420,255	\$ (6,215)	\$ 414,069

Public Improvement Revenue Bonds Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
Debt service:				
Principal	\$ 1,971,000	\$ 1,971,000	\$ 1,971,000	\$ -
Interest	285,682	292,082	292,108	(26)
Total expenditures	2,256,682	2,263,082	2,263,108	(26)
Excess (deficiency) of revenues over expenditures	(2,256,682)	(2,263,082)	(2,263,108)	(26)
Other Financing Sources (Uses):				
Transfers in	2,256,682	2,263,082	2,263,082	-
Total other financing sources (uses)	2,256,682	2,263,082	2,263,082	-
Net change in fund balances	-	-	(26)	(26)
Fund balances, beginning	55	55	55	-
Fund balances (deficit), ending	\$ 55	\$ 55	\$ 29	\$ (26)

General Obligation Bonds Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 491,659	\$ 491,659	\$ 501,844	\$ 10,185
Investment income	3,063	3,063	6,048	2,985
Total revenues	494,722	494,722	507,892	13,170
Expenditures:				
Debt service:				
Principal	278,000	278,000	278,000	-
Interest	216,722	216,722	216,424	298
Total expenditures	494,722	494,722	494,424	298
Excess (deficiency) of revenues over expenditures	-	-	13,468	13,468
Net change in fund balances	-	-	13,468	13,468
Fund balances, beginning	406,787	406,787	406,787	-
Fund balances, ending	\$ 406,787	\$ 406,787	\$ 420,255	\$ 13,468

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Lease Financing Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
Debt service:				
Principal	\$ 608,276	\$ 608,276	\$ 608,289	\$ (13)
Interest	40,910	40,910	51,648	(10,738)
Total expenditures	649,186	649,186	659,937	(10,751)
Excess (deficiency) of revenue over expenditures	(649,186)	(649,186)	(659,937)	(10,751)
Other Financing Sources (Uses):				
Transfers in	649,186	649,186	649,186	-
Total other financing sources (uses)	649,186	649,186	649,186	-
Net change in fund balances	-	-	(10,751)	(10,751)
Fund balances, beginning	4,536	4,536	4,536	-
Fund balances , ending	\$ 4,536	\$ 4,536	\$ (6,215)	\$ (10,751)

City of Oviedo, Florida
Subcombining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2018

	Local Option Sales Tax Fund	Vehicle Replacement	Technology Improvements	General Facility Improvements
Assets:				
Cash and cash equivalents	\$ 89,299	\$ 684,523	\$ 288,360	\$ 145
Investments	10,000	80,000	40,000	-
Receivables, net	-	26,050	-	-
Due from other funds	-	-	-	-
Due from other governments	338	-	-	-
Prepays	-	64,591	13,680	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Total assets	\$ 99,637	\$ 855,164	\$ 342,040	\$ 145
Liabilities and Fund Balances:				
Accounts payable	\$ -	\$ 73,144	\$ 8,310	\$ -
Due to other funds	-	-	-	759,441
Total liabilities	-	73,144	8,310	759,441
Fund Balances:				
Nonspendable	-	64,591	13,680	-
Restricted	99,637	-	-	-
Assigned	-	717,429	320,050	-
Unassigned	-	-	-	(759,296)
Total fund balances	99,637	782,020	333,730	(759,296)
Total liabilities and fund balances	\$ 99,637	\$ 855,164	\$ 342,040	\$ 145

City of Oviedo, Florida
Subcombining Balance Sheet, Continued
Nonmajor Capital Projects Funds
September 30, 2018

Recreational Facility Improvement	OSC Extension Landfill	3rd Generation Sales Tax	Police Construction	Total
\$ 1,051,908	\$ 34,647	\$ 2,452,431	\$ 13	\$ 4,601,326
130,000	-	300,000	-	560,000
-	-	-	-	26,050
-	-	600,000	-	600,000
-	-	400,062	-	400,400
-	-	-	-	78,271
-	31,938	-	-	31,938
<u>\$ 1,181,908</u>	<u>\$ 66,585</u>	<u>\$ 3,752,493</u>	<u>\$ 13</u>	<u>\$ 6,297,985</u>
\$ 3,156	\$ -	\$ 343,895	\$ -	\$ 428,505
-	-	-	124,300	883,741
<u>3,156</u>	<u>-</u>	<u>343,895</u>	<u>124,300</u>	<u>1,312,246</u>
-	-	-	-	78,271
-	-	3,408,598	-	3,508,235
1,178,752	66,585	-	-	2,282,816
-	-	-	(124,287)	(883,583)
<u>1,178,752</u>	<u>66,585</u>	<u>3,408,598</u>	<u>(124,287)</u>	<u>4,985,739</u>
<u>\$ 1,181,908</u>	<u>\$ 66,585</u>	<u>\$ 3,752,493</u>	<u>\$ 13</u>	<u>\$ 6,297,985</u>

Subcombining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended September 30, 2018

	Local Option Sales Tax Fund	Vehicle Replacement	Technology Improvements	General Facility Improvements
Revenues:				
Intergovernmental	\$ 75,826	\$ -	\$ -	\$ -
Charges for services	-	698,544	-	-
Investment income	8,810	10,307	5,168	-
Miscellaneous	-	-	1,300	-
Total revenues	84,636	708,851	6,468	-
Expenditures:				
Current:				
General government	-	-	173,788	-
Public safety	-	107,971	-	-
Physical environment	1,127,838	-	-	-
Parks and recreation	-	-	-	59,470
Debt service:				
Interest and fiscal charges	-	-	-	5,915
Capital outlay:				
General government	-	-	44,765	-
Public safety	-	328,764	-	-
Physical environment	18,411	-	-	-
Parks and recreation	-	39,635	-	164,476
Total expenditures	1,146,249	476,370	218,553	229,861
Excess (deficiency) of revenues over expenditures	(1,061,613)	232,481	(212,085)	(229,861)
Other Financing Sources (Uses):				
Transfers in	-	51,420	226,700	282,500
Transfers out	-	(454,283)	-	-
Capital lease proceeds	-	305,650	-	-
Sale of general capital assets	-	34,719	195	-
Total other financing sources (uses)	-	(62,494)	226,895	282,500
Net change in fund balances	(1,061,613)	169,987	14,810	52,639
Fund balances (deficit), beginning	1,161,250	612,033	318,920	(811,935)
Fund balances (deficit), ending	\$ 99,637	\$ 782,020	\$ 333,730	\$ (759,296)

City of Oviedo, Florida
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2018

Recreational Facility Improvement	OSC Extension Landfill	Fire Station Construction	3rd Generation Sales Tax	Police Construction	Total
\$ -	\$ -	\$ -	\$ 2,348,536	\$ -	\$ 2,424,362
-	15,000	-	-	-	713,544
-	1,110	-	34,106	-	59,501
-	-	-	-	-	1,300
-	16,110	-	2,382,642	-	3,198,707
-	-	-	-	-	173,788
-	-	-	-	-	107,971
-	21,700	-	799,299	-	1,948,837
-	-	-	-	-	59,470
-	-	-	-	-	5,915
-	-	-	-	-	44,765
-	-	-	-	44,255	373,019
-	-	-	590,745	-	609,156
93,873	-	-	-	-	297,984
93,873	21,700	-	1,390,044	44,255	3,620,905
(93,873)	(5,590)	-	992,598	(44,255)	(422,198)
-	-	-	600,000	-	1,160,620
-	-	(3,530)	-	-	(457,813)
-	-	-	-	-	305,650
-	-	-	-	-	34,914
-	-	(3,530)	600,000	-	1,043,371
(93,873)	(5,590)	(3,530)	1,592,598	(44,255)	621,173
1,272,625	72,175	3,530	1,816,000	(80,032)	4,364,566
\$ 1,178,752	\$ 66,585	\$ -	\$ 3,408,598	\$ (124,287)	\$ 4,985,739

City of Oviedo, Florida
Combining Statement of Net Position
Internal Service Funds
September 30, 2018

	Health Insurance Fund	Fleet ISF	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 820,761	\$ 60,089	\$ 880,850
Investments	100,000	10,000	110,000
Receivables, net	155,683	-	155,683
Inventories	-	39,392	39,392
Total current assets	1,076,444	109,481	1,185,925
Noncurrent assets:			
Capital assets:			
Being depreciated, net	14,382	-	14,382
Total noncurrent assets	14,382	-	14,382
Total assets	1,090,826	109,481	1,200,307
Liabilities:			
Current liabilities:			
Accounts payable	384,125	13,351	397,476
Accrued liabilities	-	6,353	6,353
Compensated absences	-	1,997	1,997
Total current liabilities	384,125	21,701	405,826
Noncurrent liabilities:			
Compensated absences	-	17,970	17,970
Net OPEB liability	-	28,466	28,466
Total current liabilities	-	46,436	46,436
Total liabilities	384,125	68,137	452,262
Net Position:			
Net Investment in Capital Assets	14,382	-	14,382
Unrestricted	692,319	41,344	733,663
Total net position	\$ 706,701	\$ 41,344	\$ 748,045

City of Oviedo, Florida
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2018

	Health Insurance Fund	Fleet ISF	Total
Operating Revenues:			
User charges	\$ -	\$ 364,076	\$ 364,076
Other revenue	4,561,487	-	4,561,487
Total operating revenues	<u>4,561,487</u>	<u>364,076</u>	<u>4,925,563</u>
Operating Expenses:			
Cost of sales/services	4,657,500	333,397	4,990,897
Depreciation and amortization	10,152	-	10,152
Total operating expenses	<u>4,667,652</u>	<u>333,397</u>	<u>5,001,049</u>
Operating income (loss)	<u>(106,165)</u>	<u>30,679</u>	<u>(75,486)</u>
Nonoperating Revenues (Expenses):			
Investment earnings	11,544	1,206	12,750
Total nonoperating revenues (expenses)	<u>11,544</u>	<u>1,206</u>	<u>12,750</u>
Loss before contributions and transfers	(94,621)	31,885	(62,736)
Transfers in	278,856	-	278,856
Transfers out	-	(14,805)	(14,805)
Change in net position	184,235	17,080	201,315
Net position, beginning	522,466	50,014	572,480
Prior period adjustment	-	(25,750)	(25,750)
Net position, ending	<u>\$ 706,701</u>	<u>\$ 41,344</u>	<u>\$ 748,045</u>

City of Oviedo, Florida
Combining Statement of Cash Flows
Internal Service Funds
For The Year Ended September 30, 2018

	Health Insurance Fund	Fleet Fund	Total
Cash Flows From Operating Activities:			
Receipts from internal services provided	\$ 4,494,736	\$ 364,076	\$ 4,858,812
Payments to suppliers	(4,839,963)	(132,563)	(4,972,526)
Payments to employees	-	(247,202)	(247,202)
Net cash provided by (used in) operating activities	(345,227)	(15,689)	(360,916)
Cash Flows From Non-capital Financing Activities:			
Transfers in	278,856	-	278,856
Transfers out	-	(14,805)	(14,805)
Net cash provided by (used in) non-capital financing activities	278,856	(14,805)	264,051
Cash Flows From Investing Activities:			
Sale of investments	60,000	10,000	70,000
Investment income	11,544	1,206	12,750
Net cash provided by (used in) investing activities	71,544	11,206	82,750
Net increase (decrease) in cash and cash equivalents	5,173	(19,288)	(14,115)
Cash and cash equivalents, beginning	815,588	79,377	894,965
Cash and cash equivalents, ending	\$ 820,761	\$ 60,089	\$ 880,850
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in)			
Operating Activities:			
Operating income (loss)	\$ (106,165)	\$ 30,679	\$ (75,486)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	10,152	-	10,152
(Increase) decrease in:			
Accounts receivable	(66,751)	-	(66,751)
Inventories	-	7,684	7,684
Prepaid expenses	2,400	-	2,400
Increase (decrease) in:			
Accounts payable	(184,863)	(59,717)	(244,580)
Accrued liabilities and compensated absences	-	2,949	2,949
Net OPEB liability	-	2,716	2,716
Net cash provided by (used in) operating activities	\$ (345,227)	\$ (15,689)	\$ (360,916)

Statistical Section

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This part of the City of Oviedo's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	110
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	116
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	120
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	125
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and help make comparisons over time and with other governments.	
Operating Information	127
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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Net Position by Component**Last Ten Fiscal Years**

(accrual basis of accounting) (amounts expressed in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Net investment in capital assets	\$ 70,052	\$ 69,958	\$ 67,766	\$ 67,505	\$ 71,921	\$ 75,793	\$ 72,630	\$ 67,478	\$ 56,662	\$ 57,884
Restricted	12,668	13,338	7,956	12,044	8,467	2,138	1,683	6,587	6,230	5,545
Unrestricted	3,280	3,016	4,845	3,769	4,676	5,317	(282)	1,412	2,315	2,918
Total governmental activities net position	86,000	86,312	80,567	83,318	85,064	83,248	74,031	75,477	65,207	66,347
Business-type activities:										
Net investment in capital assets	37,677	36,505	35,700	32,980	30,866	28,572	27,448	30,862	44,754	44,331
Restricted	180	182	333	-	-	-	-	-	-	-
Unrestricted	5,611	5,827	6,236	8,276	9,862	11,582	13,613	12,801	14,863	14,388
Total business-type activities net position	43,468	42,514	42,269	41,256	40,728	40,154	41,061	43,663	59,617	58,719
Primary government:										
Net investment in capital assets	107,729	106,463	103,466	100,485	102,787	104,365	100,078	98,340	101,416	102,215
Restricted	12,848	13,520	8,289	12,044	8,467	2,138	1,683	6,587	6,230	5,545
Unrestricted	8,891	8,843	11,081	12,045	14,538	16,899	13,331	14,213	17,178	17,306
Total primary government net position	\$ 129,468	\$ 128,826	\$ 122,836	\$ 124,574	\$ 125,792	\$ 123,402	\$ 115,092	\$ 119,140	\$ 124,824	\$ 125,066

City of Oviedo, Florida
Changes in Net Position
Last Ten Fiscal Years

Table 2

(accrual basis of accounting) (amounts expressed in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities:										
General government	\$ 3,790	\$ 3,477	\$ 2,686	\$ 2,455	\$ 2,497	\$ 2,283	\$ 2,679	\$ 4,355	\$ 4,462	\$ 4,684
Public safety	13,550	13,853	14,054	13,932	14,144	14,280	16,355	17,088	17,304	17,592
Physical Environment	10,997	10,764	14,222	10,590	11,463	10,001	10,346	12,241	8,217	9,561
Economic Development	-	-	-	-	-	-	-	-	42	43
Parks and recreation	4,259	3,808	3,992	3,732	3,413	4,114	4,633	5,644	6,229	7,115
Interest on long term debt	1,222	1,219	1,209	1,149	731	624	685	649	610	564
Total government activities expenses	33,818	33,121	36,163	31,858	32,248	31,302	34,698	39,977	36,864	39,559
Business-type activities:										
Water and Sewer	7,785	8,463	12,815	12,917	13,529	13,322	13,156	12,402	12,805	13,697
Twin Rivers	-	-	-	-	-	-	-	-	907	1,852
Stormwater	-	-	-	-	-	-	-	-	2,169	2,094
Total business-type activities expenses	\$ 7,785	\$ 8,463	\$ 12,815	\$ 12,917	\$ 13,529	\$ 13,322	\$ 13,156	\$ 12,402	\$ 15,881	\$ 17,643
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 92	\$ 193	\$ 154	\$ 222	\$ 250	\$ 217	\$ 426	\$ 636	\$ 826	\$ 539
Public safety	1,670	1,687	1,954	1,746	2,170	1,397	1,996	3,521	3,004	2,852
Physical Environment	4,164	4,330	4,385	4,591	4,465	4,343	4,770	5,200	3,640	3,695
Economic Development	-	-	-	-	-	-	-	-	-	-
Parks and recreation	1,221	1,371	1,398	1,382	1,409	1,285	1,472	1,596	1,693	1,759
Operating grants and contributions	704	662	669	1,032	777	776	681	825	860	769
Capital grants and contributions	1,833	1,611	563	1,033	3,421	264	2,006	2,751	2,189	1,574
Total government activities program revenues	9,684	9,854	9,123	10,006	12,492	8,282	11,351	14,529	12,212	11,188
Business-type activities:										
Charges for services:										
Water and Sewer	6,386	6,046	11,781	11,751	11,811	11,630	12,265	13,529	14,639	14,836
Twin Rivers	-	-	-	-	-	-	-	-	343	1,214
Stormwater	-	-	-	-	-	-	-	-	2,107	2,441
Operating grants and contributions	-	-	-	-	-	-	-	4	-	-
Capital grants and contributions	1,803	1,198	840	921	1,306	1,172	2,503	3,471	3,342	682
Total business-type activities program revenues	8,189	7,244	12,621	12,672	13,117	12,802	14,768	17,004	20,431	19,173
Total government program revenues	\$ 17,873	\$ 17,098	\$ 21,744	\$ 22,678	\$ 25,609	\$ 21,084	\$ 26,119	\$ 31,533	\$ 32,643	\$ 30,361
Net (Expense)/Revenue:										
Governmental activities	\$ (24,134)	\$ (23,267)	\$ (27,040)	\$ (21,852)	\$ (19,756)	\$ (23,020)	\$ (23,347)	\$ (25,448)	\$ (24,652)	\$ (28,371)
Business-type activities	404	(1,219)	(194)	(245)	(412)	(520)	1,612	4,602	4,550	1,530
Total government net expense	\$ (23,730)	\$ (24,486)	\$ (27,234)	\$ (22,097)	\$ (20,168)	\$ (23,540)	\$ (21,735)	\$ (20,846)	\$ (20,102)	\$ (26,841)

Last Ten Fiscal Years

(accrual basis of accounting) (amounts expressed in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 11,236	\$ 10,251	\$ 9,580	\$ 9,125	\$ 9,217	\$ 9,463	\$ 10,378	\$ 11,154	\$ 11,838	\$ 13,029
Franchise and utility taxes	7,229	7,689	7,031	6,609	6,773	6,952	7,779	6,973	7,045	7,418
Unrestricted intergovernmental revenues	4,480	4,554	4,619	3,978	3,702	4,187	4,956	6,018	5,980	6,316
Unrestricted investment earnings	1,132	711	365	385	141	145	140	134	174	271
Miscellaneous revenues	173	187	174	145	251	287	276	463	552	224
Gain on sale of capital assets	-	-	-	28	1,252	30	-	32	13	-
Transfers	13,526	187	206	190	167	139	123	2,120	(11,220)	2,618
Total governmental activities	37,776	23,579	21,975	20,460	21,503	21,203	23,652	26,894	14,382	29,876
Business-type activities:										
Investment earnings	336	450	130	140	49	85	105	100	180	258
Miscellaneous revenues	5	1	-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	26	3	1	-	-	21	4	32
Transfers	(13,526)	(187)	(206)	(190)	(167)	(139)	(123)	(2,120)	11,220	(2,618)
Total business-type activities	(13,185)	264	(50)	(47)	(117)	(54)	(18)	(1,999)	11,404	(2,328)
Total government	\$ 24,591	\$ 23,843	\$ 21,925	\$ 20,413	\$ 21,386	\$ 21,149	\$ 23,634	\$ 24,895	\$ 25,786	\$ 27,548
Change in Net Position:										
Governmental activities	\$ 13,642	\$ 312	\$ (5,065)	\$ (1,392)	\$ 1,747	\$ (1,817)	\$ 305	\$ 1,446	\$ (10,270)	\$ 1,505
Business-type activities	(12,781)	(955)	(244)	(292)	(529)	(574)	1,594	2,603	15,954	(798)
Total government	\$ 861	\$ (643)	\$ (5,309)	\$ (1,684)	\$ 1,218	\$ (2,391)	\$ 1,899	\$ 4,049	\$ 5,684	\$ 707

Governmental Activities Tax Revenue by Source**Last Ten Fiscal Years**

(accrual basis of accounting) (amounts expressed in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Property Tax	\$ 11,236	\$ 10,251	\$ 9,580	\$ 9,125	\$ 9,217	\$ 9,463	\$ 10,378	\$ 11,154	\$ 11,838	\$ 13,029
Utility Tax:										
Electricity	2,223	2,558	2,383	2,232	2,379	2,542	2,550	2,667	2,705	2,844
Water	435	436	530	519	492	485	516	561	630	629
Gas	51	51	50	59	42	47	44	44	55	55
Telecommunications	1,648	1,654	1,538	1,490	1,473	1,326	1,262	1,135	1,040	1,099
Total	4,357	4,699	4,501	4,300	4,386	4,400	4,372	4,407	4,430	4,627
Franchise Fees	*	*	*	*	*	*	*	*	*	*
Total Tax Revenue by Source	\$ 15,593	\$ 14,950	\$ 14,081	\$ 13,425	\$ 13,603	\$ 13,863	\$ 14,750	\$ 15,561	\$ 16,268	\$ 17,656
Taxes included in Unrestricted Intergovernmental Revenues										
Sales Tax	\$ 2,970	\$ 2,917	\$ 2,932	\$ 2,241	\$ 2,033	\$ 2,356	\$ 2,329	\$ 2,429	\$ 2,497	\$ 2,645
State Revenue Sharing	720	710	746	779	864	955	1,063	1,126	1,211	1,262
Other	23	19	23	20	8	25	16	18	15	33
Total	\$ 3,713	\$ 3,646	\$ 3,701	\$ 3,040	\$ 2,905	\$ 3,336	\$ 3,408	\$ 3,573	\$ 3,723	\$ 3,940

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

Fund Balances of Governmental Funds**Last Ten Fiscal Years**

(accrual basis of accounting) (amounts expressed in thousands)

	Fiscal Year									
	2009	2010	2011*	2012*	2013*	2014*	2015*	2016*	2017*	2018*
General Fund:										
Reserved	\$ 168	\$ 241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,831	3,614	-	-	-	-	-	-	-	-
Total General Fund	\$ 3,999	\$ 3,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All other governmental funds:										
Reserved	\$ 8,309	\$ 9,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	8,084	9,360	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	4,536	5,278	-	-	-	-	-	-	-	-
Total all other governmental	\$ 20,929	\$ 23,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
* Implementation of GASB Statement No. 54										
General fund:										
Nonspendable			\$ 84	\$ 56	\$ 116	\$ 113	\$ 37	\$ 15	\$ 11	\$ 13
Restricted			34	47	26	26	27	27	28	28
Assigned			193	-	100	286	117	215	592	210
Unassigned			3,380	2,914	3,173	3,832	4,473	4,981	5,682	6,865
Total general fund			\$ 3,691	\$ 3,017	\$ 3,415	\$ 4,257	\$ 4,654	\$ 5,238	\$ 6,313	\$ 7,116
All other governmental funds:										
Nonspendable			\$ -	\$ -	\$ 2,502	\$ 2,619	\$ 2,204	\$ 1,075	\$ 1,100	\$ 78
Restricted			15,402	19,478	13,088	7,059	6,364	5,511	5,187	5,517
Committed			1,345	1,474	907	1,311	1,520	1,379	7	-
Assigned			1,978	1,596	2,659	4,879	1,981	1,233	2,287	2,544
Unassigned			-	(21)	(63)	(771)	(2,834)	(982)	(950)	(1,365)
Total all other governmental			\$ 18,725	\$ 22,527	\$ 19,093	\$ 15,097	\$ 9,235	\$ 8,216	\$ 7,631	\$ 6,774

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting) (amounts expressed in the thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes:										
Property	\$ 11,236	\$ 10,251	\$ 9,580	\$ 9,125	\$ 9,217	\$ 9,463	\$ 10,378	\$ 11,154	\$ 11,838	\$ 13,029
Franchise and utility taxes	4,357	4,699	4,501	4,300	4,385	4,400	4,372	4,407	4,430	4,627
Business receipt	140	152	155	134	140	138	138	136	140	143
Licenses and permits	3,260	3,616	3,191	3,011	3,219	2,711	3,340	4,537	3,946	3,925
Intergovernmental	5,163	6,724	5,524	5,515	5,061	5,208	7,274	8,062	7,637	8,006
Charges for services	6,061	5,889	6,207	6,259	6,506	6,473	7,076	7,734	6,453	6,597
Fines and forfeitures	200	144	146	169	154	328	273	319	292	261
Investment income	1,086	678	350	373	138	142	134	131	167	258
Service assessments	485	727	747	804	755	84	389	792	947	692
Miscellaneous	219	279	248	391	308	355	372	522	589	295
Total revenues	<u>32,207</u>	<u>33,159</u>	<u>30,649</u>	<u>30,081</u>	<u>29,883</u>	<u>29,302</u>	<u>33,746</u>	<u>37,794</u>	<u>36,439</u>	<u>37,833</u>
Expenditures										
General government	3,488	3,327	2,458	2,210	2,196	2,159	3,777	4,031	4,295	4,513
Public safety	12,492	12,735	12,771	12,978	13,391	13,265	14,164	16,172	16,129	16,574
Physical environment	7,883	7,515	11,202	7,737	8,024	6,710	6,995	9,256	6,140	7,390
Economic Development	-	-	-	-	-	-	-	-	41	43
Parks and recreation	3,559	3,355	3,255	3,305	3,215	3,387	3,792	4,333	4,825	5,775
Debt service:										
Principal	1,462	1,537	1,726	1,086	7,545	524	2,096	2,119	2,805	2,857
Interest	1,260	1,219	1,210	1,143	742	489	548	662	628	579
Issuance costs	-	-	38	162	106	20	-	-	-	-
Capital outlay	4,791	3,075	2,718	2,153	5,090	8,576	9,077	5,412	1,944	2,898
Total expenditures	<u>34,935</u>	<u>32,763</u>	<u>35,378</u>	<u>30,774</u>	<u>40,309</u>	<u>35,130</u>	<u>40,449</u>	<u>41,985</u>	<u>36,807</u>	<u>40,629</u>
Excess of revenues over (under) expenditures	(2,728)	396	(4,729)	(693)	(10,426)	(5,828)	(6,703)	(4,191)	(368)	(2,796)
Other financing sources (uses):										
Transfers in	5,322	3,553	3,664	3,360	3,083	2,599	7,679	7,605	8,004	7,388
Transfers out	(3,627)	(3,815)	(4,018)	(3,614)	(3,359)	(3,805)	(7,172)	(6,115)	(7,212)	(5,035)
Proceeds of refunding debt	688	-	1,300	16,886	5,951	3,849	730	-	-	-
Payment to refunded bond escrow agent	-	-	-	(17,132)	-	-	-	-	-	-
Capital leases	-	1,255	491	-	-	-	-	2,190	-	306
Sale of general capital assets	38	20	52	31	1,715	32	10	78	65	83
Total other financing sources (uses)	<u>2,421</u>	<u>1,013</u>	<u>1,489</u>	<u>(469)</u>	<u>7,390</u>	<u>2,675</u>	<u>1,247</u>	<u>3,758</u>	<u>857</u>	<u>2,742</u>
Net change in fund balance	<u>\$ (307)</u>	<u>\$ 1,409</u>	<u>\$ (3,240)</u>	<u>\$ (1,162)</u>	<u>\$ (3,036)</u>	<u>\$ (3,153)</u>	<u>\$ (5,456)</u>	<u>\$ (433)</u>	<u>\$ 489</u>	<u>\$ (54)</u>
Debt service as a percentage of noncapital expenditures	9.93% *	9.28%	9.00%	7.83%	23.60%	3.82%	8.43%	7.59% *	9.85%	9.06%

* Fiscal years 2008, 2009 and 2016 Debt Service percentages were restated.

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

(amounts expressed in thousands)

Fiscal Year	Centrally Assessed and Real Property		Personal Property		Real and Personal Property Exemptions	Total Direct Tax Rate		Total		Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				Assessed Value	Estimated Actual Value	
2009	3,249,378	3,346,424	130,011	133,894	1,099,806	5.0942	(1)	2,279,583	3,480,318	65.50%
2010	2,762,173	2,804,237	139,120	141,239	830,209	5.1358	(1)	2,071,084	2,945,476	70.31%
2011	2,366,645	2,402,685	137,700	139,797	566,085	5.1536	(1)	1,938,260	2,542,482	76.23%
2012	2,278,882	2,313,586	107,910	109,553	555,145	5.1697	(1)	1,831,647	2,423,139	75.59%
2013	2,292,404	2,327,314	106,378	107,998	547,729	5.1697		1,851,053	2,435,312	76.01%
2014	2,351,744	2,387,557	107,383	109,018	553,214	5.1367		1,905,913	2,496,575	76.34%
2015	2,482,861	2,520,672	110,290	111,970	558,843	5.2980		2,034,309	2,632,642	77.27%
2016	2,618,515	2,658,391	115,597	117,357	562,068	5.2820		2,172,045	2,775,748	78.25%
2017	2,753,480	2,795,411	111,715	113,417	567,131	5.2820		2,298,064	2,908,828	79.00%
2018	2,990,828	3,036,374	127,486	129,428	599,669	5.2820		2,518,645	3,165,802	79.56%

Notes:

(1) The Total Direct Tax Rate was updated to reflect the total direct rate presented in the schedule of Direct and Overlapping Property Tax Rates on Table 7.

Source: Seminole County Property Appraiser

Direct and Overlapping Property Tax Rates (1)

Last Ten Fiscal Years

(Amounts Expressed in Millage) (Tax Levies per \$1,000 of Assessed Valuation)

Fiscal Year	City of Oviedo			Seminole County			Seminole County School Board			Other (2)	Total
	Opera-ting	Debt Service	Total	Opera-ting	Debt Service	Total	Opera-ting	Debt Service	Total		
2009	4.8626	0.2316	5.0942	4.5153	0.1451	4.6604	7.5430	0.0000	7.5430	0.4158	17.7134
2010 (3)	4.8626	0.2732	5.1358	4.9000	0.1451	5.0451	7.7230	0.0000	7.7230	0.4158	18.3197
2011 (3)	4.8626	0.2910	5.1536	4.8751	0.1700	5.0451	7.8010	0.0000	7.8010	0.4158	18.4155
2012	4.8626	0.3071	5.1697	4.8751	0.1700	5.0451	7.7220	0.0000	7.7220	0.3313	18.2681
2013	4.8626	0.3071	5.1697	4.8751	0.1700	5.0451	7.5530	0.0000	7.5530	0.3313	18.0991
2014	4.8626	0.2741	5.1367	4.8751	0.0000	4.8751	8.3610	0.0000	8.3610	0.3283	18.7011
2015	5.0434	0.2546	5.2980	4.8751	0.0000	4.8751	7.8970	0.0000	7.8970	0.3164	18.3865
2016	5.0434	0.2386	5.2820	4.8751	0.0000	4.8751	7.8490	0.0000	7.8490	0.3023	18.3084
2017	5.0566	0.2254	5.2820	4.8751	0.0000	4.8751	7.5570	0.0000	7.5570	0.2885	18.0026
2018	5.0770	0.2050	5.2820	4.8751	0.0000	4.8751	6.5690	0.0000	6.5690	0.2724	16.9985

Notes:

- (1) Property tax rates for the fiscal year are based on the prior years millage rates
- (2) Represents amounts assessed by St. Johns River Water Management District
- (3) Fiscal years 2010 and 2011 have been restated

Source: Seminole County Property Appraiser

City of Oviedo, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago
(Amounts Expressed in Thousands)

Table 8

Taxpayer	2018			2009		
	Assessed	Rank	Total Taxable	Assessed	Rank	Taxable Assessed
HCA	\$ 41,821	1	1.66%			
Orlando MSA Multifamily Dist	40,940	2	1.63%			
Oviedo Grove Apartments	28,970	3	1.15%	\$ 24,620	3	1.08%
EREP Alafaya Square 1, LLC (2)	22,853	4	0.91%	29,959	2	1.31%
United Dominion Realty Trust, Inc.	21,034	5	0.84%	21,931	4	0.96%
Duke Energy Florida (1)	19,972	6	0.79%	13,468	7	0.59%
Oviedo Town Center II, LLLP	14,975	7	0.59%			
Oviedo Mall Holdings	12,894	8	0.51%			
Riverside Landings	10,111	9	0.40%	11,450	9	0.50%
Oviedo Town Center , LLC	9,248	10	0.37%			
The Rouse-Orlando Inc.				47,267	1	2.07%
Alafaya Utilities Inc.				20,029	5	0.88%
BSP/Oviedo, LLC				14,360	6	0.63%
Gemini Town Center H, LLC				12,289	8	0.54%
Dillard				9,739	10	0.43%
Total	\$ 222,818		8.85%	\$ 205,112		9.00%

Notes:

- (1) Formerly Progress Energy of Florida
- (2) Formerly WRI-TC Alafaya Square, LLC

Source: Seminole County Property Appraiser

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	11,630,433	11,213,040	96.41%	24,591	11,237,631	96.62%
2010	10,636,640	10,228,721	96.16%	24,014	10,252,735	96.39%
2011	9,988,987	9,596,798	96.07%	45,477	9,642,275	96.53%
2012	9,469,036	9,116,787	96.28%	8,094	9,124,881	96.37%
2013	9,573,137	9,209,778	96.20%	7,452	9,217,229	96.28%
2014	(3) 9,795,722	9,367,013	95.62%	95,906	9,462,919	96.60%
2015	(3) 10,801,572	10,217,389	94.59%	160,401	10,377,790	96.08%
2016	(4) 11,485,123	10,976,727	95.57%	85,871	11,062,598	96.32%
2017	12,143,991	11,520,399	94.87%	170,899	11,691,298	96.27%
2018	13,321,440	12,720,044	95.49%	91,242	12,811,286	96.17%

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Outstanding Delinquent Taxes (2)	% of Delinquent Taxes to Total Levy
2009	11,630,433	1,784,630	15.34%
2010	10,636,640	1,869,605	17.58%
2011	9,988,987	1,884,482	18.87%
2012	(1) 9,469,036	1,857,357	19.62%
2013	9,573,137	1,823,482	19.05%
2014	(3) 9,795,722	1,763,483	18.00%
2015	(3) 10,801,572	1,803,360	16.70%
2016	11,485,123	1,879,172	16.36%
2017	12,143,991	1,987,710	16.37%
2018	13,321,440	2,141,957	16.08%

Notes:

- (1) Fiscal year 2012 has been restated.
- (2) The outstanding delinquent taxes represent the past five years of uncollected tax levies.
- (3) Fiscal years 2014 and 2015 restated in FY 2015/16.
- (4) Fiscal year 2016 has been restated to include tax collections received by the Community Redevelopment Agency (CRA).

Source: Seminole County Property Appraiser and City of Oviedo Finance

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

(Dollars in Thousands, except Per Capita)

Fiscal Year Ended September 30,	Governmental Activities (3)			Business-Type Activities (3)			Total Primary Government	Percentage of Personal Income (4)	Per Capita
	Public Improvement Revenue Bonds/Notes	General Obligation Bonds	Capital Leases	Utility Revenue Bonds/ Notes	Capital Leases	SRF Loan			
2009	18,637 (2)	7,884 (2)	521	16,770 (2)	496	3,219	47,527	3.50%	1,417
2010	17,522 (2)	7,685 (2)	1,553	52,266 (2)	2,885	3,067	84,978	6.00%	2,551
2011	17,618 (2)	7,481 (2)	1,725	51,742 (2)	2,600	2,912	84,078	5.85%	2,475
2012	16,886	7,266 (2)	1,332	50,682 (2)	2,300	2,859	81,325	5.75%	2,352
2013	15,708	7,122 (2)	1,062	49,590 (2)	1,990	3,325	78,797	5.34%	2,254
2014	19,309	7,114	795	49,517	1,669	4,699	83,103	5.33%	2,292
2015	17,728	6,884	1,240	48,655	1,337	4,484	80,327	5.22%	2,182
2016	16,118	6,629	3,177	47,440	1,087	4,218	78,669	4.94%	2,119
2017	14,177	6,362	2,580	51,196	829	3,945	79,088	4.77%	2,130
2018	12,206	6,085	2,277	49,919	561	3,664	74,713	4.07%	1,880

Notes:

(1) Restated in Fiscal Year 2009

(2) Restated in Fiscal Year 2014 to report debt amounts net of any discounts and premiums.

(3) Additional details regarding the city's outstanding debt can be found in the notes to the financial statements.

(4) See Demographic and Economic Statistics for personal income and population data.

Source: City of Oviedo Public Improvement Debt-Master

Ratios of General Bonded Debt Outstanding**Last Ten Fiscal Years**

(Dollars in Thousands, except Per Capita)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2009	7,884 (2)	7,884	0.23% (1)	235
2010	7,685 (2)	7,685	0.26% (1)	231
2011	7,481 (2)	7,481	0.29%	220
2012	7,266 (2)	7,266	0.30%	210
2013	7,122 (2)	7,122	0.29%	204
2014	7,114	7,114	0.28%	196
2015	6,884	6,884	0.26%	187
2016	6,629	6,629	0.24%	179
2017	6,362	6,362	0.22%	171
2018	6,085	6,085	0.19%	153

Notes:

(1) Restated in Fiscal Year 2011

(2) Restated in Fiscal Year 2014 to report debt amounts net of any discounts and premiums.

Source: City of Oviedo Public Improvement Debt-Master

Jurisdiction	Long-Term Debt Outstanding	Percentage Applicable to City of Oviedo	Amount Applicable to City of Oviedo
Direct:			
City of Oviedo (A)	\$ 20,567,928	100.00%	\$ 20,567,928
Overlapping:			
Seminole County (1),(B)	6,368,000	8.24% (1)	524,723
Total overlapping general obligation bonded debt	6,368,000		524,723
Total	\$ 26,935,928		\$ 21,092,651

Note:

- (1) Percentage applicable for overlapping debt is based on the City's total taxable value as a percentage of Seminole County's total taxable value.
- (2) The information provided is as of September 30, 2017. FY 2018 information was not available from Seminole County prior to the publication of the FY 2018 CAFR.

Sources:

- (A) City of Oviedo Finance Department
- (B) Seminole County Finance Department.

City of Oviedo, Florida
Computation of Legal Debt Margin*
September 30, 2018
(Dollars in Thousands)

Table 13

Assessed valuations:		
Assessed value		\$ 2,518,645
Add back exempt real property		599,669
Total assessed value		<u>\$ 3,118,314</u>
Legal debt margin:		
Debt limitation - 3% of assessed value		<u>\$ 93,549</u>
Debt applicable to limitation:		
Total bonded debt	\$ 18,291	
Less: Public Improvement Revenue Bonds	<u>(12,206)</u>	
Total debt applicable to limitation		<u>\$ 6,085</u>

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

SOURCE: Seminole County Property Appraiser and City of Oviedo - Finance Department

General Government								
Public Improvement Revenue Bonds/Notes				Capital Improvement Revenue Bonds/Notes				
Fiscal Year	Utility Service Taxes	Maximum Annual Debt Service	Coverage	Fiscal Year	Electric Franchise Fees & Half-Cent Sales Tax	Maximum Annual Debt Service	Coverage	
2009	4,356,852	1,233,770	3.53	2009	1,843,028	657,039	2.81	
2010	4,698,721	1,233,770	3.81	2010	1,797,094	657,039	2.74	
2011	4,501,078	1,232,760	3.65	2011	1,831,939	657,039	2.79	
2012	(5) 4,299,870	1,144,649	3.76	2012	(6) 4,027,444 (9)	745,006	5.41	
2013	4,385,344	1,144,649	3.83	2013	4,050,361	746,097	5.43	
2014	4,400,316	1,505,608	2.92	2014	4,505,268	738,691	6.10	
2015	4,372,348	1,505,608	2.90	2015	4,550,013	738,595	6.16	
2016	4,406,873	1,519,042	2.90	2016	4,573,905	738,595	6.19	
2017	4,430,001	1,526,686	2.90	2017	4,650,764	738,635	6.30	
2018	4,626,689	1,519,062	3.05	2018	4,977,820	741,845	6.71	
Capital Improvement Revenue Note, Series 2009								
	Fiscal Year	Fees	Debt Service Annual Debt	Coverage				
	2009	\$ 2,322,719	\$ 68,212	34.05				
	2010	2,416,073	68,212	35.42				
	2011	2,185,142	68,212	32.03				
	2012	(6) -	-	-				
Utility Revenue Bonds/Notes								
Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	System Development Charges (3)	Total Pledged Revenues	Annual Debt Service	Coverage by Net Revenues	Coverage by Pledged Revenues	
2009	(4) 7,592,121	5,073,832	391,821	2,872,614	1,190,044	2.12	2.41	
2010	7,851,710	4,882,903	182,467 (8)	3,141,526	1,268,697	2.34	2.48	
2011	(7) 13,949,977	6,449,660	96,294 (8)	7,596,611	3,092,305	2.43	2.46	
2012	13,966,585	6,474,093	300,931 (8)	7,793,423	3,610,808	2.08	2.16	
2013	13,984,595	6,397,423	83,243	7,670,415	3,608,329	2.10	2.13	
2014	14,001,317	7,179,605	814,576	7,636,288	2,783,972	2.45	2.74	
2015	14,582,323	7,264,468	1,193,084	8,510,939	3,168,561	2.31	2.69	
2016	15,767,567	7,939,972	617,386	8,444,981	3,491,672	2.24	2.42	
2017	18,251,557	8,460,281	251,204	10,042,480	3,588,941	2.73	2.80	
2018	18,197,822	9,402,843	248,473	9,043,452	3,631,334	2.42	2.49	

Notes:

- (1) Gross revenue of the System is computed per bond resolution requirements, and is equivalent to revenue recognized under generally accepted accounting principles (GAAP). The bond resolution defines the System as collectively, the Water System, the Sewer System, the Reuse System and the Stormwater System.
- (2) "Direct operating expense" of the system is computed per bond resolution requirements, and is equal to expenses recognized under GAAP (less interest, depreciation, and amortization expense), losses on disposal of fixed assets, and non-recurring transfers out.
- (3) Reflects the minimum of: 1) the System Development Charges collected; or ii) the annual Bond Service Requirement on the the Outstanding and Additional Bonds multiplied by the respective Water and Sewer Expansion Percentage.
- (4) Restated in Fiscal Year 2010.
- (5) Public Improvement Revenue Bonds and Capital Improvement Revenue Bonds/Notes were refinanced in Fiscal Year 2012.
- (6) During FY12 refinance, Capital Improvement Revenue Note, Series 2009 was included with the Capital Revenue Improvement Bonds/Notes.
- (7) Restated in Fiscal Year 2012
- (8) System Development Charges were restated in Fiscal Year 2013
- (9) Restated amount in Fiscal Year 2013 to include electric franchise fees.

Fiscal Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment (2)	Unemployment Rate
2009	33,529	1,310,112	39,074 (5)	36.3 (1)	7,924	8.3% (3)
2010	33,316	1,197,577	35,946 (5)	35.6 (1)	7,836	8.7% (3)
2011	33,969	1,248,599	36,757 (5)	36.3 (1)	7,795	7.9% (3)
2012	34,573	1,308,035	37,834 (5)	35.3 (1)	7,743	8.9% (3)
2013	34,965	1,374,614	39,314 (5)	36.4 (1)	7,739	5.7% (6)
2014	36,251	1,430,791	39,469 (5)	39.0 (4)	7,676	5.1% (3)
2015	36,819	1,521,692	41,329 (5)	38.9 (4)	7,710	4.6% (3)
2016	37,128	1,625,724	43,787 (5)	38.1 (1)	7,760	4.3% (3)
2017	37,128	1,649,857	44,437 (5)	38.1 (1)	7,979	3.0% (3)
2018	39,739	1,837,174	46,231 (5)	39.2 (1)	8,159	2.6% (3)

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

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

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

(4) Source: US Census Bureau

(5) Source: Bureau of Economic Analysis; Seminole County (11 month lag). New statistics for 2017. Revised statistics for 2009-2016

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

Employer	2018			2009		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees	Rank	Percentage of Total City Employment
Seminole County School System	698 (2)	1	6.04%	888	1	13.85%
Oviedo Medical Center	526	2	4.55%			
Publix Super Markets	524	3	4.54%	525	2	8.19%
City of Oviedo	389	4	3.37%	320	3	4.99%
CKS Masonry & Concrete, Inc.	120	5	1.04%			
Swell Construction	110	6	0.95%			
A Duda & Sons, Inc	105	7	0.91%	104	4	1.62%
O2B Kids 9, LLC.	87	8	0.75%			
Miller's Ale House	85	9	0.74%			
Winn Dixie Stores, Inc.	76	10	0.66%	99	5	1.54%
	<u>2,720</u>		<u>23.54%</u>	<u>1,936</u>		<u>30.19%</u>

(1) The City has been unable to obtain 2018 Principal Employer information from its sources. Consequently, the 2017 Principal Employer data is presented.

(2) Includes permanently assigned employees at Evans, Lawton, Partin & Stenstrom Elementary Schools and Chiles & Jackson Heights Middle Schools and Oviedo High School

City of Oviedo, Florida
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Table 17

Function	Full-time Equivalent Employees as of September 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	89.50	63.75	48.75	44.25	51.25	51.50	54.75	57.98	53.70	52.70
Public Safety:										
Police										
Officers	63.00	63.00	62.00	62.00	63.00	67.00	67.00	69.00	70.00	72.00
Civilians	19.00	17.00	17.00	11.00	9.00	6.00	6.00	6.00	6.625	6.750
Fire										
Firefighters and officers	50.00	51.00	50.00	52.00	52.00	53.00	53.00	53.00	53.00	53.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Public Works	37.00	34.00	37.00	38.00	36.00	36.00	40.00	37.22	40.00	43.00
Parks and Recreation (1)	59.00	57.00	56.00	56.00	54.00	57.00	64.00	68.69	74.19	76.44
Stormwater (3)	10.50	10.25	10.25	11.75	9.75	10.50	10.25	11.00	12.00	12.50
Total (2)	<u>333.00</u>	<u>301.00</u>	<u>286.00</u>	<u>280.00</u>	<u>280.00</u>	<u>286.00</u>	<u>300.00</u>	<u>307.89</u>	<u>314.52</u>	<u>321.39</u>

Notes:

- (1) Includes seasonal and temporary employees
- (2) Fiscal years 2004-2012 were amended to correspond with the Full-time equivalent employees per function as stated in the Annual Budget Books.
- (3) Prior to FY 2017, Stormwater employees were reported under General Government. Beginning in FY 2017, Stormwater was broken out and moved to an Enterprise Fund. Fiscal Years 2009-2016 have been restated to show the allocation of General Government employees to Stormwater.

Source: Annual budget books - Position Authorization Summaries

City of Oviedo, Florida
Operating Indicators by Function
 Last Ten Fiscal Years

Table 18

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Traffic and parking violations	4,669	3,618	4,616	3,367	5,127	4,710	7,575	6,366	6,510	8,236
Physical arrests	977	1,051	937	676	640	772	1,290	1,023	1,310	1,155
Complaints	52,554	32,486	46,883	44,431	45,519	41,489	52,981	47,770	47,825	48,210
Fire										
Construction inspections	1,249	1,652	1,198	367	385	196	391	390	344	335
Hydrant inspections	800	1,128	1,140	1,140	1,140	500	1,143	1,225	1,244	1,281
Number of emergency calls answered	4,228	3,919	3,894	4,076	4,113	3,728	4,156	4,170	4,311	4,208
Medical Transports	1,427	1,418	1,443	1,493	1,541	1,453	1,663	1,657	1,612	1,591
Highways and streets										
Streets paved (miles)	6.2	6.2***	6.11	6.54	3.80	2.75	6.20	5.00	6.70	3.2
Streets resurfaced (tons/asphalt)	4,782	6,150	4,926	5,223.50	3,754	2,284	6,741	4,821	6,198	3,216
Sidewalks/bike paths built or repaired (square feet)	54,585	131,395	75,330	22,275	75,130	57,642	51,643	76,480	45,622	46,251
Parks and recreation										
Sports Complex ball games	2,395	2,346	2,359	1,985	1,838	1,854	1,809	1,719	1,683	1,502
Field Rentals	31	59	57	89	40	45	46	34	45	43
Swimming Pool Passes	393	393	379	298	269	177	1,418	866	689	701
Water										
New connections	99	317	32	206	21	393	694	200	382	1,779
Number of customers	11,979	12,296	12,328	12,534	12,555	12,948	12,902	13,150	13,447	13,531
Water main breaks	1	2	1	-	2	1	1	-	1	1
Average daily consumption (millions of gallons)	3.71	3.55	4.00	3.80	3.45	3.39	3.62	3.51	4.85	3.44
Average daily production (millions of gallons)	4.00	3.68	4.17	3.80	3.95	4.30	4.07	4.65	6.57	4.54
Meter reads (annual)	143,747	149,052	150,628	153,190	150,658	155,376	154,824	157,800	161,364	220,560
General Government										
Employment applications received	664	851	1,328	938	1,172	1,221	2,072	1,751	1,683	1,854
Personnel Action Forms processed	422	394	281	417	406	396	328	313	378	479
Legal Notices published	74	67	61	51	66	46	78	61	35	31
Business Tax Receipts issued	4,081	4,119	4,310	3,947	4,098	4,252	3,250	4,678	4,086	4,018
Insurance Claims Submitted	49**	47	30	20	34	33	26	37	34	37
Permits issued	2,727	2,952	3,071	2,726	3,098	2,312	4,119	5,191	5,122	5,545
Number of general ledger transactions posted	177,685	186,569	176,335	210,509	146,654	145,491	161,705	163,313	162,933	166,213
A/P Checks issued	5,583	5,385	5,252	5,073	6,035	5,563	4,986	5,040	5,028	5,275
Purchase orders/FPO's processed	3,142	3,322	3,011	2,908	2,497	2,264	2,453	3,141	2,541	622****

Notes:

- * Information not available
- ** Restated 09/30/2010
- *** Restated 09/30/2011
- **** Transition from FPO's to Direct Pay

City of Oviedo, Florida
Capital Asset Statistics by Function
 Last Ten Fiscal Years

Table 19

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicle patrol units	49	42	41	39	38	39	39	41	42	38
Motorcycle patrol units	4	4	4	4	4	4	-	-	-	2
Bicycle patrol units	19	18	21	14	14	14	14	14	14	14
Fire stations	3	3	3	3	3	3	3	2	2	2
Highways and streets										
Streets maintained - paved (miles)	115.28	116.78	117.00	117.30	117.90	117.90	117.90	117.90	117.90	128.94
Streets maintained - unpaved (miles) (1)	7.89	7.39	7.19	6.90	6.90	6.90	6.90	6.90	6.90	0.40
Traffic Signals	20	23	23	25	26	25	26	26	26	29
Culture and recreation										
Park acreage	482	482	482	482	482	482	482	482	482	519
Parks	12	12	12	12	12	12	13	13	13	13
Tennis courts	8	8	8	8	8	8	8	8	8	8
Community centers	2	2	2	3	3	3	4	4	4	4
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Water										
Water plants	2	1	1	1	1	1	1	1	1	1
Water mains (miles)	160	175	175	176	176	180	180	185	188	191
Fire hydrants	1,124	1,124	1,124	1,126	1,126	1,300	1,144	1,155	1,246	1,273
Maximum daily capacity (millions of gallons)	17.24	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Sewer										
Wastewater plants	-	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	32.30	106.00	108.00	110.00	110.00	121.00	121.72	124.00	130.00	131.00
Sanitary lift stations	*	64	65	66	66	67	68	69	69	70
Reclaim										
Reclaim lines (miles)	26.00	53.30	53.30	57.80	57.80	61.00	61.06	63.00	70.00	73.00

Notes:

- * Information not available
- (1) The Pavement Management System Report was updated in FY 2018 and shows that the City has .40 gravel roads that it maintains.

Other Supplemental Schedules

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Florida

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Utility Bond Issue Continuing Disclosure
Summary of Capital Improvement Funding Plan (\$000s)
 September 30, 2018

	Fiscal Year Ending September 30,											Total
	2018 [1]	2019 [2]	2020 [2]	2021 [2]	2022 [2]	2023 [2]	2024 [2]	2025 [2]	2026 [2]	2027 [2]	2028 [2]	
Capital Projects:												
Water System	\$ 875,250	\$ 725,500	\$ 3,680,000	\$ 480,000	\$ 522,000	\$ 488,000	\$ 750,000	\$ 2,050,720	\$ 565,000	\$ 554,000	\$ 554,000	\$ 11,244,470
Sewer System [3]	970,000	764,000	2,182,000	390,000	315,000	315,000	315,000	385,720	363,000	375,000	375,000	6,749,720
Reclaim System	335,000	-	637,000	265,000	2,383,859	-	4,229,747	-	-	-	-	7,850,606
Alafaya System	345,000	730,000	1,069,500	945,000	495,000	545,000	495,000	545,000	495,000	545,000	495,000	6,704,500
Stormwater System	587,000	182,000	494,000	635,000	258,213	557,188	548,000	359,840	270,000	192,000	192,000	4,275,241
Total Utility System												
Capital Projects	\$ 3,112,250	\$ 2,401,500	\$ 8,062,500	\$ 2,715,000	\$ 3,974,072	\$ 1,905,188	\$ 6,337,747	\$ 3,341,280	\$ 1,693,000	\$ 1,666,000	\$ 1,616,000	\$ 36,824,537
Funding Sources:												
Fund Equity (Available												
Reserves or Unfunded)	\$ 643,000	\$ 382,000	\$ 1,035,000	\$ 695,000	\$ 2,569,072	\$ 257,188	\$ 4,729,747	\$ -	\$ -	\$ -	\$ -	\$ 10,311,007
New Debt	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Debt -												
2007 Utility Revenue Note	-	-	-	-	-	-	-	-	-	-	-	-
Series 2010 Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Bank of America Lease	-	-	-	-	-	-	-	-	-	-	-	-
SRF Loan	-	-	-	-	-	-	-	-	-	-	-	-
Renewal and Replacement												
Fund	830,250	1,550,000	3,039,500	1,815,000	1,290,000	1,340,000	1,290,000	1,340,000	1,290,000	1,340,000	1,290,000	16,414,750
SRF Loan	-	-	-	-	-	-	-	-	-	-	-	-
System Development												
Charges	1,260,000	135,000	3,650,000	-	-	-	-	1,500,000	-	-	-	6,545,000
Vehicle Replacement Fund	379,000	334,500	338,000	205,000	115,000	308,000	318,000	501,280	403,000	326,000	326,000	3,553,780
Total Funding Sources	\$ 3,112,250	\$ 2,401,500	\$ 8,062,500	\$ 2,715,000	\$ 3,974,072	\$ 1,905,188	\$ 6,337,747	\$ 3,341,280	\$ 1,693,000	\$ 1,666,000	\$ 1,616,000	\$ 36,824,537

Notes:

[1] Source: City of Oviedo; FY 2017/18 Adopted Budget Book

[2] Source: City of Oviedo; FY 2018/19 Adopted Budget Book

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

Source: City of Oviedo Finance Department

Description	Current City Rates
<u>Residential Water:</u>	
Monthly Base Charge per Dwelling Unit	\$ 12.05
<u>Usage Charge per Thousand Gallons</u>	
Block 1 (0 -3,000 Gallons)	\$ 1.00
Block 2 (3,001 -10,000 Gallons)	\$ 2.21
Block 3 (10,001 -15,000 Gallons)	\$ 4.18
Block 4 (15,001 -30,000 Gallons)	\$ 5.95
Block 5 (Above 30,000 Gallons)	\$ 6.99
<u>Commercial Water:</u>	
<u>Monthly Base Charge per Account</u>	
5/8" Meter	\$ 12.05
1" Meter	\$ 30.15
1 1/2" Meter	\$ 60.32
2" Meter	\$ 96.47
3" Meter	\$ 180.90
4" Meter	\$ 301.49
6" Meter	\$ 602.96
Usage Charge per Thousand Gallons	\$ 3.00
<u>Residential Irrigation (Potable Water):</u>	
Monthly Base Charge per Account	\$ 12.05
<u>Usage Charge per Thousand Gallons</u>	
Block 1 (0 -10,000 Gallons)	\$ 4.18
Block 2 (10,001 -15,000 Gallons)	\$ 5.95
Block 3 (Above 15,000 Gallons)	\$ 7.01
<u>Commercial Irrigation (Potable Water):</u>	
<u>Monthly Base Charge per Account</u>	
5/8" Meter	\$ 12.05
1" Meter	\$ 30.15
1 1/2" Meter	\$ 60.32
2" Meter	\$ 96.47
3" Meter	\$ 180.90
4" Meter	\$ 301.49
6" Meter	\$ 602.96
Usage Charge per Thousand Gallons	\$ 4.68
<u>Wholesale Water</u>	
All Usage (per Thousand Gallons)	\$ 1.58

Note:

[1] Amounts shown are inside-City Rates. For customers located outside City limits, a 25% surcharge is added to the inside-City Rates. As of September 2018, the City reports that 0.6% of water customers are located outside the City limits (82 customers).

Source: City of Oviedo Finance Department

Description	Service Area	
	Alafaya	City
Residential Sewer:		
Monthly Base Charge per Dwelling Unit	\$ 31.72	\$ 24.90
Usage Charge per Thousand Gallons (Up 10,000 Gallons)	\$ 4.27	\$ 4.57
Commercial Sewer:		
Monthly Base Charge per Account		
5/8" Meter	\$ 31.72	\$ 24.90
1" Meter	\$ 78.15	\$ 62.26
1 1/2" Meter	\$ 158.75	\$ 124.52
2" Meter	\$ 254.00	\$ 199.23
3" Meter	\$ 507.98	\$ 373.56
4" Meter	\$ 793.71	\$ 622.60
6" Meter	\$ 1,586.35	\$ 1,245.21
Usage Charge per Thousand Gallons	\$ 4.27	\$ 4.57
Note:		
[1]	Amounts shown are derived from Rate Resolution and reflect inside-City Rates. For customers located outside City limits, a 25% surcharge shall be added to the inside-City Rates.	

Source: City of Oviedo Finance Department

Description	Current City Rates
<u>Residential Reclaimed/Alternative Water:</u>	
Monthly Base Charge per Account	\$ 11.04
<u>Usage Charge per Thousand Gallons</u>	
Block 1 (0 -15,000 Gallons)	\$ 1.32
Block 2 (15,001 -30,000 Gallons)	\$ 1.97
Block 3 (Above 30,000 Gallons)	\$ 3.93
<u>Commercial Reclaimed/Alternative Water:</u>	
<u>Monthly Base Charge per Account</u>	
5/8" Meter	\$ 11.04
1" Meter	\$ 27.62
1 1/2" Meter	\$ 24.32
2" or Greater	\$ 88.37
Usage Charge per Thousand Gallons	\$ 1.32

Note:

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

Source: City of Oviedo Finance Department

Description	Service Area		
	Water	Sewer	Total
	(assuming 8,000 gal of utility service)		
City of Oviedo			
Current Rates -Existing City Utility System	\$ 26.10	\$ 61.46	\$ 87.56
Current Rates -Alafaya System	\$ 26.10	\$ 65.88	\$ 91.98
Other Florida Utilities [1]			
City of Altamonte Springs	\$ 21.44	\$ 39.87	\$ 61.31
City of Casselberry	\$ 26.98	\$ 70.77	\$ 97.75
City of Cocoa	\$ 45.39	\$ 69.05	\$ 114.44
City of Deland	\$ 31.96	\$ 80.14	\$ 112.10
City of Deltona	\$ 31.12	\$ 157.69	\$ 188.81
City of Maitland	\$ 21.80	\$ 62.21	\$ 84.01
City of Melbourne	\$ 44.56	\$ 66.63	\$ 111.19
City of Orlando/O.U.C.	\$ 16.08	\$ 54.89	\$ 70.97
City of Sanford	\$ 26.15	\$ 55.51	\$ 81.66
City of St. Cloud	\$ 28.02	\$ 51.61	\$ 79.63
City of Titusville	\$ 39.92	\$ 74.66	\$ 114.58
City of Winter Park	\$ 20.46	\$ 47.55	\$ 68.01
City of Winter Springs	\$ 16.74	\$ 47.51	\$ 64.25
Orange County	\$ 18.32	\$ 46.99	\$ 65.31
Seminole County	\$ 22.60	\$ 60.38	\$ 82.98
Volusia County -Softened	\$ 48.17	\$ 57.63	\$ 105.80
Other Neighboring Utilities Average	\$ 28.73	\$ 65.19	\$ 93.93

Note:

[1] Unless otherwise noted, amounts shown reflect residential rates in effect September 2018 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.

Source: City of Oviedo Finance Department

Utility Bond Issue Continuing Disclosure
Water System Rates

Inter-Utility Comparison of Typical Monthly Water Bills [1]

Line No.	Comparable Utility	Usage					
		3,000 Gallons	5,000 Gallons	8,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
5/8" Meter Residential							
1	City of Oviedo, Existing City Utility	\$ 15.05	\$ 19.47	\$ 26.10	\$ 30.52	\$ 51.42	\$ 81.17
2	City of Oviedo, Alafaya System	15.05	19.47	26.10	30.52	51.42	81.17
Other Florida Utilities:							
3	City of Altamonte Springs	7.79	12.99	21.44	27.94	44.19	60.44
4	City of Casselberry	14.09	18.58	26.98	36.46	60.16	83.86
5	City of Cocoa	24.21	30.41	45.39	57.27	92.37	131.07
6	City of DeLand	17.93	21.97	31.96	38.62	64.87	96.17
7	City of Deltona	17.38	20.80	31.12	38.00	68.05	98.10
8	City of Maitland	14.12	16.68	21.80	25.64	37.16	55.08
9	City of Melbourne	21.71	30.85	44.56	53.70	76.55	99.40
10	City of Orlando / O.U.C.	10.01	12.22	16.08	19.39	27.67	37.38
11	City of Sanford	13.65	18.09	26.15	31.99	49.17	68.07
12	City of St. Cloud	16.85	20.91	28.02	33.10	48.11	67.40
13	City of Titusville	19.30	25.64	39.92	49.44	81.09	141.26
14	City of Winter Park	12.19	15.15	20.46	25.52	40.72	61.42
15	City of Winter Springs	9.94	12.66	16.74	19.46	29.36	42.46
16	Orange County	10.52	13.64	18.32	21.44	36.99	52.54
17	Seminole County	16.90	19.18	22.60	24.88	34.28	51.38
18	Volusia County - Softened	25.74	33.62	48.17	57.87	82.92	110.57
19	Average [2]	15.77	20.21	28.73	35.05	54.60	78.54
20	Minimum [2]	7.79	12.22	16.08	19.39	27.67	37.38
21	Maximum [2]	25.74	33.62	48.17	57.87	92.37	141.26
2" Meter Commercial							
		50,000 Gallons	150,000 Gallons	200,000 Gallons	500,000 Gallons		
22	City of Oviedo, Existing City Utility	\$ 246.47	\$ 546.47	\$ 696.47	\$ 1,596.47		
23	City of Oviedo, Alafaya System	246.47	546.47	696.47	1,596.47		
Other Florida Utilities:							
24	City of Altamonte Springs	162.69	497.69	665.19	1,670.19		
25	City of Casselberry	162.62	609.46	961.26	3,244.26		
26	City of Cocoa	318.84	765.16	1,062.16	3,624.44		
27	City of DeLand	174.83	672.53	985.53	2,863.53		
28	City of Deltona	238.45	567.45	731.95	1,718.95		
29	City of Maitland	185.24	391.24	494.24	1,112.24		
30	City of Melbourne	292.50	749.50	978.00	2,349.00		
31	City of Orlando / O.U.C.	104.27	265.97	346.82	831.92		
32	City of Sanford	168.38	506.82	710.22	2,384.22		
33	City of St. Cloud	200.48	454.48	581.48	1,343.48		
34	City of Titusville	290.93	688.93	887.93	2,081.93		
35	City of Winter Park	138.90	427.16	634.16	1,933.16		
36	City of Winter Springs	109.36	316.36	419.86	1,040.86		
37	Orange County	110.98	266.98	344.98	812.98		
38	Seminole County	359.24	1,432.24	1,968.74	5,187.74		
39	Volusia County - Softened	412.16	1,051.16	1,370.66	3,287.66		
40	Average [2]	214.37	603.95	821.45	2,217.91		
41	Minimum [2]	104.27	265.97	344.98	812.98		
42	Maximum [2]	412.16	1,432.24	1,968.74	5,187.74		

Notes:

[1]

Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during September 2018, and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.

[2]

Average, minimum and maximum are for comparable utilities only.

**Utility Bond Issue Continuing Disclosure
Wastewater System Rates**

Inter-Utility Comparison of Typical Monthly Water Bills [1]

Line No.	Comparable Utility	Usage					
5/8" Meter Residential							
		3,000 Gallons	5,000 Gallons	8,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
1	City of Oviedo, Existing City Utility	\$ 38.61	\$ 47.75	\$ 61.46	\$ 70.60	\$ 70.60	\$ 70.60
2	City of Oviedo, Alafaya System	44.53	53.07	65.88	74.42	74.42	74.42
Other Florida Utilities:							
3	City of Altamonte Springs	14.89	24.79	39.87	50.23	55.41	55.41
4	City of Casselberry	33.95	47.76	70.77	86.11	124.46	162.81
5	City of Cocoa	34.90	48.56	69.05	82.71	96.37	96.37
6	City of DeLand	55.99	65.65	80.14	89.80	89.80	89.80
7	City of Deltona	65.52	96.76	157.69	198.31	198.31	198.31
8	City of Maitland	33.31	44.87	62.21	73.77	102.67	131.57
9	City of Melbourne	32.38	46.08	66.63	80.33	114.58	148.83
10	City of Orlando / O.U.C.	32.29	41.33	54.89	63.93	82.01	82.01
11	City of Sanford	26.81	38.29	55.51	66.99	78.47	78.47
12	City of St. Cloud	30.06	38.68	51.61	60.23	81.78	103.33
13	City of Titusville	36.91	52.01	74.66	89.76	127.51	127.51
14	City of Winter Park	24.20	33.54	47.55	56.89	75.57	75.57
15	City of Winter Springs	25.01	34.01	47.51	56.51	56.51	56.51
16	Orange County	28.04	35.62	46.99	54.57	69.73	69.73
17	Seminole County	36.03	45.77	60.38	70.12	94.47	118.82
18	Volusia County - Softened	34.98	44.04	57.63	66.69	89.34	111.99
19	Average [2]	34.08	46.11	65.19	77.93	96.06	106.69
20	Minimum [2]	14.89	24.79	39.87	50.23	55.41	55.41
21	Maximum [2]	65.52	96.76	157.69	198.31	198.31	198.31
2" Meter Commercial							
		50,000 Gallons	150,000 Gallons	200,000 Gallons	500,000 Gallons		
22	City of Oviedo, Existing City Utility	\$ 427.73	\$ 884.73	\$ 1,113.23	\$ 2,484.23		
23	City of Oviedo, Alafaya System	467.50	894.50	1,108.00	2,389.00		
Other Florida Utilities:							
24	City of Altamonte Springs	268.46	808.46	1,078.46	2,698.46		
25	City of Casselberry	445.45	1,212.45	1,595.95	3,896.95		
26	City of Cocoa	476.61	1,159.61	1,501.11	3,550.11		
27	City of DeLand	453.87	936.87	1,178.37	2,627.37		
28	City of Deltona	967.27	2,653.27	3,496.27	8,554.27		
29	City of Maitland	416.76	994.76	1,283.76	3,017.76		
30	City of Melbourne	437.14	1,122.14	1,464.64	3,519.64		
31	City of Orlando / O.U.C.	359.79	1,079.36	1,439.14	3,597.86		
32	City of Sanford	377.22	951.22	1,238.22	2,960.22		
33	City of St. Cloud	306.78	737.78	953.28	2,246.28		
34	City of Titusville	600.64	1,503.64	1,955.14	4,664.14		
35	City of Winter Park	315.02	782.02	1,015.52	2,416.52		
36	City of Winter Springs	314.84	764.84	989.84	2,339.84		
37	Orange County	301.44	680.44	869.94	2,006.94		
38	Seminole County	414.86	901.86	1,145.36	2,606.36		
39	Volusia County - Softened	397.77	850.77	1,077.27	2,436.27		
40	Average [2]	428.37	1,071.22	1,392.64	3,321.19		
41	Minimum [2]	268.46	680.44	869.94	2,006.94		
42	Maximum [2]	967.27	2,653.27	3,496.27	8,554.27		

Notes:

[1] Unless otherwise indicated, amounts shown reflect single-family residential and commercial service rates in effect during September 2018, and are exclusive of utility taxes or franchise fees, if any, and reflect "inside the City limits" service, all as reported by each indicated utility. This comparison is intended to show comparable charges for similar services for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each indicated utility.

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

Description	System Development Charges		
	Water	Sewer	Combined
	(rate per ERC)		
Existing City Service [1]	\$ 2,325	\$ 3,369	\$ 5,694
Alafaya Service Area	\$ 2,325	\$ 2,403	\$ 4,728
Neighboring Utilities Average [2]	\$ 914	\$ 2,701	\$ 3,615

Notes:

- [1] The City's existing Sewer System Development Charge includes \$2,229 remitted to Seminole County for treatment and disposal capacity and \$1,140 retained by the City.
- [2] Refer to Comparison of Water and Sewer System Development Charges table below.

Source: City of Oviedo Finance Department

COMPARISON OF WATER AND SEWER SYSTEM DEVELOPMENT CHARGES [1]

Description	Residential 5/8" x 3/4" Meter		
	Water	Sewer	Combined
Other Neighboring Utilities:			
City of Altamonte Springs	\$ 600	\$ 1,855	\$ 2,455
City of Casselberry	\$ 486	\$ 2,078	\$ 2,564
City of Lake Mary	\$ 1,010	\$ 2,664 [2]	\$ 3,674
City of Longwood	\$ 1,449	\$ 4,029	\$ 5,478
City of Sanford	\$ 1,343	\$ 3,025 [2]	\$ 4,368
City of Winter Springs	\$ 595	\$ 2,556	\$ 3,151
Other Neighboring Utilities' Average	914	\$ 2,701	\$ 3,615

Notes:

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect September 2018 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.
- [2] The City's existing Sewer System Development Charge includes \$2,229 remitted to Seminole County for treatment and disposal capacity and \$1,140 retained by the City.

Source: City of Oviedo Finance Department

Fiscal Year Ending September 30,	Average Annual		Billed Sales (1,000 gallons)	Average Use (Gal/Mo/ERC)
	Accounts	ERCs [1]		
2013	12,981	14,764	1,303,064	7,355
2014	13,071	14,984	1,246,406	6,932
2015	13,102	15,095	1,264,709	6,982
2016	13,247	15,235	1,302,165	7,123
2017	13,610	16,104	1,464,240	7,577
2018	13,751	16,280	1,297,380	6,641
Average Annual Historical Growth Rate	1.2%	2.0%	0.2%	-1.8%

Note:

[1] ERC's for single-family residential accounts and non-residential services were determined by using meter equivalent factors based on information published by the American Water Works Association (AWWA) regarding meter capacities applied to the individual meter sizes for those classes of customers.

Water Production (Finished Water)

Fiscal Year Ending September 30,	Production (1,000 gal) [1] [2]	Avg Daily Flow (MGD) [2]	Percent Capacity	
			MGD [2]	Utilized
2013	1,363,490	3,736	4,674	79.9%
2014	1,390,382	3,809	4,674	81.5%
2015	1,485,417	4,070	4,674	87.1%
2016	1,259,000	3,449	4,674	73.8%
2017	1,353,000	3,707	4,674	79.3%
2018	1,547,366	4,239	4,674	90.7%

Notes:

[1] Amounts adjusted for an unaccounted for or unbilled water factor of 6.00% based on recent historical trends.
 [2] Amount based on permitted capacity per the City's CUP. Amount excludes the City's potable water capacity allocation of 262,500 gallons per day from the County per the Crossing Wholesale Agreement discussed earlier. Based on historical trends, purchased water pursuant to the Crossing Wholesale Agreement is approximately 54,000 gallons per day.

Source: City of Oviedo Finance Department

Utility Bond Issue Continuing Disclosure

Sewer System and Reclaimed Water System Customer and Sales Statistics

September 30, 2018

Fiscal Year Ending September 30,	Average Annual		Billed Sales [2] (1,000 gallons)	Average Billed (Gal/Mo/ERC)
	Accounts	ERCs [1]		
<u>Sewer System:</u>				
2014	9,568	10,916	704,855	5,381
2015	9,637	10,862	717,477	5,504
2016	9,866	11,126	728,626	5,457
2017	10,219	11,247	758,353	5,619
2018	10,373	11,793	763,611	5,396
Average Annual Historical Growth Rate	2.0%	2.0%	2.0%	0.1%

Notes:

- [1] ERC's for single-family residential accounts and non-residential services were determined by using meter equivalent factors based on information published by the American Water Works Association (AWWA) regarding meter capacities applied to the individual meter sizes for those classes of customers.
- [2] Billed sales based on metered water use; amounts shown do not include any monthly residential water usage above 10,000 gallons per unit based on the City's sewer billing cap as set forth in the Rate Resolution.

	Average Annual Accounts	Annual Usage (1,000 gallons)	Average Use (Gal/Mo/Acct)
<u>Reclaimed Water System:</u>			
2014	2,798	357,034	10,634
2015	2,847	369,068	10,803
2016	3,044	380,092	10,405
2017	3,213	469,048	12,165
2018	3,390	487,979	11,996
Average Annual Historical Growth Rate	4.9%	8.1%	3.1%

Source: City of Oviedo Finance Department

Utility Bond Issue Continuing Disclosure
Utility Enterprise System Top Ten Utility Customers
September 30, 2018

Rank	Account	Service Class	Type of Service	Rate Revenues	
				Total Annual [1]	Pct of Total [2]
Utility Enterprise System					
1	CPG Construction	Multi-family	Water/Sewer	\$ 194,613	1.35%
2	Seminole County Public Schools	Government	Water/Sewer	194,486	1.35%
3	Paradigm Properties, Inc.	Multi-family	Water/Sewer	184,455	1.28%
4	Oviedo Mall Holdings, LLC	Commercial	Water/Sewer	179,137	1.24%
5	Inland Res Real Estate, LLC	Multi-family	Water/Sewer	152,583	1.06%
6	Central Florida Regional Hospital	Commercial	Water/Sewer	52,760	0.37%
7	Park Place Apartments	Commercial	Water/Sewer	50,413	0.35%
8	Publix Supermarkets	Commercial	Water/Sewer	43,899	0.31%
9	Seminole County	Government	Water	37,695	0.26%
10	Mitchell Hammock Car Wash	Commercial	Water/Sewer	35,454	0.25%
Total				\$ 1,125,494	7.82%

Total Utility Enterprise System Rate Revenues

\$ 14,390,372

Rank	Account	12-Month Usage [3]	Percent of Total	Revenue Generated	Percent of Total
Ten Largest Water Users					
1	Oviedo Mall Holdings, LLC	26,170	2.08%	97,029	1.79%
2	Seminole County Public Schools	24,385	1.94%	94,599	1.75%
3	Seminole County	19,195	1.53%	37,695	0.70%
4	CPG Construction	14,615	1.16%	56,967	1.05%
5	Paradigm Properties, Inc.	11,065	0.88%	59,988	1.11%
6	Park Place Apartments	5,844	0.47%	31,233	0.58%
7	Inland Res Real Estate, LLC	5,638	0.45%	45,490	0.84%
8	Mitchell Hammock Car Wash, LLC	4,251	0.34%	13,879	0.26%
9	Publix Supermarkets	4,241	0.34%	18,384	0.34%
10	Central Florida Regional Hospital	4,194	0.33%	19,772	0.37%
Total		119,598	9.52%	\$ 475,035	8.77%
Total Water System Billed Usage		1,256,198			
Total Water System Rate Revenues				\$ 5,416,363	

Ten Largest Sewer Users

1	CPG Construction	14,574	1.91%	137,646	1.80%
2	Seminole County Public Schools	13,156	1.72%	99,887	1.31%
3	Paradigm Properties, Inc.	11,065	1.37%	124,467	1.08%
4	Oviedo Mall Holdings, LLC	10,493	0.74%	82,108	1.40%
5	Inland Res Real Estate, LLC	5,638	0.56%	107,093	0.28%
6	Mitchell Hammock Car Wash, LLC	4,251	0.52%	21,576	0.43%
7	Central Florida Regional Hospital	3,959	0.42%	32,988	0.33%
8	Publix Supermarkets	3,195	0.52%	25,514	0.43%
9	Millers Ale House	3,008	0.42%	14,394	0.33%
10	Park Place Apartments	2,253	0.39%	19,180	0.19%
Total		71,592	8.57%	\$ 664,854	7.60%
Total Sewer System Billed Sales		763,611			
Total Sewer System Rate Revenues				\$ 7,628,667	

Notes:

- [1] Represents Potable Water, Sewer and Reclaimed Water.
[2] Based on Total Utility Enterprise System Rate Revenues for the 12-month period.
[3] Presented in 1,000 gallons.

Source: City of Oviedo Finance Department

Fiscal Year Ending September 30, 2018	Average Annual Accounts	Average Annual ERUs [1]
2014	12,754	18,614
2015	12,783	18,797
2016	12,898	18,598
2017	13,258	19,474
2018	13,407	19,716
Average Annual Historical Growth Rate	1.3%	1.4%

Stormwater Top Ten Customers - Fiscal Year 2018 (Based on Billed Revenues)

		Service Class	Rate Revenues	
			Total Annual	Pct of Total
1	Publix Supermarkets	Commercial	\$ 47,835	1.96%
2	Paradigm Properties, Inc.	Multi-family	44,022	1.80%
3	Inland Res Real Estate, LLC	Multi-family	33,415	1.37%
4	CPG Construction	Multi-family	29,329	1.20%
5	Central Florida Regional Hospital	Commercial	18,813	0.77%
6	Reformed Theological Seminary	Commercial	16,753	0.69%
7	City Center SC, LLC	Commercial	14,088	0.58%
8	Most Precious Blood Catholic Church	Commercial	14,049	0.58%
9	LA Fitness	Commercial	12,228	0.50%
10	Winn Dixie	Commercial	12,106	0.50%
Total			\$ 242,638	9.94%
Total Stormwater System Rate Revenues			\$ 2,440,653	

Note:

[1] impervious surface area.

Source: City of Oviedo Finance Department

Utility Bond Issue Continuing Disclosure
Historical Operating Results and Estimated Bond Coverage
September 30, 2018

	Fiscal Year Ended September 30, [1]				
	2014	2015	2016	2017	2018
Total Sales Revenues [2]					
Potable Water	\$ 4,427,729	\$ 4,640,936	\$ 5,166,150	\$ 5,553,638	\$ 5,416,363
Sewer	6,006,983	6,283,714	6,851,036	7,320,785	7,628,667
Reclaimed Water	839,222	958,827	1,065,548	1,300,173	1,345,342
Stormwater System	1,552,369	1,578,967	1,562,208	2,040,464	2,440,653
Revenue from Other Sources:					
Other Operating Revenues [3]	936,775	967,097	1,036,413	1,112,411	1,030,073
Unrestricted Interest Income [4]	74,105	85,656	86,212	153,663	235,345
Total Gross Revenues	\$ 13,837,183	\$ 14,515,196	\$ 15,767,567	\$ 17,481,135	\$ 18,096,444
Cost of Operation and Maintenance [5]					
Water, Wastewater and Reclaimed Water Systems	\$ 6,372,067	\$ 6,233,705	\$ 6,869,995	\$ 7,177,217	\$ 8,099,251
Stormwater System	884,818	956,085	1,069,978	1,283,064	1,303,592
Total Cost of Operation and Maintenance	\$ 7,256,885	\$ 7,189,790	\$ 7,939,972	\$ 8,460,281	\$ 9,402,843
Net Revenues	\$ 6,580,298	\$ 7,325,406	\$ 7,827,595	\$ 9,020,853	\$ 8,693,601
Total Bond Service Requirement [6]	\$ 2,783,972	\$ 3,168,561	\$ 3,491,672	\$ 3,588,941	\$ 3,631,334
Senior Lien Bond Rate Covenant Compliance: [7]					
Test (i) - Net Revenues:					
Calculated Bond Service Coverage	2.36	2.31	2.24	2.51	2.39
Minimum Requirement	1.10	1.10	1.10	1.10	1.10
OR					
Test (ii) - Net Revenues:					
Calculated Bond Service Coverage [18]	2.36	2.31	2.24	2.51	2.39
Minimum Requirement	1.00	1.00	1.00	1.00	1.00
AND					
Net Revenues	\$ 6,580,298	\$ 7,325,406	\$ 7,827,595	\$ 9,020,853	\$ 8,693,601
System Development Charges Available for Bond Service Requirement [8]	916,609	1,193,084	617,386	251,204	248,473
Total Pledged Revenue	\$ 7,496,907	\$ 8,518,490	\$ 8,444,981	\$ 9,272,057	\$ 8,942,074
Calculated Debt Service Coverage [18]	2.69	2.69	2.42	2.58	2.46
Minimum Requirement	1.25	1.25	1.25	1.25	1.25
Subordinate Debt Service – Second Lien					
Adjusted Net Revenue [9]	3,517,929	3,839,990	3,986,755	5,073,018	4,699,134
Total Subordinate Lien Debt Service [10]	296,879	419,187	391,668	391,575	392,580
Calculated Debt Service Coverage	11.85	9.16	10.18	12.96	11.97
Minimum Requirement	1.15	1.15	1.15	1.15	1.15
Less Other Required Transfers [11]	-	-	-	-	-
Reserve Account Deposit [12]	-	-	-	-	-
Net Revenues after Payment of Debt Service	\$ 3,499,447	\$ 3,737,659	\$ 3,944,255	\$ 5,040,338	\$ 4,669,687
Less Other Recognized Transfers [13]					
Vehicle and Information Technology Equipment Replacement Funds [14]	\$ 88,872	\$ 115,969	\$ 174,176	\$ 190,146	\$ 113,350
Other Debt – Capital Leases [15]	383,126	382,905	289,639	289,580	289,519
Administrative Indirect Allocation	1,397,670	1,415,605	1,865,519	2,212,100	2,375,000
Total Other Recognized Transfers	\$ 1,869,668	\$ 1,914,479	\$ 2,329,334	\$ 2,691,826	\$ 2,777,869
Excess of Net Revenues above Transfers [16]	\$ 1,629,779	\$ 1,823,179	\$ 1,614,921	\$ 2,348,512	\$ 1,891,818
Total System Development Charges Collected [17]	\$ 973,346	\$ 1,193,084	\$ 617,386	\$ 251,204	\$ 248,473
Net Amount Available for Other Utility System Purposes	\$ 2,603,125	\$ 3,016,263	\$ 2,232,307	\$ 2,599,716	\$ 2,140,291

Footnotes on following page.

Footnotes:

- [1] Amounts reflect the combination of Utility Enterprise System and Stormwater System financial results. Numbers may not add due to rounding. During FY 2015, a thorough review of the account classifications was completed for FY's 2011-2014, which resulted in minor modifications to previous fiscal years.
- [2] Amounts shown reflect revenues derived from rates for monthly service for water, sewer, reclaimed water and stormwater service.
- [3] Amounts shown do not include revenues associated with proceeds from the sale or other disposition of the Utility System or any part thereof, condemnation awards or proceeds of issuance received with respect to the Utility System. Gross Revenues do not include Contributions in Aid of Construction, Water System Development Charges or Sewer System Development Charges. Amounts include, among other things, revenue from alternative water charges, meter installation charges, late penalty fees, reconnection fees, and miscellaneous charges for service. Amounts also include revenues from Build America Bond rebates. During FY 2014, a thorough review of the account classifications was completed for FY's 2011-2013, which resulted in minor modifications to previous fiscal years. During FY 2018 it was determined that developer contributions had been included in FY 2017, this was adjusted and reflects a decrease in FY 2017 Other Operating Revenues.
- [4] Amounts shown only reflect earnings from funds and accounts established by the City that are considered unrestricted (earnings not required to be retained in such funds and accounts and are available as a component of Net Revenues). Earnings from System Development Charges Fund, the Construction Fund established from previously issued Series 2007 Note and the Series 2010A and Series 2010B Utility Revenue Bond, are considered restricted to such accounts and not considered as a component of net available revenue for this analysis. Additionally, all fair market value adjustments to reflect unrealized changes in the market value of the City's investments have been recognized in order to report investment income that was earned and received by the City. Fiscal Year 2008 includes \$214,508 received from the FDOT on or about April 10, 2008, as part of the reimbursement for the McCulloch Road to Mitchell Hammock Road project. Fiscal Year 2010 recognizes \$279,794 received from the FDOT as part of the reimbursement for the SR 426 project. During FY 2014, a thorough review of the account classifications was completed for FY's 2011-2013, which resulted in minor modifications to previous fiscal years.
- [5] Amounts shown do not include depreciation and amortization expenses, which are non-cash expenses and are not considered as part of the Cost of Operation and Maintenance as defined in the Bond Resolution. Reserves for renewals and replacements, Payments in Lieu of Taxes (PILOT) and any administrative indirect expenses incurred by departments of the City other than those directly responsible for operating and maintaining the Utility System are not reflected as part of the Cost of Operation and Maintenance pursuant to the Bond Resolution. The payment of the administrative indirect expenses have been recognized as a required transfer after the payment of all required deposits delineated in the Bond Resolution (e.g. the Bond Service Requirement) for rate covenant evaluation purposes since the payment of such expenses are budgeted transfers from the Revenue of the Utility System and relate to the general management and support functions of the Utility System. Fiscal Year 2010 excludes \$365,583 of legal expenses that are not annually recurring. Fiscal Year 2011 Stormwater was increased from \$971,179 to \$994,979 to include healthcare expenses of \$23,800. During FY 2014, a thorough review of the account classifications was completed for FY's 2011-2013, which resulted in minor modifications to previous fiscal years.
- [6] Amounts reflect Bond Service Requirement on Outstanding Bonds issued in accordance with the provisions of the Bond Resolution. Fiscal Year 2011 Total Bond Service Requirements was decreased from \$4,063,850 to \$3,092,305 as interest totaling \$971,545 was included twice. For 2014, the decrease in total bond service requirement from FY 13 to FY 14 is due to the following: the refunding of the Series 2003 and 2004 bonds; and the restructuring of debt payments from September 30th to October 1st, so the fiscal year the payments are made, align with the fiscal year the payments are due.
- [7] Reference is made to the Rate Covenant as more fully described in Section 20, article (D) of the Bond Resolution (referred as the "COVENANTS OF THE ISSUER - Rate Covenant"). There was a decrease in the total bond service requirement from FY 2013 to FY 2014 as noted in footnote [6]. Had this adjustment not been made, the calculated bond service coverage would have been 1.88.
- [8] Amounts reflect the System Development Charges Available for Bond Service Requirement considering that pursuant to the Bond Resolution, the Water and Sewer System Development Charges for each year shall not include any amounts in excess of the Bond Service Requirement for each series of Bonds for each Bond Year multiplied by the Expansion Percentages. FY's 2010-2012 were amended as the calculation used in prior years did not appropriately reflect the System Development Charges Available for Bond Service.
- [9] Adjusted Net Revenue determined as follows: calculated only for the rate covenant contained in the State Revolving Fund (SRF) Loan Agreement administered by the FDEP:

	Fiscal Year Ended September 30,				
	2014	2015	2016	2017	2018
Net Revenues [18]	\$ 6,580,298	\$ 7,325,406	\$ 7,827,595	\$ 9,020,853	\$ 8,693,601
Less Senior Lien Debt Service	2,783,972	3,168,561	3,491,672	3,588,941	3,631,334
Less Senior Lien Debt Service Coverage Requirement (10% of Debt Service)	278,397	316,856	349,167	358,894	363,133
Net Revenues Available for SRF Loan Coverage Calculation	<u>\$ 3,517,929</u>	<u>\$ 3,839,990</u>	<u>\$ 3,986,755</u>	<u>\$ 5,073,018</u>	<u>\$ 4,699,134</u>

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

Footnotes continue on following page

- [14] Amounts shown reflect annual deposits to the Vehicle Replacement Fund and the Information Technology Fund which have been established by the City and used as an Utility System asset replacement fund. Amounts reflected since funds are used specifically for Utility System asset replacement.
- [15] Amounts shown reflect payments for leases payable from Utility System revenue after payment of all other required transfers as delineated in the Bond Resolution and include the following. Such leases are not secured by a lien on net revenues of the Utility System.

	Fiscal Year Ended September 30,				
	2014	2015	2016	2017	2018
Subordinate Leases					
SunTrust (Generator) Lease (a)	\$ 93,210	\$ 93,210	\$ -	\$ -	\$ -
BB&T (Street Sweeper) Lease (b)	-	-	-	-	-
BOA (Meter Replacement) Lease (c)	289,916	289,696	289,639	289,580	289,519
Total Subordinate Leases	<u>\$ 383,126</u>	<u>\$ 382,906</u>	<u>\$ 289,639</u>	<u>\$ 289,580</u>	<u>\$ 289,519</u>

(a) Reflect lease for a generator located at the West Mitchell Hammock WTF; cost is allocated to Utility System and is identified as a recognized transfer.

(b) Reflect lease for a street sweeper (Stormwater System) and replacement of a telephone system (General Fund). Amounts shown represent pro rata share of lease allocable to street sweeper project. Cost is allocated to Utility System and is identified as a recognized transfer.

(c) Reflect lease for conversion of manual read meters to radio read meters; cost is allocated to Utility System and is identified as a recognized transfer.

- [16] Amounts shown do not include pledged Utility Enterprise System Development Charges which are deposited in a restricted fund and are available for capacity-related capital projects; amount represents additional funds available for any other Utility System renewal and replacements and any other lawful purposes of the Utility System.
- [17] System Development Charges Collected were amended for FY 2012.
- [18] During FY 2018 it was determined that developer contributions had been included in Other Operating Revenues in FY 2017. This was adjusted in FY 2018, and reflects an overall decrease in Net Revenues. As a result of the adjustment to Net Revenues for FY 2017, the Calculated Bond Service Coverage ratio was also amended for FY 2017 from 2.73 to 2.51.

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Other Reports

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council
City of Oviedo, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oviedo, Florida (the City), as of and for the year ended September 30, 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 14, 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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.

McDiernit Davis & Company, LLC

Orlando, Florida
March 14, 2019

MANAGEMENT LETTER

Honorable Mayor and City Council
City of Oviedo, Florida

Report on the Financial Statements

We have audited the financial statements of the *City of Oviedo, Florida (the City)*, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 14, 2019.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports which are dated March 14, 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 findings and recommendations made in the preceding annual financial audit report. There were no such findings in the preceding 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. This information has been disclosed in the notes to financial statements.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more 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 did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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.

Additional Matters

Section 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, the City Council and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McDiernit Davis & Company, LLC

Orlando, Florida
March 14, 2019

Honorable Mayor and City Council
City of Oviedo, Florida

We have audited the financial statements of the *City of Oviedo, Florida* (the City) for the year ended September 30, 2018, and have issued our report thereon dated March 14, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated December 3, 2018, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of significant accounting policies adopted by the City are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements are:

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

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

Management's estimate for the allocation of OPEB liability and expense is based on total employee counts in each department. We evaluated the assumptions used to develop the allocation method in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to the recording of investments at fair value.

Significant Difficulties Encountered During the Audit

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

Uncorrected and Corrected Misstatements

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

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

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

Representations Requested from Management

We have requested certain representations from management that are included in the management representation letter dated March 14, 2019.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

McDiernit Davis & Company, LLC

Orlando, Florida
March 14, 2019

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

The Honorable Mayor and City Council
City of Oviedo, Florida

We have examined City of Oviedo, Florida's (the City) 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 the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States 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, City of Oviedo, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

MCDIRMIT DAVIS & COMPANY, LLC

Orlando, Florida
March 14, 2019



AFFIDAVIT OF IMPACT FEE COMPLIANCE

The City of Oviedo, Florida has complied with Section 163.31801 of Florida Statutes regarding accounting and reporting of Impact Fee collections and expenditures.

Jerry Boop, CPA, CGFO
Finance Director

Notary: Tracy Rodriguez
(Seal)

